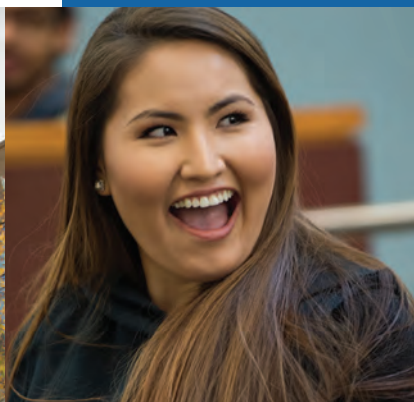




COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Years Ended June 30, 2018
and June 30, 2017



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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Years Ended
June 30, 2018 and 2017

Prepared by
Finance Department

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DISTRICT NUMBER 509
ELGIN, ILLINOIS
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INTRODUCTORY SECTION

ELGIN COMMUNITY COLLEGE
Community College District No. 509

Principal Officials

BOARD OF TRUSTEES

Members

Jeffrey Meyer, Chairperson
Donna Redmer, Vice Chairperson

John Duffy

Ryan Weiss

Clare Ollayos

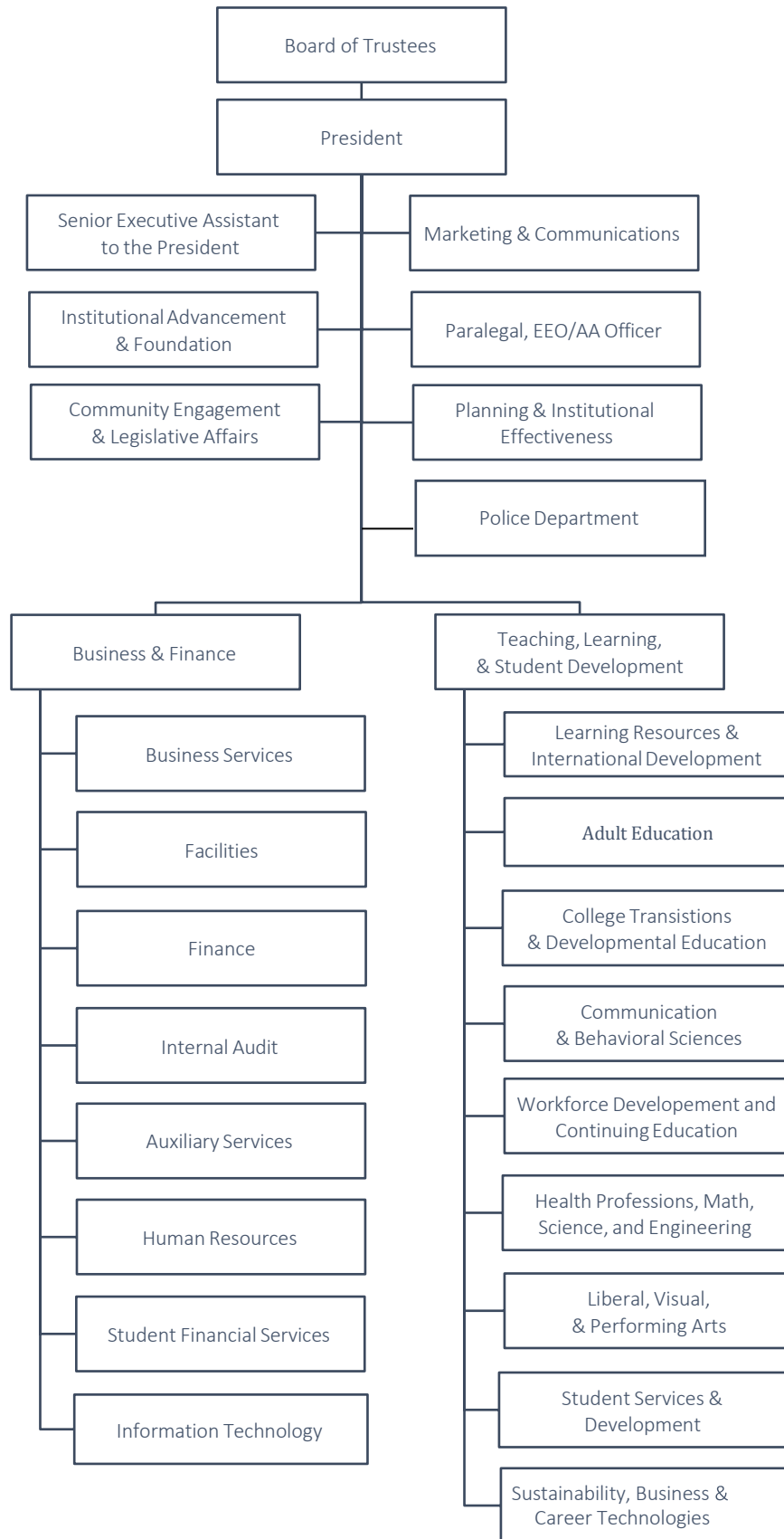
Jennifer Rakow

Candace McCreary

Esmeralda Flores, 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, 2017

Christopher P. Morrill

Executive Director/CEO



September 27, 2018

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, 2018, 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 five 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, strategies, and success indicators as defined below.

Mission	Statement about why the college exists (our purpose)
Vision	Statement about where we are headed (our future)
Philosophy Statement	The core conceptual framework that guides our work

Shared Values	Foundational beliefs that shape our actions and embody our philosophy
Themes	Enduring concepts emerging from planning discussions used to frame goals and strategies
Goals	Broad, long-range intentions that help to clarify our vision
Strategies	Specific and reportable actions we intend to accomplish within each goal
Success Indicators	Reportable measures to assess whether goals are on track

The College community started a year long process in fall of 2016 to review student success data, comparative benchmarks and best practices from other institutions, national trends in higher education, labor and demographic trends, and financial reports to reflect on current and future opportunities. The processes were informed by employee focus groups, student meetings, web surveys, surveys of area residents, and forums with educational, business, and community leaders. The efforts of these groups and the strategic planning committee brought to focus four key themes to guide the college's future work 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 indicators provide specificity on measuring the work performed. The strategic plan for 2018 through 2022 was approved by the board of trustees in October of 2017. The key components are 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 commit to creating an environment that is equitable and inclusive to all.

Diversity

