



Community College District 509  
1700 Spartan Drive, Elgin, IL

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2017



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, 2017 and 2016

Prepared by  
Finance Department

**ELGIN COMMUNITY COLLEGE**  
**DISTRICT NUMBER 509**  
**ELGIN, ILLINOIS**  
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## **INTRODUCTORY SECTION**

**ELGIN COMMUNITY COLLEGE**  
**Community College District No. 509**

Principal Officials

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**BOARD OF TRUSTEES**

Members

Jeffrey Meyer, Chairperson  
Donna Redmer, Vice Chairperson

John Duffy

Angela Holmes

Clare Ollayos

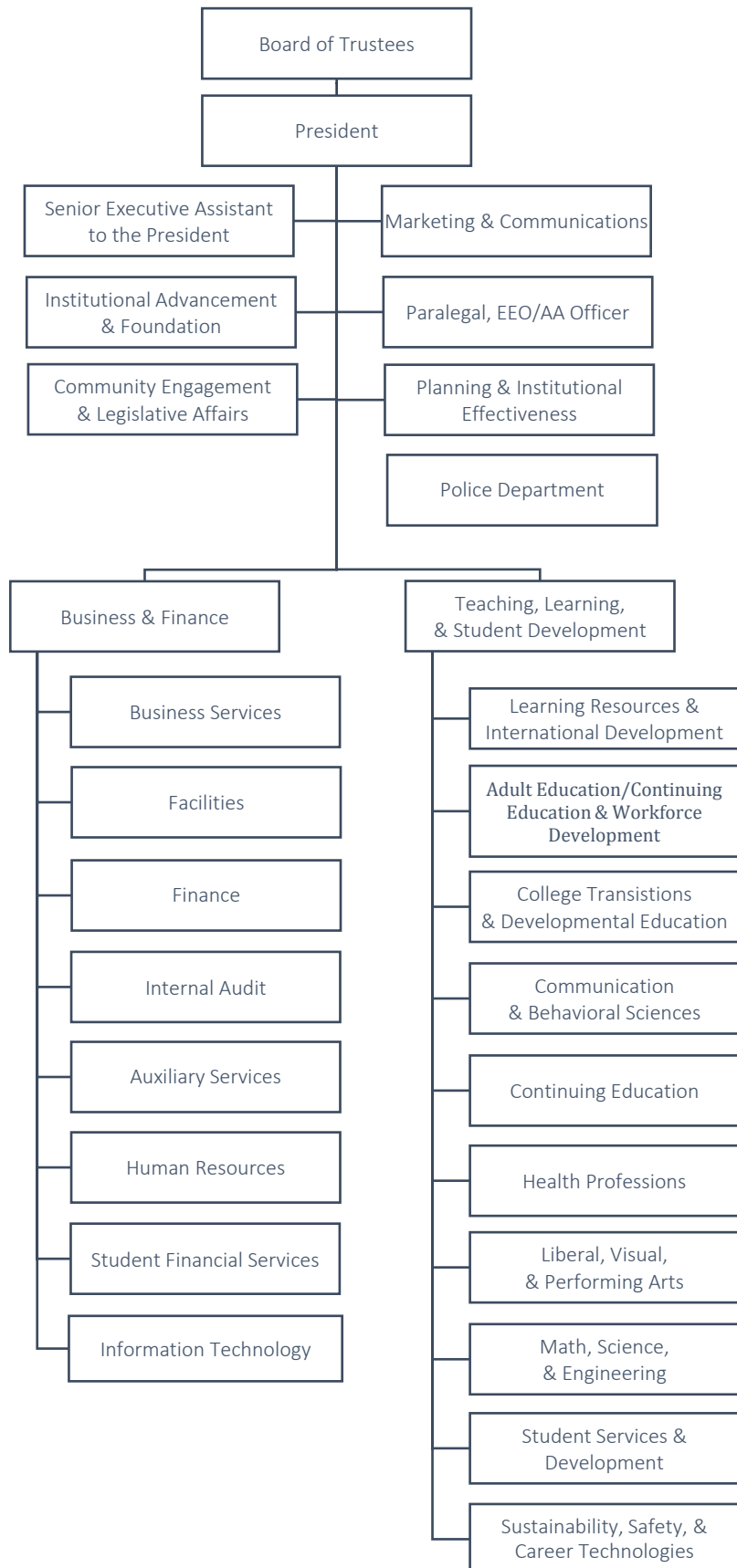
Jennifer Rakow

Candace McCreary

David Jones, Student Member of the Board

David Sam, President

## 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, 2016**

Executive Director/CEO



October 3, 2017

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, 2017, 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 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, philosophy statement, shared values, themes, goals, strategic metrics, and strategies as defined below.

Mission purpose)	Statement about why the college exists (our
Vision	Statement about where we are headed (our future)
Philosophy Statement	Core conceptual framework that guides our work
Shared Values	Foundational beliefs that support our philosophy statement

Themes	Concepts that emerged from planning discussion held in 2016-2017 which provide a setting for creating new goals and strategies
Goals	Broad intentions we intend to accomplish during the five-year span of this plan
Success Metrics	Reportable measures to assess whether we have accomplished goals
Strategies	Specific and reportable actions we intend to accomplish within each goal

The strategic plan for 2018 through 2022 is currently in draft format and will be presented to the board of trustees on October 10, 2017 for final approval. It contains four goals and 14 strategies. The goals encompass four key themes which include: Equity and Learning (strategies 1 through 3), Holistic Programming (strategies 4 through 6), Community Partnerships (strategies 7 through 10), and Service Excellence and Collaboration (strategies 11 through 14). Within these strategies, success metrics provide specificity on measuring the work performed. The strategic plan is as follows:

## **MISSION**

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

## **VISION**

We will pursue our Mission by focusing all our efforts on making Elgin Community College a national leader in promoting success for all students. This Vision will be attained through a commitment to provide innovative and affordable learning opportunities for all constituencies and to promote cultural competence and community partnership in our decisions and actions.

## **PHILOSOPHY ON LEARNING**

Learning is the primary driver behind our Mission and Vision. We believe learning is a lifelong process of intellectual and interpersonal growth that occurs when individuals expand their depth of knowledge, skills, and experiences. We further believe that learning empowers individuals to improve their lives and the economic, social, and cultural conditions of local and global communities.

## **SHARED VALUES**

### **Excellence**

Our programs and services strive for the highest level of excellence to successfully achieve our Vision. We use research-based methods to strengthen curriculum and deliver high-quality learning-centered instruction and services.

### **Freedom of Inquiry**

We believe learning 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. We strive to create environments where inquiry flourishes and guides innovation.

### **Equity**

We are an inclusive community that provides students, employees, and community members with full access to all resources needed to achieve their individual goals. We will achieve the highest levels of excellence in our commitment to equity and inclusion.

### **Diversity**

We commit to create and maintain a safe community that is ethnically, racially, culturally, and socially diverse and inclusive. We will celebrate and promote diversity in all forms and perspectives and advance the values of social justice and global citizenship.

### **Ethical Practices**

We are responsible to carry out our work with honesty and integrity. Our decisions and actions are guided by our Vision and not by personal interests, and they will be enacted with a sense of service to students and community members.

### **Accountability**

As a public institution we commit to make the best use of resources. We strive to be transparent in reporting our decisions and actions and seek feedback from others as we continuously improve our practices.

### **Collaboration**

The college is actively committed to serving students, employees, and communities. The decisions and actions we undertake in carrying out our Vision derive from working cooperatively in partnership with internal and external constituencies.

## **STRATEGIC THEMES, GOALS, AND STRATEGIES**

### **THEME: EQUITY AND LEARNING**

**GOAL: IDENTIFY AND EXPAND PRACTICES TO RAISE ACADEMIC ACHIEVEMENT AND COMPLETION**

- Strategy 1: Create equitable learning environments to ensure that all students acquire the knowledge and skills needed for academic and career success
- Strategy 2: Develop students' self-advocacy skills and professional behaviors
- Strategy 3: Study and model research-based teaching practices that elevate student learning

#### **Success Metrics**

- Improve achievement metrics for identified target populations. Achievement metrics include rates for: course success; retention; graduation; transfer; and job attainment
- Reduce the proportion of students enrolling in developmental coursework
- Increase the proportion of employees and students who complete cultural competence training

### **THEME: HOLISTIC PROGRAMMING**

**GOAL: STRATEGICALLY BUILD AND MAINTAIN ENROLLMENT AND PURPOSEFUL PATHWAYS**

- Strategy 4: Strengthen outreach, recruitment, retention, and completion of key target populations
- Strategy 5: Routinely assess and adjust college practices to ensure that students make informed decisions
- Strategy 6: Develop an institution-wide approach to class scheduling and the efficient use of student resources

#### **Success Metrics**

- Increase the number of enrolled students from identified target populations
- Reduce the proportion of students having “undecided” as their program of study
- Increase the proportion of students who successfully complete the recommended course sequence each semester for their chosen program of study
- Increase the proportion of students who successfully complete co-curricular learning opportunities

**THEME: COMMUNITY PARTNERSHIPS****GOAL: DEVELOP MUTUALLY BENEFICIAL DOMESTIC AND GLOBAL RELATIONSHIPS**

- Strategy 7: Prepare students for college and ensure successful transitions through the educational pipeline (preschool through bachelors degree)
- Strategy 8: Strengthen student learning connections outside the classroom
- Strategy 9: Leverage community and workforce partnerships to develop resources and secure funding to support program and student needs
- Strategy 10: Design and structure programs in ways that respond to community and workforce needs

**Success Metrics**

- Increase the number of new partnerships and programs in emerging fields as determined by environmental scanning
- Increase the number of district high school students enrolling in dual credit opportunities
- Increase the proportion of key community constituencies who are aware of ECC's brand (quantitatively and/or qualitatively)
- Increase the number of community members attending ECC events, programs, and using ECC services
- Assess the direct and indirect impacts of ECC on the local economy (quantitatively and/or qualitatively)

**THEME: SERVICE EXCELLENCE AND COLLABORATION****GOAL: INSTILL A CULTURE OF SERVICE EXCELLENCE**

- Strategy 11: Provide relevant continuing education opportunities for employees
- Strategy 12: Improve the recruitment, hiring, and onboarding of new faculty, staff, and administrators
- Strategy 13: Strengthen cross-departmental communication and opportunities for dialog and reflection
- Strategy 14: Systematically use evidence to guide academic and operational improvements and redirect resources for maximum impact

**Success Metrics**

- Improve employee satisfaction ratings of institutional processes (e.g., internal communications, efficacy of training, etc.)
- Increase the proportion of employees participating on institutional committees
- Increase the proportion of employees who complete professional development
- Reduce the time required to fulfill key institutional processes (e.g., hiring, contract approvals, etc.)

**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 2015 American Community Survey estimates (5-year average), the College serves an area of 486,480 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.

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, 55% 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).

## 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

	<b>District 509</b>
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 declining over the past couple years. 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 4.8% as of August 2017, placing it slightly below the state's unemployment rate of 5.2%, but higher than the US unemployment average of 4.4% 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 2017, enrollment declined by 5.17% from 198,445 credit hours in fiscal year 2016 to 179,655 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 (10<sup>th</sup> day of each term) and end-of-semester total credit hours generated for the last 3 years are contained below:

Fiscal Year	2015	2016	2017
Fall Enrollment	10,937	10,336	9,918
Spring Term Enrollment	10,638	10,215	9,689
Summer Term Enrollment	5,200	5,157	4,882
Annual Unduplicated Enrollment	16,598	16,114	15,211
Total Claimed Credit Hours	195,829	189,445	179,655

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 2018

Planning for fiscal year 2018 has been challenging due to the budget impasse at the State of Illinois. In 2016, the College eliminated \$5.1 million in expenses in order to balance the budget. In the 2017 and 2018 budget, the College has focused on maintaining operations 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 2018: student success; workforce development council, strategic planning; Online Course Catalog, and facilities master planning. Following is a brief description of plans in each area.

## STUDENT SUCCESS PROJECTS

The Student Success Infrastructure (SSI), and the SSI Coordinating council, is the College's umbrella organization where student success interventions on campus are strategized. Its purpose is to promote "broad engagement around student success by focusing on innovations that produce systemic results" and is composed of faculty and administrators working together to determine where we should best leverage our efforts to maximize results. The SSI also pilots projects for future scaling. In the past few years, SSI has been operating on a 'status quo' mode – doing what is necessary to keep moving but scaling back on larger initiatives.

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 2018 relates to 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.

**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. Credit in these classes qualify for both College credit and count as high school credit.

**Dual Credit** in the high schools is the same concept as Accelerate College; however, the classes will be held at the high schools for high school students to earn both college and high school credit. The college will pilot this program in the high schools within the district offering a select few classes in fall of 2018. The agreements with the schools and planning for the pilot program will be established during the fiscal year to prepare for delivery in fiscal year 2019.

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

### **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. In fiscal year 2018, the program will be expanded into additional course sections and the effectiveness will continue to be monitored for consideration for institutionalizing the practice.

### **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 hired 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. The coordinator meets extensively with students facing challenges, strengthens new student welcomes, sponsors speaker series during African American month, coordinates a student peers mentoring program, and reinvigorated the Black Student Achievers club. Preliminary analysis has indicated that students that meet with the coordinator attempt and complete more credit hours than similar students that do not. It is

hopeful that despite the state funding situation that the coordinator position will be expanded to full-time from part-time in fiscal year 2018.

### **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. This program has been extended into fiscal year 2018 from prior years.

### **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. There are six mentor-mentee pairings, early results indicate satisfaction both on the part of both new as well as seasoned faculty members.

## **WORKFORCE DEVELOPMENT COUNCIL**

Workforce development is an area that was identified as inadequate by the College. In order to bridge the gap and become effective, the College has established a Workforce Development Coalition with the following mission:

- Foster the capacity of individuals to achieve lifelong economic independence and contribute positively to society as responsible citizens.
- Support local and regional economic development by providing programs and services that help organizations meet current and anticipated market demands in a competitive global context.

The Coalition will work to establish and strengthen partnerships with business and workforce partners within the district by responding to community needs and identifying labor market trends to make program and service recommendation to the College. The objectives for fiscal year 2018 will be to evaluate the needs and develop apprenticeship programs, engage with businesses to establish relationships, and develop annual goals to the guide the council.

## **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 2022. A comprehensive survey of community residents and area employers and a regional economic outlook/labor market scan was 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.

## **ONLINE COURSE CATALOG**

The College has been moving toward digital print for many documents within the College and reducing paper copies where possible. With the implementation of self service options for students to plan their education path, register online, and process payments online, etc. The College has been limited the number of catalogs that have been printed and directing students to the internet when possible. In fiscal year 2018, the college will be implementing an online catalog system and eliminated the printed version of the catalog. The catalog will be user friendly and easily accessible to the students and the community, as well as, bring efficiencies, and reduce printing costs for the College.

## **FACILITIES MASTER PLAN**

The current 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 library, health and life sciences building, general classroom building, new Center for Emergency Services in Burlington, Illinois, deferred maintenance and remodeling of outdated buildings on campus, as well as, infrastructure improvements. A bond referendum was approved by the taxpayers of the district in April of 2009 that enabled to College to complete the major projects and deferred maintenance laid out in the master plan. The College is analyzing and prioritizing needs on campus and will start the process to update the facilities master plan for the next five to ten years in fiscal year 2018.

## **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 uncertainty of annul budgets 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 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, 2016. 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 2016. We believe our current report for the fiscal year ended June 30, 2017 continues to meet the stringent program requirements for the Certificate of Achievement and will be submitted to GFOA.

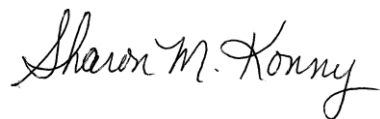
In addition, Elgin Community College also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 14, 2016 for the fiscal year ending June 30, 2017. This is the eighth budget award the College has received. In order to qualify for the Distinguished Budget 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 2018 budget has been submitted to GFOA for the Distinguished Budget Presentation Award. Although the format and requirements have changed, 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,



SHARON M. KONNY  
Vice President of Business and Finance

## **FINANCIAL SECTION**





1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

630.566.8400 // [www.sikich.com](http://www.sikich.com)

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 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, 2017 and 2016, 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, 2017 and 2016, 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, supplementary information, supplemental financial information, uniform financial statements 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 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, 2017 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, 2017

# **Elgin Community College**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Introduction**

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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, 2017; June 30, 2016; and June 30, 2015. 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**

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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.

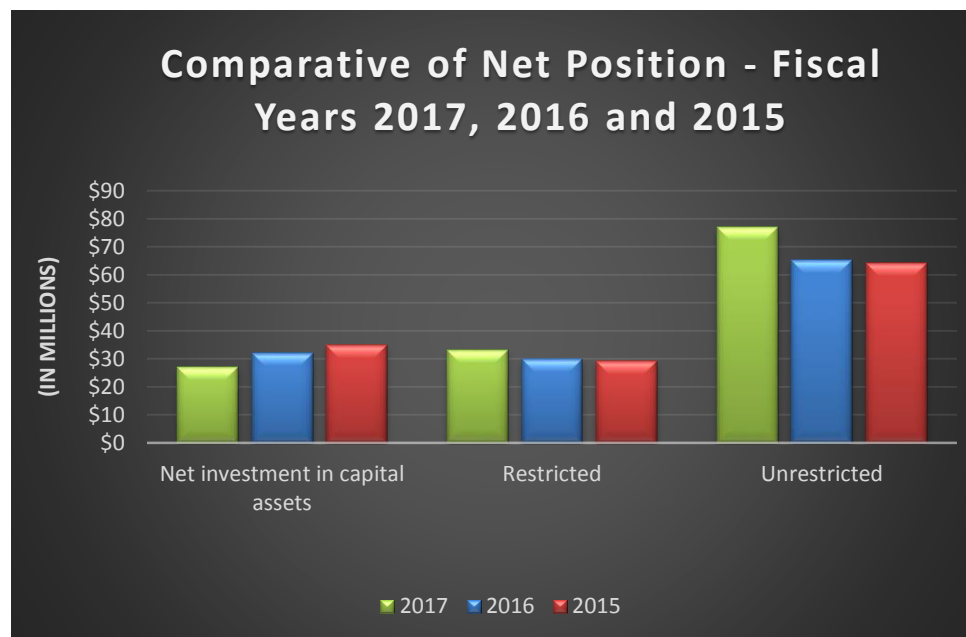
### **Financial Highlights**

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The College's financial position remained stable during fiscal year ended June 30, 2017. At the end of fiscal year 2017, the College's net position increased significantly due to the State of Illinois passing a budget on July 6, 2017. The College received funding that it had not received in two years. The State of Illinois passed additional funding for the College's base operating grant in the amount of \$3.1 million for fiscal year 2017. Receiving this funding at the end of the College's fiscal year contributed to a change in net position of \$9.7 million. The College had no time to spend these additional funds in fiscal year 2017 and funding for Adult Basic Education resulted in funds from the education fund being reallocated to the restricted funds for this grant. In fiscal year ended June 30, 2016, the College experienced a loss of \$92,273 due to 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 change in net position was \$6.7 million.

## **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, 2017; June 30, 2016; and June 30, 2015:



## **The Statement of Net Position**

The College's financial position throughout fiscal year 2017 was stable due to cautious spending. The uncertainty of the State of Illinois' budget and the unknown financial implications due to the lack of the state budget caused the College to be very conservative and careful with its spending. On July 6, 2017, the State of Illinois passed a budget that included \$161.0 million in funding to community colleges for fiscal year 2017. Elgin Community College received \$3.1 million of that approved state budget appropriation for fiscal year 2017 in addition to the \$2.1 million the college had received for fiscal year 2017 in stop gap funds approved the previous June. The approved budget from the state also provided required state maintenance of effort funding for fiscal year 2017 for adult education and career and technical education that amounted to a combined total of \$1.7 million for the College. This funding allowed the college to recapture \$0.7 million in adult education expenses that were recorded in the Education Fund that were covered by the grant and moved to the restricted fund as of June 30, 2017. Aside from the additional allocations from the state, the college also had savings that contributed to the \$9.7 million increase in net position. This is further discussed throughout the management discussion and analysis.

The College's financial position remained stable during fiscal year ended June 30, 2016. The 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 2017 were \$366.6 million, an increase of 1.1 percent or \$4.0 million when compared to fiscal year 2016. This increase was the net between the \$9.9 million increase in current assets and the \$5.8 million decrease in total noncurrent assets. The College's capital assets increased by \$3.7 million. Accumulated depreciation increased by \$9.5 million. The net capital assets for fiscal year 2017 decreased by \$5.8 million. In fiscal year 2016, total assets and deferred outflows decreased \$12.4 million when compared to fiscal year 2015. The net decrease was a combination of a \$14.9 million decrease in current assets and a \$2.5 increase in capital assets net of depreciation. In fiscal year 2016, capital assets increased \$11.8 million while accumulated depreciation increased \$9.3 million. The net capital assets in fiscal year 2016 increased \$2.5 million compared to fiscal year 2015. In fiscal year 2015, total assets and deferred outflows of resources were \$375 million.

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, 2017; June 30, 2016; and June 30, 2015:

**Statement of Net Position**  
**June 30,**

			Inc/(Dec)	
	2017	2016	2017/2016	2015
<b>Current assets</b>	\$ 154,965,608	\$ 145,080,323	\$ 9,885,285	\$ 146,925,601
Restricted assets	6,409,564	6,374,183	35,381	19,449,146
Total current assets	161,375,172	151,454,506	9,920,666	166,374,747
<b>Non-current assets</b>				
Capital assets, net of depreciation	204,921,142	210,764,086	(5,842,944)	208,265,757
Total non-current assets	204,921,142	210,764,086	(5,842,944)	208,265,757
Total assets	366,296,314	362,218,592	4,077,722	374,640,504
<b>Deferred outflows of resources</b>	349,311	358,074	(8,763)	368,637
Total assets and deferred outflows of resources	366,645,625	362,576,666	4,068,959	375,009,141
<b>Current liabilities</b>	23,973,535	25,275,137	(1,301,602)	32,515,753
<b>Non-current liabilities</b>	175,971,138	180,604,198	(4,633,060)	185,159,413
Total liabilities	199,944,673	205,879,335	(5,934,662)	217,675,166
<b>Deferred inflows of resources</b>	29,551,428	29,258,652	292,776	29,803,022
Total liabilities and deferred inflows of resources	229,496,101	235,137,987	(5,641,886)	247,478,188
<b>Net Position</b>				
Net investment in capital assets	27,119,754	32,216,404	(5,096,650)	35,206,436
Restricted for:				
Capital projects	18,455,427	16,241,168	2,214,259	14,043,493
Debt service	3,746,425	3,549,757	196,668	4,435,843
Specific purposes	6,966,647	6,508,712	457,935	6,216,059
Working cash	4,014,363	4,014,363	-	4,014,363
Unrestricted	76,846,858	64,908,275	11,938,583	63,614,759
<b>Total net position</b>	\$ 137,149,474	\$ 127,438,679	\$ 9,710,795	\$ 127,530,953

**Net Position as of June 30**

Net position is comprised of three major categories. Net investment 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, 2017; June 30, 2016; and June 30, 2015:

### Operating Results for Years Ended June 30,

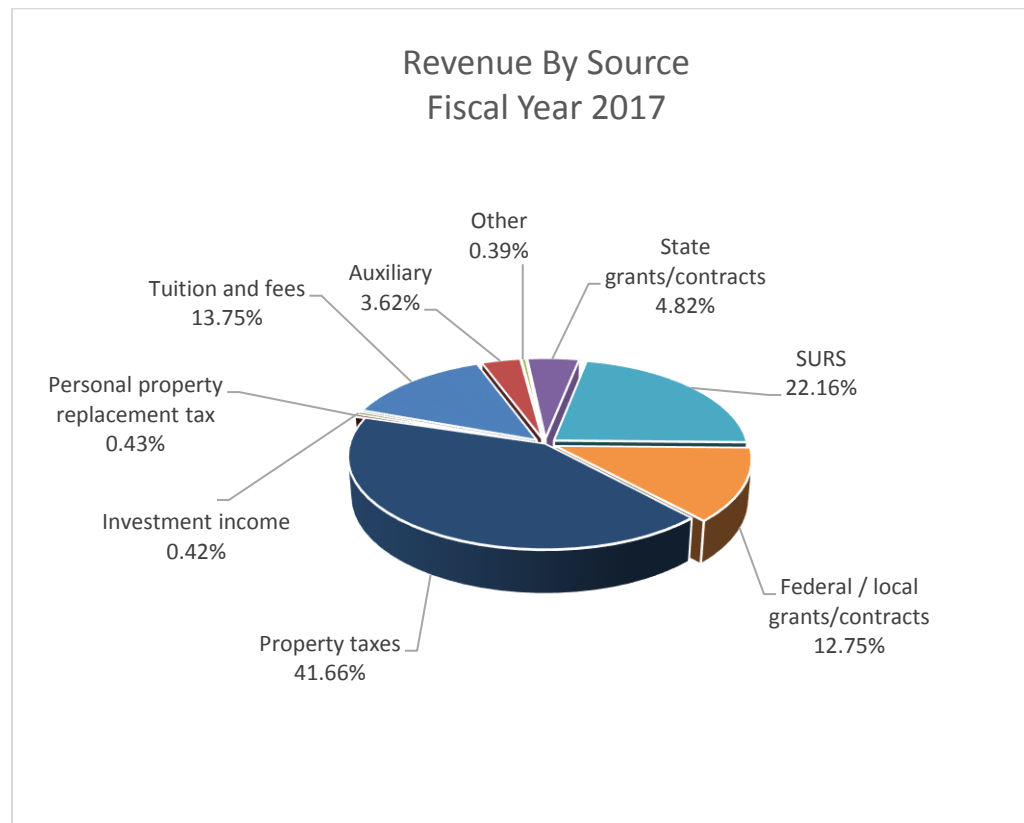
	2017	2016	Inc/(Dec) 2017/2016	2015
<b>Operating Revenues</b>				
Tuition and fees	\$ 19,698,407	\$ 18,708,812	\$ 989,595	\$ 17,874,796
Auxiliary enterprises revenue	5,190,530	5,447,158	(256,628)	5,842,478
Other operating revenue	563,841	585,537	(21,696)	572,867
Total operating revenues	25,452,778	24,741,507	711,271	24,290,141
<b>Non-Operating Revenues</b>				
State grants and contracts	6,906,698	2,584,487	4,322,211	7,049,526
State Universities Retirement System (SURS)	31,752,682	23,837,660	7,915,022	19,444,716
Federal and local grants and contracts	18,266,445	19,453,978	(1,187,533)	20,798,694
Property taxes	59,700,764	59,783,305	(82,541)	60,113,167
Personal property replacement tax	612,836	481,466	131,370	599,265
Investment income	607,277	478,633	128,644	334,156
Total non-operating revenues	117,846,702	106,619,529	11,227,173	108,339,524
<b>Total Revenues</b>	143,299,480	131,361,036	11,938,444	132,629,665
<b>Operating Expenses</b>				
Instruction	46,731,411	43,549,796	3,181,615	41,133,232
Academic support	11,540,322	10,678,304	862,018	10,541,916
Student services	10,199,159	10,266,124	(66,965)	9,840,585
Public services	727,052	648,532	78,520	637,014
Auxiliary services	6,317,873	6,980,338	(662,465)	7,640,447
Scholarships and student grants	6,697,679	7,584,922	(886,719)	8,465,310
Operation and maintenance of plant	11,948,992	11,289,345	659,647	11,020,170
Institutional support	21,355,749	22,461,019	(1,105,270)	20,478,735
Depreciation	9,540,919	9,281,794	259,125	7,849,474
Total operating expenses	125,059,246	122,740,174	2,319,506	117,606,883
<b>Non-Operating Expenses</b>				
Interest expense	8,529,439	8,713,135	(183,696)	8,977,871
Total non-operating expenses	8,529,439	8,713,135	(183,696)	8,977,871
<b>Total Expenses</b>	133,588,685	131,453,309	2,135,810	126,584,754
<b>Change in net position before capital contributions</b>	9,710,845	(92,273)	9,802,634	6,044,911
Capital Contributions	-	-	-	615,944
<b>Change in net position</b>	9,710,845	(92,273)	9,802,634	6,660,855
<b>Net position at beginning of year</b>	127,438,679	127,530,952	(92,273)	120,870,098
<b>Net position at end of year</b>	\$ 137,149,524	\$ 127,438,679	\$ 9,710,361	\$ 127,530,953

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.

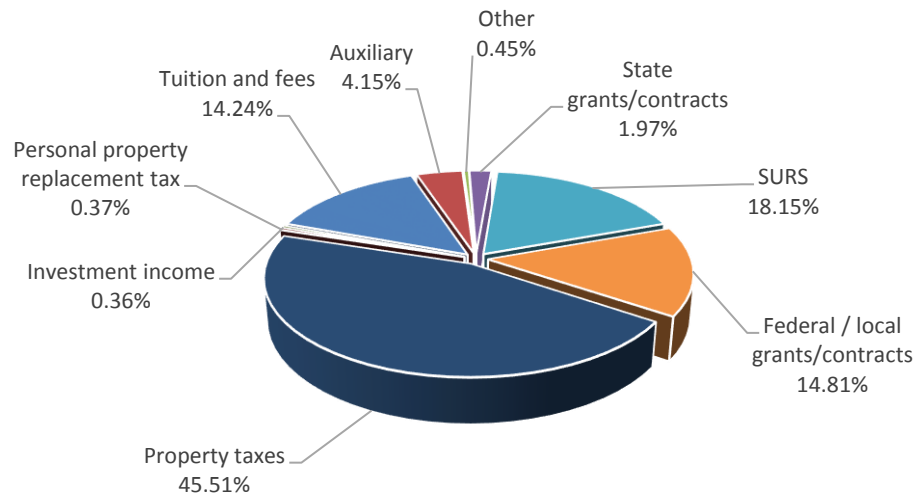


Internally, the College accounts for its activities using fund accounting, which is then reorganized into operating and non-operating components for the basic financial statements. The College accounts for its operating revenues through student tuition and fees, chargeback revenue, auxiliary enterprises 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.

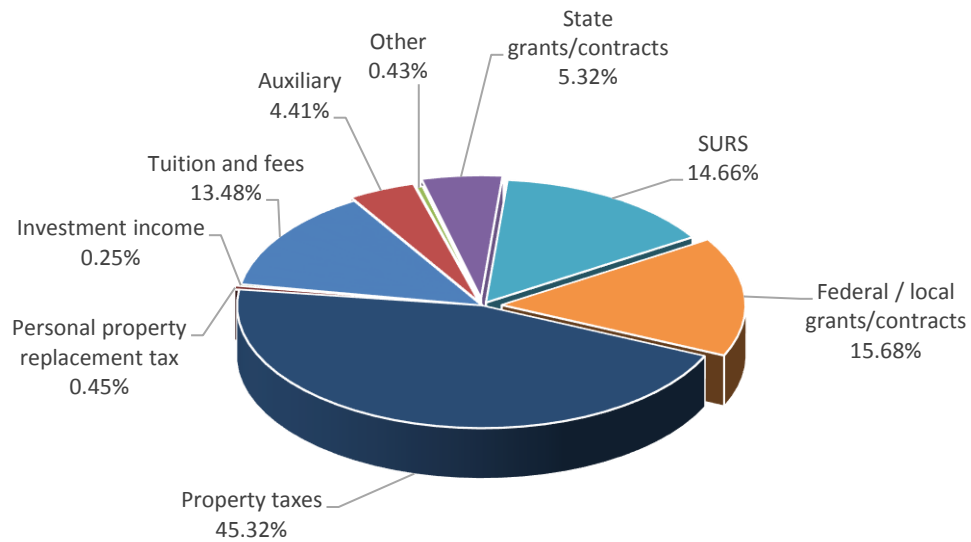
The following charts show the percentage of these sources of revenues as they were for the years ended June 30, 2017, June 30, 2016 and June 30, 2015:



### Revenue By Source Fiscal Year 2016



### Revenue By Source Fiscal Year 2015



The College's main source of revenue is derived from local property taxes, which accounted for 41.66 percent of the total revenues in fiscal year 2017; 45.51 percent of total revenues in fiscal year 2016; and 45.32 percent of total revenues in fiscal year 2015. The

second largest source of income for the College is tuition and fees which made up 13.75 percent of total revenues in fiscal year 2017. However, in fiscal years 2016 and 2015, tuition and fees was the third largest source of income. In fiscal year 2016, tuition and fees was 14.24 and in fiscal year 2015, tuition and fees was 13.48 percent of total income. Federal and local grants and contracts are the third largest source of income of for the College in fiscal year 2017. In fiscal year 2017, federal and local grants and contract revenue amounted to 12.75 percent of the College's revenue. In fiscal year 2016, federal and local grants and contracts were the second largest source of revenue at 14.81 percent and in fiscal year 2015 it was 15.68 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 property tax payers and students to fund the community colleges. Fiscal year 2017 marks the first time that tuition and fee revenue became the second largest source of revenue. In the past tuition and fee revenue was always the College's third source of revenue. This is evident in Elgin Community College's state grants and contracts revenue. In fiscal year 2017, state grants and contract revenue made up 4.82 percent of the total revenue; 1.97 percent of total revenue for fiscal year 2016; and 5.23 percent of total revenue for fiscal year 2015. The State of Illinois passed a budget on July 6, 2017 for fiscal years 2017 which allocated state adult education grant funds to community colleges. The increase in state grant and contract revenue in fiscal year 2017 reflects these funds.