We value and honor diversity in all forms and perspectives. To successfully achieve our vision, we provide a safe and inclusive community that promotes and affirms individual growth, social responsibility, and self-worth for success in a global world.

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

We are actively committed to serving students, employees, and community members. The decisions and actions we undertake in carrying out our vision derive from working cooperatively with local through global 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

	District 509
Civilian Employed Population 16 and Over	220,285
Agriculture, Fishing, Hunting, and Mining	< 1%
Construction	6%
Manufacturing	17%
Wholesale Trade	4%
Retail Trade	12%
Transportation, Warehousing, and Utilities	6%
Information	3%
Finance, Insurance, Real Estate, Rental, and Leasing	8%
Professional, Scientific, Management, Administrative, and Waste Management Services	12%
Educational Services, Healthcare, and Social Assistance	19%
Arts, Entertainment, Recreation, Food Services, and Accommodation	8%
Other Services (except Public Administration)	4%
Public Administration	3%

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

Like many areas in the nation, unemployment for Kane County has been 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 4.5% as of July 2018, placing it slightly above the state's unemployment rate of 4.3%, and the US unemployment average of 4.1% 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 2018 and 2017, respectively, enrollment declined by 1.56 percent to 176,626 credit hours and by 5.17% 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. The recent budget impasse in the State of Illinois and uncertainty of state funding is believed to have an impact on enrollment as well. Students are leaving the State of Illinois to pursue their college education heading to institutions with less uncertainty of institutional funding. To that end, the recent enrollment declines that ECC has experienced have been mirrored by the entire Illinois Community College system as a whole.

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

Fiscal Year	2016	2017	2018
Fall Enrollment	10,336	9,918	9,599
Spring Term Enrollment	10,215	9,689	9,480
Summer Term Enrollment	5,157	4,882	4,902
Annual Unduplicated Enrollment	16,114	15,211	15,074
Total Claimed Credit Hours	189,445	179,420	176,626

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 2019

Heading into fiscal year 2019, the College had received all of the funding for fiscal year 2018 from the State of Illinois by June 30, 2018, as well as, level funding for fiscal year 2019. This has not happened in several years. The College was able to start fiscal year 2019 confident in the budget that was created and ready to pursue the goals, strategies, and actions within the strategic plan.