### **Fiscal year 2017**

For the College as a whole, total revenue increased by \$11.2 million when compared to fiscal year 2016.

- Property tax revenue remained relatively flat when compared to fiscal year 2016 with a slight decrease of \$0.08 million and when compared to fiscal year 2015, the property taxes decreased \$0.41 million in fiscal year 2017. The debt service extension in fiscal year 2017 remained flat compared to fiscal year 2016. 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 2017, CPI reduced to 0.70 percent from a CPI of 0.80 percent in fiscal year 2016. In fiscal year 2015, CPI was amounted to 1.50 percent.
- State grants and contracts have increased \$4.3 million when compared to fiscal year 2016. As stated previously, the State of Illinois passed a 2017 and 2018 budget (Senate Bill 6) on July 6, 2017. In this budget, the College received an additional \$1.70 million for adult education and career and technical grants that could be applied to fiscal year 2017 expenses. The college also received \$1.11 million in Illinois MAP funds for the academic period ending in fiscal year 2017. Along with the budget that passed in July 2017, the College also received stop gap funding in June 2016 for adult education and for the college's base operating grant to fund fiscal year 2017.
- State University Retirement System (SURS) had a \$7.91 million dollar increase in fiscal year 2017 compared to fiscal year 2016 and a \$12.30 million dollar increase when compared to fiscal year 2015. The increase in the revenue recognized is 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 increase in fiscal year 2017 is a 33.20 percent increase from 2016 and a 63.30 percent increase from 2015. The increase in revenue is offset by the same increase in expenses for SURS retirement costs incurred by the State on behalf of the College.

- Federal grants and local grants and contracts decreased \$1.18 million when compared to fiscal year 2016. In fiscal year 2017, the College awarded \$0.97 million less in PELL grants than in fiscal year 2016. The PELL grant is an entitlement grant that the College has no control over who attends the college or who is awarded this grant. There are more students paying out of pocket versus receiving the PELL grant which is a sign of better economic times. The number of direct loan students decreased minimally and the average direct loan per student was the same compared to fiscal year 2016. The College's federal grants decreased by \$0.71 million. In fiscal year 2017, the College ended the contract on December 31, 2016 with DCEO Small Business and Development grant due to the lack of funding from the State. The federal grants also decreased in fiscal year 2017 due to a three year grant that ended in fiscal year 2016 and funding was not continued in fiscal year 2017.
- Tuition and fee revenue in the education fund increased by \$0.45 million in fiscal year 2017 when compared to fiscal year 2016. The tuition and fee revenue increase slightly due to the \$6 per semester hour increase. In-district tuition went from \$119 in fiscal year 2016 to \$125 in fiscal year 2017. In fiscal year 2016, there was a \$5 increase going from a fiscal year 2015 semester hour rate of \$114 to \$119. Total credit hours claimed in fiscal year 2017 decreased 5.17% from fiscal year 2016.
- Overall, the College's increase in net position amounted to \$9.71 million in fiscal year 2017. The College received an additional \$3.40 million and \$.091 million over what was budgeted for the ICCB base operating grant and the CTE Formula funding, respectively. The College received \$0.20 million more in interest than what was budgeted for fiscal year 2017. With the uncertainty of the State of Illinois budget, the College had to reduce its workforce. The College had a hiring freeze until the process of reducing the workforce was complete. In fiscal year 2017, there was a savings of \$0.32 million in benefits and \$1.26 million in salaries. Out of this \$1.26 million salary savings, \$0.76 million was due to reallocation of the Adult Education expenses to the restricted fund once the State of Illinois passed the budget on July 6<sup>th</sup>. The college also had a savings in adjunct faculty salaries that was \$1.85 million under budget. The College was conservative throughout the fiscal year due to the lack of a state budget and various equipment purchases were delayed to future years for areas such as housekeeping, information and technology, and instructional equipment.

### **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 and \$19.4 million in fiscal year 2015. 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 when compared to fiscal year 2015. 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. The College also awarded less direct loans in fiscal year 2016 compared to 2015. 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. 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.
- 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.

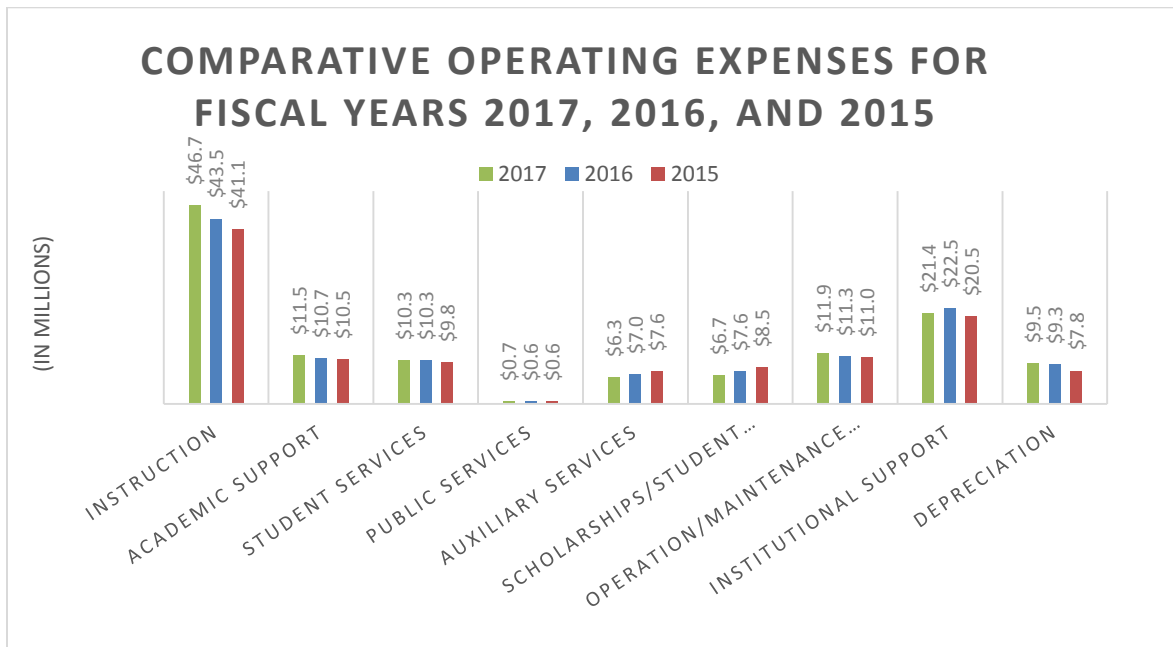
- Property tax revenue increased \$0.7 million compared to fiscal year 2014. The increase was due to the debt service extension as well as the increase allowed under the Property Tax Limitation Law (PTELL) which was CPI of 1.5 percent for the 2014 levy and 1.7 percent for the 2013 levy.
- State grants 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.

## 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 2017, overall operating expenses increased by 2.31 percent when compared to fiscal year 2016. Total operating expenses increased from \$117 million in fiscal year 2015 to \$122 million in fiscal year 2016 to \$125 million in fiscal year 2017. In the past, operating expenses had increased about \$5.0 million every fiscal year. In 2017, the college was experiencing the second fiscal year with no state budget and expenses were watched very carefully.

## Operating Expenses – By Function

The following is a graphic illustration of operating expenses:



### Fiscal Year 2017

- Fiscal year 2017 instructional expenses increased by 7.31 percent or \$3.18 million when compared to fiscal year 2016. Instructional salaries showed a decrease of \$1.24 million when compared to fiscal year 2016. In benefits expense, there was a \$4.33 million dollar increase that was attributed to the increase in the SURS pension expense for instructional employees. In fiscal year 2017, the expense increased to \$16.83 million from \$12.55 million in fiscal year 2016. The combination of the decrease in instructional salaries and the increase in instructional employee benefits had a net result of \$3.21 million increase in fiscal year 2017 when compared to fiscal year 2016. Due to careful monitoring of expenses, instructional costs such as contractual services, general materials and supplies, travel and conference and meeting expense and capital outlay expenses remained in line with fiscal year 2016 and fiscal year 2015.

- Operating expenses for academic support were \$0.87 million or 8.07 percent over fiscal year 2016. Salaries for academic support staff were in line with fiscal year 2016. The SURS pension expense for academic support staff increased by \$1.0 million when compared to fiscal year 2016. In fiscal year 2017, the SURS pension expense was \$3.73 million and in fiscal year 2016 it was \$2.73 million. Travel and conference in meetings expenses were down about half of what the expense was in fiscal year 2016. Due to the uncertainty of the State of Illinois' budget, the College had a no out of state travel policy in effect.
- Student services operating expenses and Public Service operating expenses remained flat when compared to fiscal year 2016.
- Scholarships and student grants decreased \$0.88 million or 11.69 percent when compared to fiscal year 2016. In fiscal year 2017, over half of the board designated institutional waivers shifted from the College to the College's Foundation. The College also had \$0.28 million less in direct loans to students and the PELL grants were \$0.97 million less than fiscal year 2016. There was a slight increase in the number of Supplemental Education Opportunity Grant awarded in fiscal year 2017 when compared to fiscal year 2016.
- The operation and maintenance of plant expenses increased \$0.66 million when compared to fiscal year 2016 and \$0.93 million when compared to fiscal year 2015. This increase is attributed to the increase in the SURS benefit increase in fiscal year 2017. The SURS benefit expense in fiscal year 2017 was \$2.88 million and in fiscal year 2016 it was \$2.17 million.
- Institutional support expenses decreased \$1.1 million in fiscal year 2017 compared to fiscal year 2016. Although there was an increase in institutional support benefit expenses of \$1.11 million due to the SURS pension expense, there were decreases in other areas such as salary expense, other contractual, general material and supplies and travel and meeting expenses. The small decreases in these areas when compared to fiscal year 2016, amounted to a net decrease of \$1.0 million for institutional support.

### **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.

#### **Long-Term Debt**

As of June 30, 2017, 2016, and 2015, the College had a total of \$180,481,138, \$185,049,198, and \$191,609,968 in outstanding bonded indebtedness, respectively. The decrease in long-term debt from fiscal years 2017, 2016, and 2015 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 21 - 26) for more detailed information.

## **Capital Assets**

	<b>Capital Assets, Net As of June 30,</b>		
	<b>2017</b>	<b>2016</b>	<b>2015</b>
Capital Assets			
Land and improvements	\$ 19,065,397	\$ 19,065,397	\$ 17,109,460
Site improvements	25,073,728	24,567,091	13,496,850
Construction in progress	-	1,210,825	18,809,614
Buildings	240,564,643	236,747,433	221,945,879
Machinery and equipment	14,326,850	13,741,897	12,198,167
Furniture and fixtures	214,032	214,032	206,582
Total capital assets	299,244,650	295,546,675	283,766,552
Less: accumulated depreciation	(94,323,508)	(84,782,589)	(75,500,795)
Net capital assets	\$ 204,921,142	\$ 210,764,086	\$ 208,265,757

Net capital assets decreased \$5.84 million in fiscal year 2017 when compared to fiscal year 2016. Net capital assets increased \$2.5 million in fiscal year 2016 and \$7.0 million in fiscal year 2015. In fiscal year 2017, site improvements increased \$0.50 million compared to fiscal year 2016. This increase was due to the parking lot improvements on campus. Construction in progress decreased \$1.21 million due to the completion of capital projects such as the Orchestra lift for the Blizzard Theater, the completion of Building G remodel and the expansion of the parking lots. At the end of fiscal year 2017, there were no projects remaining in construction in progress. The increase in buildings for fiscal year 2017 of \$3.81 million was attributed to new boiler in building M, the orchestra lift in the Blizzard Theater, and the complete of Building G renovations including the elevator. Machinery and equipment had an increase of \$0.58 million in fiscal year 2017. This was due to the purchase of new instructional equipment such as the Model City Simulator for the forensics classroom in Burlington, the addition of a training trailer for the Burlington campus and the driving simulator for the Burlington Campus and new equipment for the nursing lab. 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.

Please refer to the capital assets disclosures in the notes to the financial statements (Footnote 4. on pages 20 - 21) for more detailed information on capital activity.

### **GASB Statement Number 75**

The Management's Discussion and Analysis is normally reflective on the past three years; however, due to the significant impact this pronouncement will have on the College starting July 1, 2017, the College feels it is important to describe the impact here to readers.

The Government Accounting Standards Board (GASB) issued statement number 75 in June 2015 to replace GASB statement number 45 effective for fiscal years starting after June 15, 2017. GASB statement number 75 is the accounting and financial reporting for postemployment benefits other than pensions. It requires governments providing defined benefit OPEB (Other Post-Employment Benefits) plans to recognize the long term obligation for OPEB as a liability, and to more comprehensively and comparably measure the annual costs of OPEB benefits. GASB statement number 75 requires community colleges to record a liability for the first time on their financial statements by June 30, 2018 for the colleges' proportionate share of the unfunded liability related to the College Insurance Plan (CIP). The retiree health insurance plan or CIP is currently funded equally by the College, the employees, and the state. Each contribute one half of a percent of payroll representing the current contribution; however, this contribution plan has left an unfunded liability that is now shifting to the College. The total unfunded liability for CIP related to the state community college system as a whole is approximately \$2 billion. The College's pro-rata share is estimated at 4.5 percent or \$45 million. The College will develop a long term funding policy to cover the \$45 million unfunded liability related to CIP that will be recorded on the College's Statement of Net Position in the next fiscal year.

### **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.

## **BASIC FINANCIAL STATEMENTS**

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

**STATEMENTS OF NET POSITION**

June 30, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 30,469,369	\$ 31,813,175
Investments	78,839,235	73,182,656
Property tax receivable	29,688,033	29,082,339
Accrued interest receivable	277,032	179,738
Student tuition receivable	7,394,055	7,146,597
Other accounts receivable	6,526,844	2,283,417
Inventory	473,432	472,304
Prepaid assets	1,297,608	920,097
Restricted assets		
Cash and cash equivalents	6,409,564	6,374,101
Investments	-	82
Total current assets	<u>161,375,172</u>	<u>151,454,506</u>
<b>NONCURRENT ASSETS</b>		
Capital assets	299,244,650	295,546,675
Less accumulated depreciation	<u>(94,323,508)</u>	<u>(84,782,589)</u>
Total noncurrent assets	<u>204,921,142</u>	<u>210,764,086</u>
Total assets	<u>366,296,314</u>	<u>362,218,592</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized loss on refunding	147,023	175,027
SURS pension contributions	<u>202,288</u>	<u>183,047</u>
Total deferred outflows of resources	<u>349,311</u>	<u>358,074</u>
Total assets and deferred outflows of resources	<u>366,645,625</u>	<u>362,576,666</u>

(This statement is continued on the following page.)

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

STATEMENTS OF NET POSITION (Continued)

June 30, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 2,157,006	\$ 2,301,338
Accrued salaries and benefits payable	4,048,099	5,442,511
Accrued health care liability	986,896	1,053,317
Unearned tuition	9,931,564	9,716,751
Claims payable	325,000	325,000
Interest payable	356,838	361,377
General obligation bonds payable	4,510,000	4,445,000
Other current liabilities	1,658,132	1,629,843
	<hr/>	<hr/>
Total current liabilities	23,973,535	25,275,137
	<hr/>	<hr/>
<b>NONCURRENT LIABILITIES</b>		
General obligation bonds payable	175,971,138	180,604,198
	<hr/>	<hr/>
Total noncurrent liabilities	175,971,138	180,604,198
	<hr/>	<hr/>
Total liabilities	199,944,673	205,879,335
	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred revenue - property taxes	29,551,428	29,258,652
	<hr/>	<hr/>
Total deferred inflows of resources	29,551,428	29,258,652
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	229,496,101	235,137,987
	<hr/>	<hr/>
<b>NET POSITION</b>		
Net investment in capital assets	27,119,754	32,216,404
Restricted for		
Capital projects	18,455,427	16,241,168
Debt service	3,746,425	3,549,757
Grant purposes	2,343,908	2,343,908
Audit purposes	126,000	125,150
Liability insurance	4,294,451	3,856,607
Pension contributions	202,288	183,047
Working cash	4,014,363	4,014,363
Unrestricted	76,846,908	64,908,275
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	\$ 137,149,524	\$ 127,438,679
	<hr/>	<hr/>

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, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES</b>		
Student tuition and fees	\$ 19,674,745	\$ 18,679,471
Chargeback revenue	23,662	29,341
Auxiliary enterprises revenue	5,190,530	5,447,158
Other operating revenue	563,841	585,537
Total operating revenues	25,452,778	24,741,507
<b>OPERATING EXPENSES</b>		
Instruction	46,731,411	43,549,796
Academic support	11,540,322	10,678,304
Student services	10,199,159	10,266,124
Public services	727,052	648,532
Auxiliary services	6,317,873	6,980,338
Scholarships and student grants	6,697,769	7,584,922
Operation and maintenance of plant	11,948,992	11,289,345
Institutional support	21,355,749	22,461,019
Depreciation	9,540,919	9,281,794
Total operating expenses	125,059,246	122,740,174
<b>OPERATING INCOME (LOSS)</b>	(99,606,468)	(97,998,667)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State grants and contracts	38,659,380	26,422,147
Property taxes	59,700,764	59,783,305
Personal property replacement tax	612,836	481,466
Federal grants and contracts	17,265,623	18,520,444
Local grants and contracts	1,000,822	933,534
Interest expense and fiscal charges	(8,529,389)	(8,713,135)
Investment income	607,277	478,633
Total non-operating revenues (expenses)	109,317,313	97,906,394
<b>CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS</b>	9,710,845	(92,273)
<b>CAPITAL CONTRIBUTIONS</b>	-	-
<b>CHANGE IN NET POSITION</b>	9,710,845	(92,273)
<b>NET POSITION, JULY 1</b>	127,438,679	127,530,952
<b>NET POSITION, JUNE 30</b>	\$ 137,149,524	\$ 127,438,679

See accompanying notes to financial statements.

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

**STATEMENTS OF CASH FLOWS**

For the Years Ended June 30, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 19,642,100	\$ 18,860,537
Payments to suppliers	(32,924,935)	(38,231,631)
Payments to employees	(52,947,846)	(54,204,838)
Auxiliary enterprise charges	5,252,967	5,378,954
Other	105,852	140,100
	<hr/>	<hr/>
Net cash from operating activities	(60,871,862)	(68,056,878)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Local property taxes	59,387,846	59,910,470
Local grants and contracts	1,000,822	933,534
State appropriations and grants	3,791,408	3,394,087
Federal grants and contracts	17,118,869	18,456,881
	<hr/>	<hr/>
Net cash from noncapital financing activities	81,298,945	82,694,972
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(3,850,624)	(14,241,214)
Principal paid on bonds	(4,445,000)	(6,460,000)
Interest paid on bonds	(8,618,583)	(8,784,758)
	<hr/>	<hr/>
Net cash from capital and related financing activities	(16,914,207)	(29,485,972)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	53,476,271	42,480,907
Interest on investments	759,481	546,099
Purchase of investments	(59,056,971)	(35,965,315)
	<hr/>	<hr/>
Net cash from investing activities	(4,821,219)	7,061,691
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,308,343)	(7,786,187)
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<hr/>	<hr/>
	38,187,276	45,973,463
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<hr/>	<hr/>
	\$ 36,878,933	\$ 38,187,276
Cash and cash equivalents	\$ 30,469,369	\$ 31,813,175
Restricted cash and cash equivalents	6,409,564	6,374,101
	<hr/>	<hr/>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<hr/>	<hr/>
	\$ 36,878,933	\$ 38,187,276

(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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (99,606,468)	\$ (97,998,667)
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation	9,540,919	9,281,794
State on behalf payments	31,746,842	23,856,862
Changes in net position		
Receivables (net)	(664,914)	(433,718)
Inventories	(1,128)	(13,334)
Prepaid expenses	(377,511)	62,779
Accounts payable	(144,332)	(1,507,711)
Accrued salaries	(1,394,412)	(645,309)
Retirement liability	(66,421)	(170,117)
Unearned tuition	214,813	33,619
Other accrued liabilities	(119,250)	(523,076)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ (60,871,862)</u>	<u>\$ (68,056,878)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING</b>		
Accretion of interest on debt	\$ 100,706	\$ 128,866
Change in fair value of investments	249,498	146,600
Capital contributions	-	-
State on behalf payments	31,949,130	24,039,909
<b>TOTAL NONCASH INVESTING, CAPITAL AND FINANCIAL</b>	<u>\$ 32,299,334</u>	<u>\$ 24,315,375</u>

See accompanying notes to financial statements.

**ELGIN COMMUNITY COLLEGE FOUNDATION**  
**ELGIN, ILLINOIS**

STATEMENTS OF FINANCIAL POSITION

June 30, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 841,578	\$ 606,787
Pledges receivable, net	116,411	90,216
Prepaid expenses and other	3,722	4,160
Cash surrender value of life insurance	38,214	36,428
Investments	6,880,791	6,194,976
<b>TOTAL ASSETS</b>	<b>\$ 7,880,716</b>	<b>\$ 6,932,567</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 5,803	\$ 2,655
Deferred revenue	3,000	3,000
Due to Elgin Community College	68,594	48,642
<b>Total liabilities</b>	<b>77,397</b>	<b>54,297</b>
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	981,177	762,778
Designated for the Ralph and Edith Apple Presidential Fund	57,012	53,264
Designated for endowment	39,708	39,708
<b>Total unrestricted</b>	<b>1,077,897</b>	<b>855,750</b>
Temporarily restricted	3,028,589	2,585,381
Permanently restricted	3,696,833	3,437,139
<b>Total net assets</b>	<b>7,803,319</b>	<b>6,878,270</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,880,716</b>	<b>\$ 6,932,567</b>

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, 2017  
(With Summarized Financial Information for the Year Ended June 30, 2016)

	2017				2016
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>REVENUES</b>					
Contributions	\$ 30,189	\$ 453,805	\$ 167,514	\$ 651,508	\$ 361,669
Special events	125,699	7,506	-	133,205	234,831
Investment return, net of fees	186,349	502,718	-	689,067	149,871
Contributed services	404,835	-	-	404,835	473,385
Gifts in-kind	23,852	9,830	-	33,682	43,198
Net assets released from restrictions					
Management fees	52,888	(52,888)	-	-	-
Other	385,583	(477,763)	92,180	-	-
<b>Total revenues</b>	<b>1,209,395</b>	<b>443,208</b>	<b>259,694</b>	<b>1,912,297</b>	<b>1,262,954</b>
<b>EXPENSES</b>					
Program services					
Scholarship awards	252,117	-	-	252,117	218,892
Support to Elgin Community College	169,171	-	-	169,171	139,271
Gifts in-kind, materials and supplies	32,922	-	-	32,922	43,198
Contributed services	40,692	-	-	40,692	60,384
<b>Total program services</b>	<b>494,902</b>	<b>-</b>	<b>-</b>	<b>494,902</b>	<b>461,745</b>
Management and general	333,860	-	-	333,860	368,805
Special events - cost of direct donor benefit	42,968	-	-	42,968	68,566
Fundraising	115,518	-	-	115,518	134,653
<b>Total management and general</b>	<b>492,346</b>	<b>-</b>	<b>-</b>	<b>492,346</b>	<b>572,024</b>
<b>Total expenses</b>	<b>987,248</b>	<b>-</b>	<b>-</b>	<b>987,248</b>	<b>1,033,769</b>
<b>CHANGE IN NET ASSETS</b>	<b>222,147</b>	<b>443,208</b>	<b>259,694</b>	<b>925,049</b>	<b>229,185</b>
<b>NET ASSETS, JULY 1</b>	<b>855,750</b>	<b>2,585,381</b>	<b>3,437,139</b>	<b>6,878,270</b>	<b>6,649,085</b>
<b>NET ASSETS, JUNE 30</b>	<b>\$ 1,077,897</b>	<b>\$ 3,028,589</b>	<b>\$ 3,696,833</b>	<b>\$ 7,803,319</b>	<b>\$ 6,878,270</b>

See accompanying notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2017 and 2016

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**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)**

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**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, 2017 and 2016 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 the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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**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 acquisition 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**  
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**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**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 ten 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)**

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**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) after the



**ELGIN COMMUNITY COLLEGE**  
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**ELGIN, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m. Deferred Outflows/Inflows of Resources (Continued)

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 (\$196,448 and \$202,249 for the fiscal years ended June 30, 2017 and 2016, respectively) by the State of Illinois (the State) 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 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, 2017 and 2016, 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)

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**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, 2017 by type of investment:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
FHLMC	\$ 7,491,078	\$ 4,974,228	\$ 2,516,850	\$ -	\$ -
FHLB	7,764,372	5,272,057	2,492,315	-	-
Certificates of Deposit	5,206,885	2,980,392	2,226,493	-	-
<b>TOTAL</b>	<b>\$ 20,462,335</b>	<b>\$ 13,226,677</b>	<b>\$ 7,235,658</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 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	-	-	-
<b>TOTAL</b>	<b>\$ 20,050,562</b>	<b>\$ 9,630,144</b>	<b>\$ 10,420,418</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2017, 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)

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**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, 2017: U.S. agency securities (FHLMC and FHLB) of \$15,255,450 and certificates of deposit of \$5,206,885 are valued using a matrix pricing model (Level 2 inputs).

The District has the following recurring fair value measurements as of June 30, 2016: U.S. Treasury securities of \$7,014,350 are valued using quoted market prices (Level 1 inputs). U.S. agency securities (FHLMC and FHLB) of \$13,036,212 are valued using a matrix pricing model (Level 2 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 2015 was passed on December 8, 2015 and the annual tax levy resolution for 2016 was passed on December 13, 2016.
- 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 2016 and 2017.

Property taxes are recognized as revenue in the year intended to finance, regardless of when collected. The second half of the 2016 (2015) tax levy is intended to finance the 2017 (2016) fiscal year and, accordingly, is reported as deferred revenue. The 2017 tax levy, which attached as an enforceable lien on property as of January 1, 2016, has not been recorded as a receivable as of June 30, 2017 as the tax has not yet been levied by the District and will not be levied until December 2017 and, therefore, the levy is not measurable at June 30, 2017.

**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, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Land	\$ 19,065,397	\$ -	\$ -	\$ 19,065,397
Construction in progress	1,210,825	3,156,015	4,366,840	-
Total capital assets not being depreciated	20,276,222	3,156,015	4,366,840	19,065,397
Capital assets being depreciated				
Buildings	236,747,433	3,817,210	-	240,564,643
Site improvements	24,567,091	506,637	-	25,073,728
Machinery and equipment	13,741,897	584,953	-	14,326,850
Furniture and fixtures	214,032	-	-	214,032
Total capital assets being depreciated	275,270,453	4,908,800	-	280,179,253
Less accumulated depreciation for				
Buildings	67,100,137	6,267,272	-	73,367,409
Site improvements	7,379,741	2,301,335	-	9,681,076
Machinery and equipment	10,135,602	956,659	-	11,092,261
Furniture and fixtures	167,109	15,653	-	182,762
Total accumulated depreciation	84,782,589	9,540,919	-	94,323,508
Total capital assets being depreciated, net	190,487,864	(4,632,119)	-	185,855,745
CAPITAL ASSETS, NET	\$ 210,764,086	\$ (1,476,104)	\$ 4,366,840	\$ 204,921,142

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

**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	\$ 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

**5. LONG-TERM DEBT**

Changes in long-term debt for the year ended June 30, 2017 is as follows:

	Balances July 1, 2016	Issuance*	Repayment/ Amortization	Balances June 30, 2017	Current Portion
General Obligation (Capital Appreciation) Bonds Series 2001B	\$ 2,109,771	\$ 100,706	\$ 480,000	\$ 1,730,477	\$ 480,000
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	-	1,000,000	3,000,000	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	-	630,000	39,370,000	700,000
General Obligation Refunding Bonds Series 2012	8,040,000	-	485,000	7,555,000	1,230,000
General Obligation Bonds Series 2013A	38,000,000	-	1,850,000	36,150,000	1,100,000
General Obligation Bonds Series 2013B	10,000,000	-	-	10,000,000	-
Premium on general obligation bonds	2,294,427	-	233,766	2,060,661	-
Discount on general obligation bonds	(195,000)	-	(10,000)	(185,000)	-
TOTAL	\$ 185,049,198	\$ 100,706	\$ 4,668,766	\$ 180,481,138	\$ 4,510,000

\*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, 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)	-
<b>TOTAL</b>	<b>\$ 191,609,968</b>	<b>\$ 128,866</b>	<b>\$ 6,689,636</b>	<b>\$ 185,049,198</b>	<b>\$ 4,445,000</b>

\*Annual accretion of interest.

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

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**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, 2017 are comprised of the following:

\$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%.

\$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%.



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

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**5. LONG-TERM DEBT (Continued)**

General Obligation Bonds (Continued)

\$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 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%.

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

**5. LONG-TERM DEBT (Continued)**

General Obligation Bonds (Continued)

\$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
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	12,569	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	-	-
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	-	-
<b>TOTAL</b>	<b>\$ 176,875,000</b>	<b>\$ 107,200,796</b>	<b>\$ 284,075,796</b>	<b>\$ 189,473</b>	<b>\$ 1,920,000</b>

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

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**5. LONG-TERM DEBT (Continued)**

Operating Lease Commitment

The District has an operating lease for off-campus classroom space. Lease payments for fiscal years 2017 and 2016 totaled \$110,000 and \$120,000, respectively. The lease expired in fiscal year 2017 and was extended until June 30, 2018. The District will contribute funding for operations, not to exceed \$500,000, during fiscal year 2018.

**6. RISK MANAGEMENT AND CONTINGENT LIABILITIES**

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the District.

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.

The District, through the third party provider, has purchased specific and aggregate excess insurance to limit its exposure. For fiscal years 2017 and 2016, the specific coverage is \$110,000 per covered person and the aggregate attachment is approximately \$6,904,620 and \$5,836,878, 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, 2017 and 2016.

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

	2017	2016	2015
CLAIMS PAYABLE, JULY 1	\$ 325,000	\$ 325,000	\$ 325,000
Claims paid	(8,190,313)	(7,858,533)	(7,744,255)
Claims incurred	8,190,313	7,858,533	7,744,255
CLAIMS PAYABLE, JUNE 30	\$ 325,000	\$ 325,000	\$ 325,000

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

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**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](http://www.SURS.org).

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2017 and 2016 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

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

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**7. RETIREMENT COMMITMENTS (Continued)**

Contributions (Continued)

normal cost for fiscal years 2016 and 2017 was 12.69% and 12.53%, 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).

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, 2016 and 2015, SURS reported a net pension liability of \$25,965,271,744 and \$23,756,361,087. The net pension liability was measured as of June 30, 2015 and 2014, respectively.

Employer Proportionate Share of Net Pension Liability

For the year ended June 30, 2017, 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 \$321,283,731 or 1.2374%. 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, 2016 and the total pension used to calculate the net pension liability was determined based on the June 30, 2015 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2016.

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

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**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 Net Pension Liability (Continued)

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.

Pension Expense

At June 30, 2016 and 2015, SURS reported a collective net pension expense of \$2,566,164,865 and \$1,994,587,170, respectively.

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 2017 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 2016. As a result, the District recognized revenue and pension expense of \$31,752,682 for the fiscal year ended June 30, 2017.

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.

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

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**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)

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 \$202,288 in federal, trust or grant contributions for the fiscal year ended June 30, 2017. These contributions were made subsequent to the pension liability measurement date of June 30, 2016 and are recognized as deferred outflows of resources as of June 30, 2017.

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.

- b. Assumptions and Other Inputs

Actuarial Assumptions

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

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

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

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

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**7. RETIREMENT COMMITMENTS (Continued)**

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2015 valuation 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 actuarial valuation 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, 2017 and 2016, 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)

2016		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23.00%	6.08%
Private Equity	6.00%	8.73%
Non-U.S. Equity	19.00%	6.95%
Global Equity	8.00%	6.78%
Fixed Income	19.00%	1.17%
Treasury-Inflation Protected Securities	4.00%	1.41%
Emerging Market Debt	3.00%	4.44%
Real Estate REITS	4.00%	5.75%
Direct Real Estate	6.00%	4.62%
Commodities	2.00%	4.23%
Hedged Strategies	5.00%	4.00%
Opportunity Fund	1.00%	6.54%
Total	100.00%	5.09%
Inflation		2.75%
EXPECTED GEOMETRICAL NORMAL RETURN		7.84%
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%

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

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**7. RETIREMENT COMMITMENTS (Continued)**

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

2017

Discount Rate

A single discount rate of 7.01% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 2.85% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the 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 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the 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 7.01%, 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 (6.01%)	Current Single Discount Rate Assumption (7.01%)	1% Increase (8.01%)
Net pension liability	\$ 31,348,831,631	\$ 25,965,271,744	\$ 21,502,421,700

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

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**7. RETIREMENT COMMITMENTS (Continued)**

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

2016

Discount Rate

A single discount rate of 7.12% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.80% (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

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](http://www.SURS.org).

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

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**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 four years are as follows:

Year Ended June 30,	District Percent of Required Contribution	District	State
2014	100%	\$ 187,559	\$ 187,559
2015	100%	193,746	193,746
2016	100%	202,249	202,249
2017	100%	196,448	196,448

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 58 and 65 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, 2017 and 2016, 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 3.75% 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 \$2,643,423 and \$3,902,292 at June 30, 2017 and 2016, 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 \$220,961 and \$365,957, which is recorded as a liability at June 30, 2017 and 2016, 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**

Last Three Fiscal Years

<b>MEASUREMENT DATE JUNE 30,</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
(a) Proportion percentage of the collective net pension liability	0.00%	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	321,283,731	283,916,422	256,747,050
<b>TOTAL (b) + (c)</b>	<b>\$ 321,283,731</b>	<b>\$ 283,916,422</b>	<b>\$ 256,747,050</b>
Employer covered-employee payroll	\$ 51,487,013	\$ 53,389,412	\$ 52,390,908
Proportion of collective net pension liability associated with employer as a percentage of covered-employee payroll	624.01%	531.78%	490.06%
SURS plan net position as a percentage of total pension liability	39.57%	42.37%	44.39%
<b>ELGIN COMMUNITY COLLEGE - DISTRICT NUMBER 509</b>			
Federal, trust, grant and other contribution	\$ 202,288	\$ 183,047	\$ 165,555
Contribution in relation to required contribution	202,288	183,047	165,555
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Employer covered-employee payroll	\$ 51,487,013	\$ 53,389,412	\$ 52,390,908
Contributions as a percentage of covered-employee payroll	0.39%	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, 2017.

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 ten years of service and higher turnover for members with more than ten 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. Maintain 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, 2017

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 11,735,311	\$ 4,968,537	\$ 858,975	\$ 79,490	\$ 1,717,829
Investments	43,729,954	8,809,425	1,204,801	51,289	2,775,743
Property tax receivable	17,066,478	5,176,495	-	64,593	1,223,239
Accrued interest receivable	277,032	-	-	-	-
Student tuition receivable	7,394,055	-	-	-	-
Other accounts receivable	5,005,750	64,462	896,482	-	-
Due from other funds	2,399,022	-	-	-	-
Inventory	-	-	-	-	-
Prepaid assets	1,083,498	5,857	-	-	45,501
Restricted assets					
Cash and cash equivalents	-	-	-	-	-
Investments	-	-	-	-	-
Total current assets	88,691,100	19,024,776	2,960,258	195,372	5,762,312
<b>NONCURRENT ASSETS</b>					
Capital assets	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Total assets	88,691,100	19,024,776	2,960,258	195,372	5,762,312
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized loss on refunding	-	-	-	-	-
SURS contributions	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	88,691,100	19,024,776	2,960,258	195,372	5,762,312

<b>Federal Financial Aid</b>	<b>Federal Grants</b>	<b>Bond and Interest</b>	<b>Operations and Maintenance Restricted</b>	<b>Building Bond Proceeds</b>	<b>Food Services</b>	<b>Book Store</b>	<b>Child Care</b>
\$ 1,670,445	\$ 822,811	\$ 776,927	\$ 3,292,551	\$ -	\$ 2,391	\$ 157,071	\$ -
12,384	121,916	2,941,172	13,521,542	-	-	955,310	-
-	-	6,157,228	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
45,359	400,073	-	-	-	34,790	37,601	20,238
-	-	-	73,184	441,170	20,306	-	34,815
-	-	-	-	-	25,016	448,416	-
-	4,578	-	157,194	-	-	-	-
-	-	-	-	6,409,564	-	-	-
-	-	-	-	-	-	-	-
1,728,188	1,349,378	9,875,327	17,044,471	6,850,734	82,503	1,598,398	55,053
-	-	-	-	-	51,641	123,808	-
-	-	-	-	-	(51,641)	(123,808)	-
-	-	-	-	-	-	-	-
1,728,188	1,349,378	9,875,327	17,044,471	6,850,734	82,503	1,598,398	55,053
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,728,188	1,349,378	9,875,327	17,044,471	6,850,734	82,503	1,598,398	55,053

(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, 2017

	<b>Visual Performing Arts Center</b>	<b>Production Services</b>	<b>Student Life and Athletics</b>	<b>Lifelong Learning</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 300	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property tax receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Student tuition receivable	-	-	-	-
Other accounts receivable	2,259	-	100	17,490
Due from other funds	1,183,355	268,391	91,429	39,140
Inventory	-	-	-	-
Prepaid assets	300	-	100	580
Restricted assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Total current assets	1,186,214	268,391	91,629	57,210
<b>NONCURRENT ASSETS</b>				
Capital assets	32,627	291,118	-	9,075
Less accumulated depreciation	(6,080)	(238,766)	-	(7,941)
Total noncurrent assets	26,547	52,352	-	1,134
Total assets	1,212,761	320,743	91,629	58,344
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on refunding	-	-	-	-
SURS pension contributions	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	1,212,761	320,743	91,629	58,344

Employee Benefits	Working Cash	Trust and Agency	Long- Term Obligations	Capital Assets	Eliminations	Adjustments	Total
\$ 3,810,488	\$ 86,942	\$ 489,301	\$ -	\$ -	\$ -	\$ -	\$ 30,469,369
-	4,333,937	381,762	-	-	-	-	78,839,235
-	-	-	-	-	-	-	29,688,033
-	-	-	-	-	-	-	277,032
-	-	-	-	-	-	-	7,394,055
-	-	2,240	-	-	-	-	6,526,844
4,480,175	-	-	-	-	(9,030,987)	-	-
-	-	-	-	-	-	-	473,432
-	-	-	-	-	-	-	1,297,608
-	-	-	-	-	-	-	6,409,564
-	-	-	-	-	-	-	-
8,290,663	4,420,879	873,303	-	-	(9,030,987)	-	161,375,172
-	-	-	-	298,736,381	-	-	299,244,650
-	-	-	-	(93,895,272)	-	-	(94,323,508)
-	-	-	-	204,841,109	-	-	204,921,142
8,290,663	4,420,879	873,303	-	204,841,109	(9,030,987)	-	366,296,314
-	-	-	147,023	-	-	-	147,023
-	-	-	202,288	-	-	-	202,288
-	-	-	349,311	-	-	-	349,311
8,290,663	4,420,879	873,303	349,311	204,841,109	(9,030,987)	-	366,645,625

(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, 2017

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 2,004,130	\$ -	\$ 28,227	\$ 3,000	\$ -
Accrued salaries and benefits payable	1,843,164	255,443	7,279	2,087	29,292
Accrued health care liability	-	-	-	-	-
Due to other funds	-	514,354	-	-	-
Unearned tuition	9,757,774	-	-	-	-
Claims payable	-	-	-	-	-
Interest payable	-	-	-	-	-
Current portion of general obligation bonds	-	-	-	-	-
Other current liabilities	4,227	5,053	580,844	-	220,960
Total current liabilities	13,609,295	774,850	616,350	5,087	250,252
<b>NONCURRENT LIABILITIES</b>					
General obligation bonds	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Discount on general obligation bonds	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	13,609,295	774,850	616,350	5,087	250,252
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue - property taxes	16,987,956	5,152,676	-	64,285	1,217,609
Total deferred inflows of resources	16,987,956	5,152,676	-	64,285	1,217,609
Total liabilities and deferred inflows of resources	30,597,251	5,927,526	616,350	69,372	1,467,861
<b>NET POSITION</b>					
Net investment in capital assets	-	-	-	-	-
Restricted for					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Grant purposes	-	-	2,343,908	-	-
Audit purposes	-	-	-	126,000	-
Liability insurance	-	-	-	-	4,294,451
Pension contributions	-	-	-	-	-
Working cash	-	-	-	-	-
Unrestricted (deficit)	58,093,849	13,097,250	-	-	-
<b>TOTAL NET POSITION (DEFICIT)</b>	\$ 58,093,849	\$ 13,097,250	\$ 2,343,908	\$ 126,000	\$ 4,294,451

<b>Federal Financial Aid</b>	<b>Federal Grants</b>	<b>Bond and Interest</b>	<b>Operations and Maintenance Restricted</b>	<b>Building Bond Proceeds</b>	<b>Food Services</b>	<b>Book Store</b>	<b>Child Care</b>
\$ 16,988	\$ 52,526	\$ -	\$ -	\$ -	\$ 1,715	\$ 15,157	\$ -
-	8,934	-	-	-	77,700	32,556	35,380
-	-	-	-	-	-	-	-
1,711,200	1,285,327	-	-	3,968,173	-	1,550,685	-
-	-	-	-	-	-	-	19,673
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,591	-	-	-	3,088	-	-
1,728,188	1,349,378	-	-	3,968,173	82,503	1,598,398	55,053
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,728,188	1,349,378	-	-	3,968,173	82,503	1,598,398	55,053
-	-	6,128,902	-	-	-	-	-
-	-	6,128,902	-	-	-	-	-
1,728,188	1,349,378	6,128,902	-	3,968,173	82,503	1,598,398	55,053
-	-	-	-	-	-	-	-
-	-	-	17,044,471	2,882,561	-	-	-
-	-	3,746,425	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 3,746,425	\$ 17,044,471	\$ 2,882,561	\$ -	\$ -	\$ -

(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, 2017

	Visual Performing Arts Center	Production Services	Student Life and Athletics	Lifelong Learning
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	10,405	21,013	43,564	24,754
Accrued health care liability	-	-	-	-
Due to other funds	-	-	-	-
Unearned tuition	120,527	-	-	33,590
Claims payable	-	-	-	-
Interest payable	-	-	-	-
Current portion of general obligation bonds	-	-	-	-
Other current liabilities	-	-	-	-
Total current liabilities	130,932	21,013	43,564	58,344
<b>NONCURRENT LIABILITIES</b>				
General obligation bonds	-	-	-	-
Premium on general obligation bonds	-	-	-	-
Discount on general obligation bonds	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	130,932	21,013	43,564	58,344
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	130,932	21,013	43,564	58,344
<b>NET POSITION</b>				
Net investment in capital assets	26,547	52,352	-	1,134
Restricted for				
Capital projects	-	-	-	-
Debt service	-	-	-	-
Grant purposes	-	-	-	-
Audit purposes	-	-	-	-
Liability insurance	-	-	-	-
Pension contributions	-	-	-	-
Working cash	-	-	-	-
Unrestricted (deficit)	1,055,282	247,378	48,065	(1,134)
<b>TOTAL NET POSITION (DEFICIT)</b>	\$ 1,081,829	\$ 299,730	\$ 48,065	\$ -

Employee Benefits	Working Cash	Trust and Agency	Long-Term Obligations	Capital Assets	Eliminations	Adjustments	Total
\$ -	\$ -	\$ 35,263	\$ -	\$ -	\$ -	\$ -	\$ 2,157,006
1,656,528	-	-	-	-	-	-	4,048,099
986,896	-	-	-	-	-	-	986,896
-	-	1,248	-	-	(9,030,987)	-	-
-	-	-	-	-	-	-	9,931,564
325,000	-	-	-	-	-	-	325,000
-	-	-	356,838	-	-	-	356,838
-	-	-	4,510,000	-	-	-	4,510,000
-	-	841,369	-	-	-	-	1,658,132
2,968,424	-	877,880	4,866,838	-	(9,030,987)	-	23,973,535
-	-	-	174,095,477	-	-	-	174,095,477
-	-	-	2,060,661	-	-	-	2,060,661
-	-	-	(185,000)	-	-	-	(185,000)
-	-	-	175,971,138	-	-	-	175,971,138
2,968,424	-	877,880	180,837,976	-	(9,030,987)	-	199,944,673
-	-	-	-	-	-	-	29,551,428
-	-	-	-	-	-	-	29,551,428
2,968,424	-	877,880	180,837,976	-	(9,030,987)	-	229,496,101
-	-	-	(177,801,388)	204,841,109	-	-	27,119,754
-	-	-	(1,471,605)	-	-	-	18,455,427
-	-	-	-	-	-	-	3,746,425
-	-	-	-	-	-	-	2,343,908
-	-	-	-	-	-	-	126,000
-	-	-	-	-	-	-	4,294,451
-	-	-	202,288	-	-	-	202,288
-	4,014,363	-	-	-	-	-	4,014,363
5,322,239	406,516	(4,577)	(1,417,960)	-	-	-	76,846,908
\$ 5,322,239	\$ 4,420,879	\$ (4,577)	\$ (180,488,665)	\$ 204,841,109	\$ -	\$ -	\$ 137,149,524

(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, 2017

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
<b>OPERATING REVENUES</b>					
Student tuition and fees	\$ 24,301,828	\$ -	\$ 290	\$ -	\$ -
Chargeback revenue	23,662	-	-	-	-
Auxiliary enterprises revenue	-	-	-	-	-
Other operating revenue	251,770	280,733	31,338	-	-
Total operating revenues	24,577,260	280,733	31,628	-	-
<b>OPERATING EXPENSES</b>					
Instruction	46,005,209	-	1,101,282	-	-
Academic support	11,733,959	-	54	-	-
Student services	7,499,502	-	2,715	-	-
Public services	640,213	-	71,613	-	-
Auxiliary services	-	-	-	-	-
Scholarships and student grants	97,881	-	1,961	-	-
Operation and maintenance of plant	2,884,096	8,511,738	-	-	635,164
Institutional support	19,077,952	1,774,899	29,704	132,656	1,472,833
Depreciation	-	-	-	-	-
Total operating expenses	87,938,812	10,286,637	1,207,329	132,656	2,107,997
OPERATING INCOME (LOSS)	(63,361,552)	(10,005,904)	(1,175,701)	(132,656)	(2,107,997)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
State grants and contracts	37,662,261	-	997,119	-	-
Property taxes	34,237,849	10,290,842	-	133,506	2,545,841
Personal property replacement tax	612,836	-	-	-	-
Federal grants and contracts	-	-	60,581	-	-
Local grants and contracts	801,349	81,472	118,001	-	-
Debt service	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(940,287)	-	-	-	-
Investment income	536,300	-	-	-	-
Total non-operating revenues (expenses)	72,910,308	10,372,314	1,175,701	133,506	2,545,841
CHANGE IN NET POSITION	9,548,756	366,410	-	850	437,844
NET POSITION (DEFICIT), JULY 1	48,545,093	12,730,840	2,343,908	125,150	3,856,607
<b>NET POSITION (DEFICIT), JUNE 30</b>	<b>\$ 58,093,849</b>	<b>\$ 13,097,250</b>	<b>\$ 2,343,908</b>	<b>\$ 126,000</b>	<b>\$ 4,294,451</b>

<b>Federal Financial Aid</b>	<b>Federal Grants</b>	<b>Bond and Interest</b>	<b>Operations and Maintenance Restricted</b>	<b>Building Bond Proceeds</b>	<b>Food Services</b>	<b>Book Store</b>	<b>Child Care</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	1,131,518	3,413,809	377,650
-	-	-	-	-	-	-	-
-	-	-	-	-	1,131,518	3,413,809	377,650
-	622,012	-	-	-	-	-	-
-	-	-	-	-	-	-	-
151,133	1,986,145	-	-	-	-	-	-
-	30,282	-	-	-	-	-	-
-	-	-	-	-	1,214,130	3,188,423	646,576
12,158,934	56,553	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	48	-	-	2,848,205	-	-	-
-	-	-	-	-	-	7,392	-
12,310,067	2,695,040	-	-	2,848,205	1,214,130	3,195,815	646,576
(12,310,067)	(2,695,040)	-	-	(2,848,205)	(82,612)	217,994	(268,926)
-	-	-	-	-	-	-	-
-	-	12,492,726	-	-	-	-	-
-	-	-	-	-	-	-	-
12,310,067	2,695,040	777,926	1,422,009	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(13,073,984)	-	-	-	-	-
-	-	-	-	-	82,612	-	268,926
-	-	-	-	-	-	(217,994)	-
-	-	-	-	35,381	-	-	-
12,310,067	2,695,040	196,668	1,422,009	35,381	82,612	(217,994)	268,926
-	-	196,668	1,422,009	(2,812,824)	-	-	-
-	-	3,549,757	15,622,462	5,695,385	-	-	-
\$ -	\$ -	\$ 3,746,425	\$ 17,044,471	\$ 2,882,561	\$ -	\$ -	\$ -

(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, 2017

	Visual Performing Arts Center	Production Services	Student Life and Athletics	Lifelong Learning	Employee Benefits
<b>OPERATING REVENUES</b>					
Student tuition and fees	\$ -	\$ -	\$ -	\$ 344,060	\$ -
Chargeback revenue	-	-	-	-	-
Auxiliary enterprises revenue	742,286	464,880	9,102	-	-
Other operating revenue	-	-	-	-	-
Total operating revenues	742,286	464,880	9,102	344,060	-
<b>OPERATING EXPENSES</b>					
Instruction	-	-	-	-	(528,986)
Academic support	-	-	-	-	(192,711)
Student services	-	-	692,613	-	(132,949)
Public services	-	-	-	-	(15,056)
Auxiliary services	405,574	472,952	-	466,158	(75,940)
Scholarships and student grants	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	(168,344)
Institutional support	-	-	-	-	(364,677)
Depreciation	4,078	14,601	-	1,134	-
Total operating expenses	409,652	487,553	692,613	467,292	(1,478,663)
OPERATING INCOME (LOSS)	332,634	(22,673)	(683,511)	(123,232)	1,478,663
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
State grants and contracts	-	-	-	-	-
Property taxes	-	-	-	-	-
Personal property replacement tax	-	-	-	-	-
Federal grants and contracts	-	-	-	-	-
Local grants and contracts	-	-	-	-	-
Debt service	-	-	-	-	-
Transfers in	-	-	683,511	123,232	-
Transfers (out)	-	-	-	-	-
Investment income	-	-	-	-	-
Total non-operating revenues (expenses)	-	-	683,511	123,232	-
CHANGE IN NET POSITION	332,634	(22,673)	-	-	1,478,663
NET POSITION (DEFICIT), JULY 1	749,195	322,403	48,065	-	3,843,576
<b>NET POSITION (DEFICIT), JUNE 30</b>	<b>\$ 1,081,829</b>	<b>\$ 299,730</b>	<b>\$ 48,065</b>	<b>\$ -</b>	<b>\$ 5,322,239</b>

Working Cash	Trust and Agency	Long- Term Obligations	Capital Assets	Eliminations	Adjustments	Total
\$ -	\$ -	\$ -	\$ -	\$ (4,971,433)	\$ -	\$ 19,674,745
-	-	-	-	-	-	23,662
-	-	-	-	(948,715)	-	5,190,530
-	-	-	-	-	-	563,841
-	-	-	-	(5,920,148)	-	25,452,778
-	-	-	(468,106)	-	-	46,731,411
-	4,577	-	(5,557)	-	-	11,540,322
-	-	-	-	-	-	10,199,159
-	-	-	-	-	-	727,052
-	-	-	-	-	-	6,317,873
-	-	-	-	(5,617,560)	-	6,697,769
-	-	-	86,338	-	-	11,948,992
-	-	(19,241)	(3,294,042)	(302,588)	-	21,355,749
-	-	-	9,513,714	-	-	9,540,919
-	4,577	(19,241)	5,832,347	(5,920,148)	-	125,059,246
-	(4,577)	19,241	(5,832,347)	-	-	(99,606,468)
-	-	-	-	-	-	38,659,380
-	-	-	-	-	-	59,700,764
-	-	-	-	-	-	612,836
-	-	-	-	-	-	17,265,623
-	-	-	-	-	-	1,000,822
-	-	4,544,595	-	-	-	(8,529,389)
-	-	-	-	(1,158,281)	-	-
-	-	-	-	1,158,281	-	-
35,596	-	-	-	-	-	607,277
35,596	-	4,544,595	-	-	-	109,317,313
35,596	(4,577)	4,563,836	(5,832,347)	-	-	9,710,845
4,385,283	-	(185,052,501)	210,673,456	-	-	127,438,679
\$ 4,420,879	\$ (4,577)	\$ (180,488,665)	\$ 204,841,109	\$ -	\$ -	\$ 137,149,524

(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

<b>Fiscal Year</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 27,119,754	\$ 32,216,404	\$ 35,206,436	\$ 34,543,852
Restricted				
Capital projects	18,455,427	16,241,168	13,832,563	11,960,223
Debt service	3,746,425	3,549,757	4,435,843	4,610,459
Specific purposes	6,966,647	6,508,712	6,216,059	6,831,512
Working cash	4,014,363	4,014,363	4,014,363	4,014,363
Unrestricted	76,846,908	64,908,275	63,825,688	58,909,689
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 137,149,524</b>	<b>\$ 127,438,679</b>	<b>\$ 127,530,952</b>	<b>\$ 120,870,098</b>

Data Source

Audited Financial Statements

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	<b>2013</b>		<b>2012</b>		<b>2011</b>		<b>2010</b>		<b>2009</b>		<b>2008</b>
\$	32,352,291	\$	33,909,175	\$	34,777,999	\$	35,356,731	\$	36,295,009	\$	31,952,634
	10,999,277		9,783,970		10,469,259		3,240,150		2,674,068		1,915,843
	5,419,398		4,303,754		5,090,051		6,404,530		3,561,560		3,367,149
	6,728,355		6,514,932		6,492,477		6,396,307		6,082,634		5,485,795
	4,353,938		4,346,941		4,339,812		4,330,373		4,309,690		4,217,364
	54,972,930		50,477,632		41,435,573		34,203,085		32,364,664		32,772,280
\$	114,826,189	\$	109,336,404	\$	102,605,171	\$	89,931,176	\$	85,287,625	\$	79,711,065

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

**FINANCIAL TRENDS  
CHANGES IN NET POSITION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>OPERATING REVENUES</b>				
Student tuition and fees	\$ 19,674,745	\$ 18,679,471	\$ 17,854,603	\$ 17,601,837
Chargeback revenue	23,662	29,341	20,193	4,080
Auxiliary enterprises revenue	5,190,530	5,447,158	5,842,478	6,058,778
Other operating revenue	563,841	585,537	572,867	587,439
Total operating revenues	25,452,778	24,741,507	24,290,141	24,252,134
<b>OPERATING EXPENSES</b>				
Instruction	46,731,411	43,549,796	41,133,232	40,342,156
Academic support	11,540,322	10,678,304	10,541,916	9,729,192
Student services	10,199,159	10,266,124	9,840,585	9,858,311
Public services	727,052	648,532	637,014	585,054
Auxiliary services	6,317,873	6,980,338	7,640,448	8,033,825
Scholarships and student grants	6,697,769	7,584,922	8,465,310	9,529,773
Operation and maintenance of plant	11,948,992	11,289,345	11,020,170	11,088,637
Institutional support	21,355,749	22,461,019	20,478,735	18,053,287
Depreciation	9,540,919	9,281,794	7,849,474	7,141,073
Total operating expenses	125,059,246	122,740,174	117,606,884	114,361,308
OPERATING INCOME (LOSS)	(99,606,468)	(97,998,667)	(93,316,743)	(90,109,174)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
State grants and contracts	38,659,380	26,422,147	26,494,242	23,680,818
Property taxes	59,700,764	59,783,305	60,113,167	59,334,287
Personal property replacement tax	612,836	481,466	599,265	572,570
Federal grants and contracts	17,265,623	18,520,444	19,884,290	21,279,900
Local grants and contracts	1,000,822	933,534	914,404	91,305
Interest expense and fiscal charges	(8,529,389)	(8,713,135)	(8,977,871)	(9,296,498)
Gain (loss) on disposal of capital assets	-	-	-	-
Miscellaneous	-	-	-	-
Investment income	607,277	478,633	334,156	164,601
Total non-operating revenues (expenses)	109,317,313	97,906,394	99,361,653	95,826,983
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEMS	9,710,845	(92,273)	6,044,910	5,717,809
Capital contributions	-	-	615,944	326,100
Special item	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<b>\$ 9,710,845</b>	<b>\$ (92,273)</b>	<b>\$ 6,660,854</b>	<b>\$ 6,043,909</b>

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



	2013	2012	2011	2010	2009	2008
\$	17,796,951	\$ 17,392,850	\$ 17,281,365	\$ 15,924,226	\$ 16,129,872	\$ 15,501,046
	19,240	9,481	32,185	32,717	14,761	28,689
	6,190,318	6,228,893	6,459,463	7,388,451	6,439,037	6,034,837
	484,396	591,736	710,734	651,973	655,019	596,629
	24,490,905	24,222,960	24,483,747	23,997,367	23,238,689	22,161,201
	38,138,301	35,603,159	33,364,067	31,148,537	27,042,791	24,491,956
	9,390,437	8,784,072	8,537,599	7,477,019	6,572,369	5,759,904
	9,603,280	9,662,520	9,754,645	9,173,240	7,901,374	7,590,398
	548,452	659,724	695,987	794,065	649,359	945,445
	8,132,120	8,568,546	8,603,717	8,958,317	8,175,955	7,694,561
	10,842,872	11,748,883	13,047,275	10,720,251	6,614,469	4,418,325
	10,495,422	10,134,567	10,053,689	9,982,871	10,420,075	9,158,729
	19,733,213	16,486,280	18,459,040	16,212,172	15,969,082	14,413,243
	6,614,370	5,915,072	4,687,560	4,224,350	3,927,467	3,486,829
	113,498,467	107,562,823	107,203,579	98,690,822	87,272,941	77,959,390
	(89,007,562)	(83,339,863)	(82,719,832)	(74,693,455)	(64,034,252)	(55,798,189)
	22,465,643	17,899,680	15,855,838	13,598,021	10,737,235	9,858,290
	57,315,417	56,483,841	55,000,588	49,166,923	46,745,497	42,396,336
	546,332	516,189	585,266	474,436	571,390	651,785
	22,578,078	24,316,611	24,549,217	18,682,097	11,332,557	8,567,331
	125,511	109,896	4,540,393	154,136	1,217,541	99,931
	(8,247,538)	(8,760,298)	(7,796,814)	(3,797,616)	(3,014,476)	(2,297,126)
	(413,297)	-	-	26,815	-	-
	-	-	-	-	-	-
	127,201	595,085	964,702	1,032,194	2,021,068	3,243,921
	94,497,347	91,161,004	93,699,190	79,337,006	69,610,812	62,520,468
	5,489,785	7,821,141	10,979,358	4,643,551	5,576,560	6,722,279
	-	-	-	-	-	-
	-	-	1,694,637	-	-	-
\$	5,489,785	\$ 7,821,141	\$ 12,673,995	\$ 4,643,551	\$ 5,576,560	\$ 6,722,279

**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
2016	\$ 8,560,482,181	\$ 1,482,909,707	\$ 733,208,614	\$ 131,345,674	\$ 16,804,186	\$ 10,924,750,362	0.5296	\$ 32,774,251,086	33.333%
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%

(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

<b>Tax Levy Year</b>	<b>Legal Limit 2015</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>TAX RATES (1)</b>											
District Rates											
Education	0.2350	0.3028	0.3192	0.3304	0.3119	0.2868	0.2539	0.2379	0.2129	0.2092	0.1981
Operations and maintenance	0.0750	0.0947	0.0976	0.0980	0.1018	0.0953	0.0850	0.0796	0.0664	0.0700	0.0644
Liability insurance	None	0.0145	0.0168	0.0167	0.0151	0.0151	0.0129	0.0126	0.0129	0.0099	0.0251
Audit	0.0500	0.0012	0.0013	0.0014	0.0012	0.0011	0.0009	0.0006	0.0006	0.0004	0.0006
Debt Service Fund	None	0.1091	0.1172	0.1444	0.1426	0.1123	0.1018	0.0973	0.0808	0.0392	0.0313
Bond and Interest Fund	None	0.0073	0.0078	0.0081	0.0071	0.0071	0.0053	0.0046	0.0043	0.0036	0.0098
Prior period adjustment		0.0000	0.0009	0.0086	-0.0088	0.0038	-0.0144	0.0081	0.0054	-0.0030	-0.0013
Total district rates (1)		0.5296	0.5609	0.6076	0.5709	0.5215	0.4454	0.4407	0.3833	0.3293	0.3280
Others											
Kane County		0.4201	0.4479	0.4684	0.4623	0.4336	0.3990	0.3730	0.3398	0.3336	0.3322
Kane County Forest Preserve		0.2253	0.2944	0.3126	0.3039	0.2710	0.2609	0.2201	0.1997	0.1932	0.1974
Elgin Township and Road Funds		0.1805	0.1950	0.2053	0.1972	0.1758	0.1550	0.1364	0.1230	0.1207	0.1208
Gail Borden Library District		0.5227	0.5294	0.5796	0.5087	0.4791	0.4084	0.3650	0.3380	0.3175	0.3111
Fox River Water Reclamation		0.0325	0.0339	0.0409	0.0370	0.0344	0.0299	0.0273	0.0249	0.0240	0.0246
City of Elgin		2.2396	2.4110	2.3218	2.1668	1.9344	1.9836	1.9214	1.9202	1.9200	1.9200
School District No. 46		6.5487	7.1238	8.0229	5.9395	6.3706	5.5589	5.2661	4.5494	4.2066	4.3659
Total rates		10.1694	11.0354	11.9515	10.1861	10.2204	9.2410	8.7500	7.8783	7.4448	7.6002

(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	2016 Levy Year			2007 Levy Year		
		Assessed Value	Rank	Percentage of Total District Assessed Valuation	Assessed Value (000s)	Rank	Percentage of Total District Assessed Valuation
Target	Retail	\$ 25,346,225	1	0.23%	\$ 18,669,936	5	0.14%
Poplar Creek Crossing	Real Property	19,470,503	2	0.17%	-	-	-
Aboretum Mall LLC	Mall	18,426,515	3	0.16%	-	-	-
Wal-Mart	Retail	16,983,673	4	0.15%	17,978,617	6	0.13%
Q Center LLC	Conference Center	16,845,619	5	0.15%	-	-	-
John B. Sanfilippo and Son, Inc	Snack Food	16,494,085	6	0.15%	-	-	-
Algonquin Commons	Real Property	16,333,921	7	0.15%	30,140,007	2	0.22%
Cabelas	Real Property	15,561,847	8	0.14%	-	-	-
Amli at St. Charles LLC	Real Property	13,986,705	9	0.12%	-	-	-
Wells Fargo Bank	Banking	13,878,229	10	0.12%	-	-	-
Springhill Mall, LLC	Commerical Shopping Center	-	-	-	33,205,342	1	0.25%
Individual	Real Propert	-	-	-	20,106,223	3	0.15%
Bradley Operation Limited	Real Property	-	-	-	18,897,813	4	0.14%
Arthur Anderson & Company	Traing Center	-	-	-	17,145,629	7	0.13%
Transamerica Comm. Fin.	Real Property	-	-	-	16,976,647	8	0.13%
The John Buck Company	Real Property	-	-	-	14,819,420	9	0.11%
IRC	Real Property	-	-	-	14,060,981	10	0.10%
		<u>\$ 173,327,322</u>		<u>1.54%</u>	<u>\$ 171,541,955</u>		<u>1.28%</u>

(1) Previously Bradley Operation Limited.

Note: Excludes \$5,224,196 of EAV (Frozen TIF Value for Sears Roebuck National Headquarters). The actual 2016 value of the Sears property in the TIF district is \$107,783,938.

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, 2016	Collected During Year Ended June 30, 2017 (6)	Total Collected Through June 30, 2017 (4)	Percent of Taxes Extended Collected Through June 30, 2017	Tax Cap Limit (5)
2016	\$ 10,532,492,082	0.5296	\$ 60,314,611	\$ -	\$ 30,020,701	\$ 30,020,701	49.77%	0.70%
2015	10,325,972,629	0.5609	59,544,514	30,028,482	29,458,208	59,486,690	99.90%	0.80%
2014	10,026,440,546	0.6076	60,820,489	60,468,003	(2,174)	60,465,829	99.42%	1.50%
2013	10,185,173,177	0.5709	60,245,707	59,911,793	44,144	59,955,937	99.52%	1.70%
2012	11,143,211,646	0.5215	58,907,754	58,474,867	26,499	58,501,366	99.31%	3.00%
2011	12,468,311,880	0.4454	55,920,678	55,644,304	17,546	55,661,850	99.54%	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%

(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 determined by the Illinois Department of Revenue, and individual rates are limited by maximum rates established by Illinois Compiled Statutes.

(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	Headcount	In District	Out of District	Out of State		
	Credit Courses	Credit Courses	Tuition and Fees per Semester Hour	Tuition and Fees per Semester Hour	Tuition and Fees per Semester Hour		
2017	5,773	9,918	\$ 125.00	\$ 434.49	\$ 497.79	179,655	\$ 24,493,158
2016	6,052	10,336	119.00	434.49	497.79	189,445	23,971,324
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

(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

<b>Fiscal Year Ended</b>	<b>General Obligation Bonds (1)</b>	<b>Capital Lease Obligations</b>	<b>Due to Other Governments</b>	<b>Total Outstanding Debt (2)</b>	<b>District Estimated Actual Taxable Property Value</b>	<b>Percentage of Total Outstanding Debt to Estimated Actual Taxable Property Value</b>	<b>Population (Estimated)</b>	<b>Total Outstanding Debt Per Capita</b>	<b>Total Outstanding Debt as a Percentage of Personal Income</b>
2017	\$ 180,481,188	\$ -	\$ -	\$ 180,481,188	\$ 11,221,103,941	1.61%	459,700	\$ 392.61	1.08%
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%

(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

<b>Fiscal Year</b>	<b>General Obligation Bonds (1)</b>	<b>Less: Amounts Restricted for Debt Service (2)</b>	<b>Net General Bonded Debt</b>	<b>District Estimated Actual Taxable Property Value</b>	<b>Percentage of Net General Bonded Debt to Estimated Actual Taxable Property Value</b>	<b>Population (Estimated)</b>	<b>Net General Bonded Debt Per Capita</b>
2017	\$ 180,481,188	\$ 3,746,425	\$ 176,734,763	\$ 10,924,750,362	1.61%	459,700	\$ 392.61
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

(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, 2017

<b>Governmental Unit</b>	<b>Gross Bonded Debt</b>	<b>Percentage of Debt Applicable to Government</b>	<b>Government's Share of Debt</b>
Elgin Community College	\$ 180,481,188	100.00%	\$ 180,481,188
<b>SCHOOLS</b>			
School District Number 54	-	2.26%	-
High School District Number 211	3,020,000	1.35%	40,812
Unit School District Number 46	281,093,329	100.00%	281,093,329
Unit School District Number 158	84,352,672	0.03%	26,856
Unit School District Number 300	268,404,550	74.03%	198,692,742
Unit School District Number 301	57,284,626	98.79%	56,590,661
Unit School District Number 303	63,660,000	99.59%	63,397,904
Unit School District Number 427	54,431,803	0.35%	188,864
Total schools			600,031,168
<b>OTHERS</b>			
Counties and large units			
Kane County	39,540,000	55.09%	21,784,288
Kane County Forest Preserve District	172,205,000	55.09%	94,875,148
Cook County	3,213,141,750	1.46%	46,905,417
Cook County Forest Preserve District	159,501,000	1.46%	2,328,394
Metropolitan Water Reclamation District	2,484,843,000	1.20%	29,895,828
DuPage County	156,575,000	3.29%	5,154,109
DuPage County Forest Preserve District	126,497,595	3.29%	4,164,026
DuPage Water Commission	-	1.19%	-
Total counties and large units			205,107,210
Cities and Villages			
Village of Algonquin	7,655,000	27.42%	2,099,226
Village of Bartlett	38,625,000	100.00%	38,625,000
Village of Burlington	-	94.04%	-
Village of Campton Hills	-	6.03%	-
Campton Township	33,890,000	90.79%	30,767,587
Village of Carpentersville	43,255,000	88.43%	38,250,342
Village of East Dundee	14,375,000	100.00%	14,375,000
City of Elgin	87,535,000	100.00%	87,535,000
Village of Gilberts	1,040,000	99.83%	1,038,244
Village of Hampshire	2,915,000	85.10%	2,480,705
Village of Hanover Park	17,685,000	38.60%	6,826,982
Village of Hoffman Estates	106,940,000	16.14%	17,264,938
City of St. Charles	81,620,000	98.31%	80,240,025
Village of Schaumburg	306,365,000	2.92%	8,954,839
Village of South Elgin	28,400,000	100.00%	28,400,000
Village of South Barrington	-	5.86%	-
Village of Streamwood	4,530,000	99.94%	4,527,258
City of West Chicago	-	18.66%	-
Village of West Dundee	10,310,000	88.01%	9,073,713
Total cities and villages			370,458,859

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

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

June 30, 2017

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Government	Government's Share of Debt
<b>OTHERS (Continued)</b>			
Library Districts			
Algonquin Public Library District	\$ 1,680,000	2.73%	\$ 45,933
Barrington Public Library District	-	1.32%	-
Bartlett Public Library District	-	100.00%	-
Gail Borden Public Library	11,930,000	100.00%	11,930,000
Huntley Public Library District	-	3.17%	-
Poplar Creek Library District	16,730,000	82.64%	13,824,996
Schaumburg Public Library District	-	2.32%	-
Town and Country Public Library District	310,000	25.28%	78,383
West Chicago Public Library District	-	7.25%	-
Park Districts			
Bartlett Park District	24,890,000	100.00%	24,890,000
Carol Stream Park District	48,640,290	7.21%	3,508,868
Dundee Township Park District	19,014,755	96.84%	18,413,368
Hampshire Park District	2,030,000	100.00%	2,030,000
Hanover Park Park District	2,895,000	42.09%	1,218,647
Hoffman Estates Park District	64,925,000	17.32%	11,247,296
Huntley Park District	6,565,000	2.18%	143,225
Schaumburg Park District	21,980,000	3.14%	689,693
South Barrington Park District	7,980,000	4.06%	324,364
St. Charles Park District	23,529,000	99.83%	23,488,083
Streamwood Park District	5,533,000	95.27%	5,271,285
West Chicago Park District	26,475,000	15.49%	4,099,907
West Chicago Fire Protection District	7,310,000	20.23%	1,478,561
Special Service Areas			
Carpentersville Special Service Area Numbers 6, 7, 10, 11 and 17	-	100.00%	-
Gilberts Special Service Area Number 10	15,837,000	100.00%	15,837,000
Gilberts Special Service Area Number 19	-	100.00%	-
Hanover Park Special Service Area Number 2	-	100.00%	-
Hampshire Special Service Area Number 9	1,215,000	100.00%	1,215,000
Pingree Grove Special Service Area Number 1	-	100.00%	-
St. Charles TIF 2	345,000	100.00%	345,000
Streamwood Special Service Area Number 3	-	100.00%	-
West Chicago Special Service Area Number 2	-	30.78%	-
Total others			140,079,609
Total schools, counties, cities and villages			1,175,597,237
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$ 1,315,676,846</b>

Data Sources

District records and Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties  
Overlapping debt percentages based on 2016 EAV for Kane, Cook and DuPage Counties, the latest information available.

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

**DEBT CAPACITY  
LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Assessed Value</b>	<b>Debt Limit Rate</b>	<b>Debt Limit (Assessed Value Debt Limit Rate)</b>	<b>Net Debt Applicable to Debt Limit (1)</b>	<b>Legal Debt Margin</b>	<b>Net Debt Applicable to Debt Limit as a Percentage of Debt Limit</b>
2017	\$ 10,924,750,362	2.875%	\$ 314,086,573	\$ 180,481,078	\$ 133,605,495	57.46%
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%

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

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<b>Fiscal Year</b>	<b>Population (Estimate)</b>	<b>Personal Income (1)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate (2)</b>
2017	459,700	\$ 16,677,117,556	\$ 36,278	4.8%
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%

(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

<b>2017</b>			<b>2007</b>		
<b>Employer</b>	<b>Rank</b>	<b>Estimated Employees</b>	<b>Employer</b>	<b>Rank</b>	<b>Estimated Employees</b>
Sears Holding Corp	1	4,320	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	4,000
Zurich North American Commercial	4	2,500	Northwest Community Healthcare	4	4,000
Advocate Sherman Hospital	5	2,200	AT&T	5	2,700
St. Alexius Medical Center	6	2,045	Chase	6	2,500
Northrop Grumman Corporation	7	1,900	Motorola, Inc	7	2,060
HSBC Finance Corporation	8	1,500	Broadwing Communications, LLC	8	2,000
Presence St. Joseph Hospital	9	1,300	Northrop Gurmman Corp	9	2,000
Arthur J Gallagher & Company	10	1,300	Sherman Hospital	10	1,700
John B. Sanfilippo & Son, Inc	11	1,200	Zurich American Insurance Company	11	1,700
Clearbrook	12	1,000	St. Alexius Medical Center	12	1,650
Optum RX, Inc	13	800	Experian Information Solutions, Inc.	13	1,500
Paylocity Corporation	14	800	Elgin Mental Health Center	14	1,300
Nation Pizza Products LP	15	700	Elgin Riverboat Resort	15	1,200
American NTN Bearing Mfg. Corp.	16	700	Provena St. Joseph Hospital	16	950
Verizon Wireless, Inc	17	675	Paddock Publications, Inc	17	900
The Neilsen Company	18	650	IBM Global Services	18	800
Motorola Solutions	19	600			
CDK Global (Previously ADP Dealer Services)	20	600			
Experian Informations Solutions, Inc	21	600			
Capsonic Group, LLC	22	600			

Data Source

2017 Illinois Manufacturers Directory, 2017 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

<b>Fiscal Year</b>	<b>Baccalaureate</b>	<b>Business Occupational</b>	<b>Technical Occupational</b>	<b>Health Occupational</b>	<b>Remedial Development</b>	<b>Adult Basic Secondary Education</b>	<b>Total Claimed Credit Hours</b>
2017	109,165	8,913	14,237	10,657	14,709	21,974	179,655
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

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

<b>Employee Group</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Faculty										
Full-time FTE	133	135	133	132	130	132	134	131	127	119
Part-time FTE	173	195	205	219	209	200	198	172	143	151
Total FTE	306	330	338	351	339	332	332	303	270	270
Headcount	530	577	601	615	598	620	608	549	499	484
Administrators										
Full-time FTE	47	45	44	43	43	40	33	34	33	32
Part-time FTE	0	0	0	0	0	0	0	0	0	0
Total FTE	47	45	44	43	43	40	33	34	33	32
Headcount	47	45	44	43	43	40	33	34	33	32
Nonteaching Professional Staff										
Full-time FTE	191	194	189	166	171	180	193	179	171	166
Part-time FTE	41	48	48	51	49	51	76	74	75	48
Total FTE	232	242	237	217	220	231	269	253	246	214
Headcount	281	289	285	267	269	282	345	326	321	262
Classified Staff										
Full-time FTE	101	107	102	112	107	111	110	111	110	110
Part-time FTE	62	63	69	75	69	66	65	65	63	57
Total FTE	163	170	171	187	176	177	175	176	173	167
Headcount	206	233	239	261	244	242	239	240	235	223

**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

<b>Degrees and Certificates Awarded</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
General studies degrees										
Associate degrees										
Arts	543	522	529	466	524	496	393	427	374	345
Sciences	182	256	231	196	197	145	136	108	88	106
Engineering science	29	26	19	14	14	15	2	8	3	7
Fine arts	2	5	9	11	7	3	1	5	5	7
Liberal studies and general education	20	23	42	41	43	75	62	53	43	35
Occupational degrees										
Associate degree in applied science	360	384	369	359	387	411	344	313	303	268
Occupational certificates										
One year or more	178	321	299	286	292	329	307	258	201	194
Less than one year	739	819	1,087	880	1,019	1028	977	1188	912	796
<b>TOTAL DEGREES AND CERTIFICATES AWARDED</b>	<b>2,053</b>	<b>2,356</b>	<b>2,585</b>	<b>2,253</b>	<b>2,483</b>	<b>2,502</b>	<b>2,222</b>	<b>2,360</b>	<b>1,929</b>	<b>1,758</b>

Data Source

District records



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

**OPERATING INFORMATION  
CAPITAL ASSET STATISTICS**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Main Campus</b>										
Size of campus in acres	211.5	211.5	211.5	211.5	168.5	181.5	174.4	179.1	157.5	157.5
Number of buildings	18	18	18	18	18	18	18	17	16	16
Gross square footage	1,121,671	1,121,671	1,121,671	1,121,671	1,122,508	1,093,083	1,090,908	947,055	913,325	913,325
Number of parking lots	18	18	18	18	18	16	18	19	22	22
Number of parking spaces	4,349	4,349	4,337	4,337	4,326	4,000	4,085	4,067	3,641	3,641
<b>Burlington Facility</b>										
Size of facility in acres	120	120	0	0	0	0	0	0	0	0
Number of buildings	4	4	0	0	0	0	0	0	0	0
Number of rooms	80	80	0	0	0	0	0	0	0	0
Gross square footage	37,622	37,622	0	0	0	0	0	0	0	0
Number of parking lots	3	3	0	0	0	0	0	0	0	0
Number of parking spaces	233	233	0	0	0	0	0	0	0	0
<b>Fountain Square Campus</b>										
Size of campus	0	0	0	0	0	0	0	2.1 acres	2.1 acres	2.1 acres
Number of buildings	0	0	0	0	0	0	0	1	1	1
Number of rooms	0	0	0	0	0	0	0	119	119	119
Gross square footage	0	0	0	0	0	0	0	75,635	75,635	75,635
Number of parking lots	0	0	0	0	0	0	0	1	1	1
Number of parking spaces	0	0	0	0	0	0	0	38	38	38
<b>Hanover Park Education and Work Center</b>										
Number of buildings	1	1	1	1	0	0	0	0	0	0
Number of rooms	16	16	16	16	0	0	0	0	0	0
Gross square footage	10,848	10,848	9,274	9,274	0	0	0	0	0	0
Municipal parking lots	1	1	0	0	0	0	0	0	0	0
<b>Streamwood Village Hall Campus</b>										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Number of rooms	3	3	3	3	3	3	3	7	7	7
Gross square footage	3,224	3,224	3,224	3,224	3,224	3,234	3,234	3,234	3,234	3,234
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, 2017

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**ALL NONCAPITAL AUDITED OPERATING EXPENDITURES  
FOR FISCAL YEAR 2017 FROM ALL REVENUE SOURCES**

Education fund	\$ 55,516,802
Operations and maintenance fund	10,220,327
Bond and interest fund	-
Restricted purposes fund	1,190,287
Federal financial aid fund	12,310,067
Federal grants fund	2,690,140
Audit fund	132,656
Liability, protection and settlement fund	2,107,997
Auxiliary enterprises fund (subsidy only)	<u>940,287</u>

Total noncapital audited operating expenditures	85,108,563
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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>9,399,289</u>
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Equals total costs included	<u><u>\$ 94,507,852</u></u>
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<b>TOTAL CERTIFIED SEMESTER CREDIT HOURS</b>	<u><u>179,655.0</u></u>
--	-------------------------

<b>PER CAPITA COST</b>	<u><u>\$ 526.05</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, 2017

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All fiscal year 2017 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>\$ 14,647,983</u>
Fiscal year 2017 state and federal grants per semester credit hour	81.53
District's average ICCB grant rate for fiscal year 2018	27.66
District's student tuition and fee rate per semester credit hour for fiscal year 2017	<u>125.00</u>
<b>EQUALS CHARGEBACK REIMBURSEMENT PER SEMESTER CREDIT HOUR</b>	<u><u>\$ 291.86</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, 2017

	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
<b>FUND BALANCES, JULY 1, 2016</b>	\$ 48,545,093	\$ 12,730,840	\$ 15,622,462	\$ 3,549,757	\$ 4,963,239	\$ 2,343,908	\$ -	\$ 4,385,283
<b>REVENUES</b>								
Local tax revenue	34,850,684	10,290,842	-	12,492,726	-	-	-	-
All other local revenue	23,662	-	-	-	-	-	-	-
ICCB grants	5,713,131	-	-	-	-	1,072,917	-	-
All other state revenue	-	-	-	-	-	-	-	-
Federal revenue	-	-	1,422,009	777,926	-	60,581	12,310,067	-
Student tuition and fees	24,301,828	-	-	-	344,060	290	-	-
All other revenue	1,589,419	362,205	-	-	6,139,245	73,541	-	35,596
Total revenues	66,478,724	10,653,047	1,422,009	13,270,652	6,483,305	1,207,329	12,310,067	35,596
<b>EXPENDITURES</b>								
Instruction	29,172,160	-	-	-	-	1,101,282	-	-
Academic support	7,997,939	-	-	-	-	54	-	-
Student services	4,832,911	-	-	-	692,613	2,715	151,133	-
Public service/continuing education	289,346	-	-	-	-	71,613	-	-
Auxiliary services	-	-	-	-	4,942,355	-	-	-
Operations and maintenance	-	8,511,738	-	-	-	-	-	-
Institutional support	13,680,585	1,774,899	-	13,073,984	-	29,704	-	-
Scholarships, grants and waivers	16,740	-	-	-	-	1,961	12,158,934	-
Total expenditures	55,989,681	10,286,637	-	13,073,984	5,634,968	1,207,329	12,310,067	-
NET TRANSFERS	(940,287)	-	-	-	940,287	-	-	-
<b>FUND BALANCES, JUNE 30, 2017</b>	\$ 58,093,849	\$ 13,097,250	\$ 17,044,471	\$ 3,746,425	\$ 6,751,863	\$ 2,343,908	\$ -	\$ 4,420,879

(This statement 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, 2017

	<b>Audit Fund</b>	<b>Liability, Protection Settlement Fund</b>	<b>Building Bond Proceeds Fund</b>	<b>Federal Grants Fund</b>	<b>Total</b>
<b>FUND BALANCES, JULY 1, 2016</b>	\$ 125,150	\$ 3,856,607	\$ 5,695,385	\$ -	\$ 101,817,724
<b>REVENUES</b>					
Local tax revenue	133,506	2,545,841	-	-	60,313,599
All other local revenue	-	-	-	-	23,662
ICCB grants	-	-	-	982,363	7,768,411
All other state revenue	-	-	-	-	-
Federal revenue	-	-	-	1,712,677	16,283,260
Student tuition and fees	-	-	-	-	24,646,178
All other revenue	-	-	35,381	-	8,235,387
Total revenues	133,506	2,545,841	35,381	2,695,040	117,270,497
<b>EXPENDITURES</b>					
Instruction	-	-	-	622,012	30,895,454
Academic support	-	-	-	-	7,997,993
Student services	-	-	-	1,986,145	7,665,517
Public service/continuing education	-	-	-	30,282	391,241
Auxiliary services	-	-	-	-	4,942,355
Operations and maintenance	-	635,164	-	-	9,146,902
Institutional support	132,656	1,472,833	2,848,205	48	33,012,914
Scholarships, grants, waivers	-	-	-	56,553	12,234,188
Total expenditures	132,656	2,107,997	2,848,205	2,695,040	106,286,564
NET TRANSFERS	-	-	-	-	-
<b>FUND BALANCES, JUNE 30, 2017</b>	\$ 126,000	\$ 4,294,451	\$ 2,882,561	\$ -	\$ 112,801,657

(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, 2017

	<b>Fixed Asset/Debt Account Groups June 30, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Fixed Asset/Debt Account Groups June 30, 2017</b>
<b>CAPITAL ASSETS</b>				
Sites and improvements	\$ 43,632,488	\$ 506,637	\$ -	\$ 44,139,125
Buildings, additions and improvements	236,673,514	3,817,210	-	240,490,724
Equipment	13,277,509	568,344	-	13,845,853
Other capital assets	1,471,504	3,156,015	(4,366,840)	260,679
Accumulated depreciation	84,381,559	9,513,713	-	93,895,272
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 210,673,456</b>	<b>\$ (1,465,507)</b>	<b>\$ (4,366,840)</b>	<b>\$ 204,841,109</b>
<b>FIXED LIABILITIES</b>				
Bonds payable	\$ 182,949,771	\$ 100,756	\$ (4,445,000)	\$ 178,605,527
Other fixed liabilities	-	-	-	-
<b>TOTAL FIXED LIABILITIES</b>	<b>\$ 182,949,771</b>	<b>\$ 100,756</b>	<b>\$ (4,445,000)</b>	<b>\$ 178,605,527</b>
	<b><u>Outstanding July 1, 2016</u></b>	<b><u>Issued</u></b>	<b><u>Redeemed</u></b>	<b><u>Outstanding June 30, 2017</u></b>
<b>EDUCATION FUND</b>				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
<b>OPERATIONS AND MAINTENANCE FUND</b>				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
<b>BOND AND INTEREST FUND</b>				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
<b>AUDIT FUND</b>				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
<b>LIABILITY, PROTECTION AND SETTLEMENT FUND</b>				
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, 2017

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>OPERATING REVENUES BY SOURCE</b>			
Local government			
Local taxes	\$ 34,237,848	\$ 10,290,842	\$ 44,528,690
Chargeback revenue	23,662	-	23,662
Corporate Personal Property replacement tax	612,836	-	612,836
Other	-	-	-
Total local government	34,874,346	10,290,842	45,165,188
State government			
ICCB base operating grants	4,800,264	-	4,800,264
ICCB equalization grants	-	-	-
ICCB career & technical education	912,867	-	912,867
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	5,713,131	-	5,713,131
Federal government			
Department of Education	-	-	-
Department of Labor	-	-	-
Department of Health and Human Services	-	-	-
Other	-	-	-
Total federal government	-	-	-
Student tuition and fees			
Tuition	20,490,401	-	20,490,401
Fees	3,811,427	-	3,811,427
Other student assessments	-	-	-
Total student tuition and fees	24,301,828	-	24,301,828
Other sources			
Sales and service fees	-	-	-
Facilities revenue	-	81,472	81,472
Investment revenue	536,302	-	536,302
Nongovernmental grants	-	-	-
Other	1,053,117	280,733	1,333,850
Total other sources	1,589,419	362,205	1,951,624
Total revenues	66,478,724	10,653,047	77,131,771
Less non-operating items			
Tuition chargeback revenue	(23,662)	-	(23,662)
Instructional service contracts	-	-	-
<b>ADJUSTED REVENUE</b>	<b>\$ 66,455,062</b>	<b>\$ 10,653,047</b>	<b>\$ 77,108,109</b>

(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, 2017

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>OPERATING EXPENDITURES</b>			
<b>BY PROGRAM</b>			
Instruction	\$ 29,172,160	\$ -	\$ 29,172,160
Academic support	7,997,939	-	7,997,939
Student services	4,832,911	-	4,832,911
Public service/continuing education	289,346	-	289,346
Organized research	-	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	8,511,738	8,511,738
Institutional support	13,680,585	1,774,899	15,455,484
Scholarships, student grants, waivers	16,740	-	16,740
	<hr/>	<hr/>	<hr/>
Total expenditures	55,989,681	10,286,637	66,276,318
	<hr/>	<hr/>	<hr/>
Less non-operating items			
Tuition chargeback	(12,212)	-	(12,212)
Instructional service contracts	-	-	-
Transfers	940,287	-	940,287
	<hr/>	<hr/>	<hr/>
<b>ADJUSTED EXPENDITURES</b>	<b>\$ 56,917,756</b>	<b>\$ 10,286,637</b>	<b>\$ 67,204,393</b>
	<hr/>	<hr/>	<hr/>
<b>BY OBJECT</b>			
Salaries	\$ 41,037,377	\$ 4,417,349	\$ 45,454,726
Employee benefits	7,186,154	1,008,613	8,194,767
Contractual services	2,303,607	1,107,576	3,411,183
General materials and supplies	3,281,789	117,476	3,399,265
Library materials**	307,929	-	307,929
Conference and meeting expenses	389,815	1,935	391,750
Fixed charges	232,874	855,755	1,088,629
Utilities	-	2,186,652	2,186,652
Capital outlay	1,013,687	591,281	1,604,968
Other	544,378	-	544,378
Student grants and scholarships**	9,696	-	9,696
	<hr/>	<hr/>	<hr/>
Total expenditures	55,989,681	10,286,637	66,276,318
	<hr/>	<hr/>	<hr/>
Less non-operating items			
Tuition chargeback	(12,212)	-	(12,212)
Instructional service contracts	-	-	-
Transfers	940,287	-	940,287
	<hr/>	<hr/>	<hr/>
<b>ADJUSTED EXPENDITURES</b>	<b>\$ 56,917,756</b>	<b>\$ 10,286,637</b>	<b>\$ 67,204,393</b>
	<hr/>	<hr/>	<hr/>

\*\*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, 2017**

---

**REVENUES BY SOURCE**

Total local government	<u>\$ 118,002</u>
State government	
ICCB - Student Success Grant	-
ICCB - Retirees Health Insurance Grant	-
ICCB - Special Initiatives Grants	-
ICCB - Program Improvement Grant	45,365
ICCB - Adult Education	1,026,677
ICCB - Other	-
Dept. of Corrections	-
Illinois Student Assistance Commission	-
Other (attach itemization)	<u>875</u>
Total state government	<u>1,072,917</u>
Federal government	
Department of Education	13,548,585
Department of Labor	427,844
Department of Health and Human Services	62,000
Other	<u>1,027,259</u>
Total federal government	<u>15,065,688</u>
Other sources	
Tuition and fees	290
Other	<u>(44,461)</u>
Total other sources	<u>(44,171)</u>
<b>TOTAL RESTRICTED PURPOSES FUND REVENUES</b>	<u><u>\$ 16,212,436</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, 2017**

---

**EXPENDITURES BY PROGRAM**

Instruction	\$ 1,723,294
Academic support	54
Student services	2,139,993
Public service/continuing education	101,895
Organized research	-
Auxiliary services	-
Operations and maintenance	-
Institutional support	29,752
Scholarships, grants, waivers	<u>12,217,448</u>

**TOTAL RESTRICTED PURPOSES FUND EXPENDITURES**

\$ 16,212,436

**EXPENDITURES BY OBJECT**

Salaries	\$ 3,051,671
Employee benefits	395,089
Contractual services	62,203
Student financial aid	-
General materials and supplies	235,730
*Library materials	-
Travel and conference/meeting expenses	166,031
Fixed charges	-
Utilities	-
Capital outlay	106,210
Other	12,279,200
*Scholarships, grants, waivers	<u>12,222,020</u>

**TOTAL RESTRICTED PURPOSES FUND EXPENDITURES**

\$ 16,296,134

\* 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, 2017**

---

**INSTRUCTION**

Instructional programs	\$ 29,250,541
Other	<u>1,022,901</u>
Total instruction	<u>30,273,442</u>

**ACADEMIC SUPPORT**

Library Center	1,690,229
Instructional Materials Center	765,642
Educational Media Services	1,254,329
Academic computing support	-
Academic administration and planning	4,183,750
Other	<u>104,043</u>
Total academic support	<u>7,997,993</u>

**STUDENT SERVICES SUPPORT**

Admissions and records	1,022,303
Counseling and career guidance	1,286,872
Financial aid administration	738,010
Administration	720,127
Social and cultural development	1,911
Other	<u>1,759,016</u>
Total student services support	<u>5,528,239</u>

**PUBLIC SERVICE/CONTINUING EDUCATION**

Community education	-
Customized training (instructional)	-
Community services	347,376
Other	<u>13,583</u>
Total public service/continuing education	<u>360,959</u>

**ORGANIZED RESEARCH**

**AUXILIARY SERVICES**

4,942,355

(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, 2017**

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**OPERATIONS AND MAINTENANCE OF PLANT**

Maintenance	\$ 1,666,709
Custodial services	2,297,123
Grounds	711,171
Campus security	1,551,071
Transportation	-
Utilities	2,321,195
Administration	599,633
Other	-

Total operations and maintenance of plant	9,146,902
---	-----------

**INSTITUTIONAL SUPPORT**

Executive management	1,696,083
Fiscal operations	1,037,085
Community relations	797,379
Administrative support services	5,675,141
Board of trustees	76,135
General institution	3,628,621
Institutional research	316,768
Administrative data processing	2,646,981
Other	1,216,484

Total institutional support	17,090,677
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<b>SCHOLARSHIPS, STUDENT GRANTS AND WAIVERS</b>	<b>18,701</b>
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<b>TOTAL CURRENT FUNDS EXPENDITURES</b>	<b>\$ 75,359,268</b>
---	----------------------



1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

630.566.8400 // [www.sikich.com](http://www.sikich.com)

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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, 2017, 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, 2017, 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. Our opinion was not modified with respect to this matter.

## **Other Matters**

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, 2017, 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.

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, 2017

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

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

June 30, 2017

	State Basic	State Performance	Total
<hr/>			
ASSETS			
Receivable	\$ 706,386	\$ 75,853	\$ 782,239
<hr/>			
TOTAL ASSETS	\$ 706,386	\$ 75,853	\$ 782,239
<hr/>			
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$ 706,386	\$ 75,853	\$ 782,239
<hr/>			
Total liabilities	706,386	75,853	782,239
<hr/>			
FUND BALANCES			
None	-	-	-
<hr/>			
TOTAL LIABILITIES AND FUND BALANCES	\$ 706,386	\$ 75,853	\$ 782,239
<hr/>			

(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, 2017

	State Basic	State Performance	Total
<b>REVENUES</b>			
State sources	\$ 858,010	\$ 168,667	\$ 1,026,677
Total revenues	858,010	168,667	1,026,677
<b>EXPENDITURES</b>			
Instructional and student services			
Instruction	858,010	159,042	1,017,052
Guidance services	-	3,210	3,210
Social work services	-	-	-
Assessment and testing	-	-	-
Total instructional and student services	858,010	162,252	1,020,262
Program support			
Improvement of instructional services	-	6,415	6,415
General administration	-	-	-
Workforce coordination	-	-	-
Total program support	-	6,415	6,415
Total expenditures	858,010	168,667	1,026,677
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, JULY 1, 2016	-	-	-
<b>FUND BALANCE, JUNE 30, 2017</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(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, 2017

---

	<b>Audited Expenditure Amount</b>	<b>Audited Expenditure Percentage</b>
<b>STATE BASIC</b>		
Instruction (45% minimum required)	\$ 858,010	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, 2017

---

**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 program. 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, 2017. 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.

**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.

**3. BACKGROUND INFORMATION ON STATE GRANT ACTIVITY (Continued)**

**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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1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

Certified Public Accountants & Advisors  
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**INDEPENDENT ACCOUNTANT'S REPORT ON ENROLLMENT DATA  
AND OTHER BASES UPON WHICH CLAIMS ARE FILED AND  
SUPPORTING RECONCILIATION OF SEMESTER CREDIT HOURS**

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

We have examined management of Elgin Community College - Illinois Community College District Number 509's (the District) assertion that the District complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of Elgin Community College during the period July 1, 2016 through June 30, 2017. The District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the District's compliance with the specified requirements based on our examination

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with the specified requirements.

In our opinion, management's assertion that the District complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of Elgin Community College is fairly stated, in all material respects.

*Sikich LLP*

Naperville, Illinois  
October 3, 2017

**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, 2017

	<b>Total Semester Credit Hours by Term</b>							
	<b>Summer</b>		<b>Fall</b>		<b>Spring</b>		<b>Total</b>	
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Restricted</b>
<b>CATEGORIES</b>								
Baccalaureate	12,958.0	54.0	49,659.0	-	46,493.5	-	109,110.5	54.0
Business occupational	736.0	-	4,412.0	-	3,764.5	-	8,912.5	-
Technical occupational	723.0	-	6,910.0	-	6,604.5	-	14,237.5	-
Health occupational	884.0	-	4,726.0	-	5,047.0	-	10,657.0	-
Remedial developmental	1,134.0	-	8,042.0	-	5,533.0	-	14,709.0	-
Adult basic education/adult secondary education	5,464.0	-	1,049.0	7,341.5	703.0	7,417.0	7,216.0	14,758.5
<b>TOTAL CREDIT HOURS VERIFIED</b>	<b>21,899.0</b>	<b>54.0</b>	<b>74,798.0</b>	<b>7,341.5</b>	<b>68,145.5</b>	<b>7,417.0</b>	<b>164,842.5</b>	<b>14,812.5</b>

	<b>In-District</b>	<b>Chargeback/ Contractual Agreement</b>	<b>Total</b>
Reimbursable semester credit hours	177,209.0	2,307.0	179,516.0

	<b>Dual Credit</b>	<b>Dual Enrollment</b>	<b>Total</b>
Reimbursable semester credit hours	2,425.0	2,585.5	5,010.5

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 2016 EQUALIZED ASSESSED VALUATION** \$ 10,924,750,362

(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, 2017

	<b>Total Unrestricted Hours</b>	<b>Total Unrestricted Credit Hours Certified to the ICCB</b>	<b>Difference</b>	<b>Total Restricted Hours</b>	<b>Total Restricted Credit Hours Certified to the ICCB</b>	<b>Difference</b>
Baccalaureate	109,110.5	109,110.5	-	54.0	54.0	-
Business occupational	8,912.5	8,912.5	-	-	-	-
Technical occupational	14,237.5	14,237.5	-	-	-	-
Health occupational	10,657.0	10,657.0	-	-	-	-
Remedial developmental	14,709.0	14,709.0	-	-	-	-
Adult basic education/adult secondary education	7,216.0	7,216.0	-	14,758.5	14,758.5	-
<b>TOTAL</b>	164,842.5	164,842.5	-	14,812.5	14,812.5	-

	<b>Total Attending</b>	<b>Total Attending Certified to the ICCB</b>	<b>Difference</b>
In-District Residents	177,209.0	177,209.0	-
Chargeback/Contractual Agreement	2,307.0	2,307.0	-

	<b>Total Reimbursable</b>	<b>Total Reimbursable Certified to the ICCB</b>	<b>Difference</b>
Dual Credit	2,425.0	2,425.0	-
Dual Enrollment	2,585.5	2,585.5	-

(See independent auditor's report.)



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