With the uncertainty in the past of funding from the State of Illinois, the College has been focused on maintaining operations in as prudent a manner as possible without adding costs. The College has made every effort to minimize expenses while delivering quality education. The College will continue to be cautious in spending; however, with the new strategic plan and a funded budget, the College is focused on innovation. The following discusses specific efforts that will be the focus in fiscal year 2019 in addition to the great work the College has already institutionalized.

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. Moving forward, the College will need to focus on innovative efforts to set the College apart from others to build enrollment and strive to meet the goals of the strategic plan.

The *ECC Strategic Plan* is anchored around the college's mission *to improve people's lives through learning*. SSI has two main student success target outcomes for fiscal year 2019. The first is to research, identify, implement, evaluate and scale effective student success initiatives and strategies, particularly ensuring equity for African-American students, undocumented students, and other populations. The second is to support and incentivize efforts that expand and institutionalize equity at ECC.

There are a variety of initiatives working to address these outcomes. Some of these initiatives include:

- The first I Dream In Color Week, an entire week of events designed to "engage historically marginalized students in critical thought, equip them with tools to pursue their educational goals, educate them on how to advocate for themselves, and excite them about the future which they deserve to have".
- The creation of a new Culturally Responsive Teaching work group, which will focus on the creation of a culturally responsive teaching and learning program at ECC. Work begins this fall and will continue throughout the 2018-2019 academic year (at least).
- The Critical Conversations Cohort, which is a new program beginning fall 2018, designed to engage faculty in critical conversations about the issues facing our community.

- The Critical Engagement Series, a series of guided discussions sponsored in collaboration with Center of Teaching and Learning (CETL), Global and International Taskforce (GIST), Multicultural and Global Initiatives Committee (MAGIC), and Student Life, focusing on various contemporary issues of critical importance (implicit bias, DACA, transgender students, religion, et al).

In addition to the specific outcomes targeted by SSI, the Division of Teaching, Learning and Student Development (TLSD) has an annual plan that defines the 2019 priorities for the academic divisions of the College. These priorities align to the strategic plan as follows:

Theme: Equity and Learning

- The College will be utilizing a task force to review the Illinois Community College Board (ICCB) placement framework and the impact of aligning the placement practices of ECC with the new framework.
- The College will be exploring differences in instructional practices in high school and college and reviewing culturally relevant teaching practices to increase the use of equitable instructional design methods.

Theme: Holistic Programming

- The College will review and evaluate scheduling practices and explore optimization tools for course scheduling to gain efficiencies and more effectively meet the needs of students.
- The College will work in partnership with high schools and employers to develop and strengthen career pathways by working to align high school and college curriculum to the recommended Technical and Essential Employability Competencies.
- The College will work to develop regional career exploration opportunities for students.
- The needs of adult learners will be evaluated to expand online course and program offerings to better serve the population.

Theme: Community Partnerships

- Dual Credit allows high school students to enroll in college credit classes that are held at the high schools for high school students to earn both college and high school credit. The college is piloting this program in the high schools within the district offering a select few classes in fall of 2018. The annual plan prioritizes the expansion of dual credit opportunities as the College determines the needs of the area high schools, engages faculty to implement methods that ensure quality for courses taught at the high school sites, develops formalizes internal policies and procedures to support the expansion of dual credit, and expands the accelerate college program.

- The Division will evaluate the programming needs of the community and the workforce within the district to identify potential new programs and review and establish criteria for new program opportunities which may include an incubation of programs by starting them within non-credit to transition to credit once successful.

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 Coalition will be aiming their efforts to support the third theme of the strategic plan: Community Partnerships.

TECHNOLOGY INITIATIVES

The technology initiatives align the fourth theme of the strategic plan: Service Excellence.

The College will be implementing an integrated talent management system for the Human Resources Department that includes position management, recruiting, onboarding, learning, and performance management. The system will provide users with a single, consistent system of engagement and deliver the touchpoints between modules needed to optimize workflow and allow for reporting and data analysis across modules. This system will replace a combination of paper and disparate system processes and will gain efficiencies across campus. Implementation will start in fiscal year 2019 with the recruiting, position management, and onboarding modules.

The College is focused on expanding the wireless internet connectivity on campus. The project will encompass all classrooms and office areas creating a college-wide wireless network, which has become a requirement in today's digital learning environment. Access points will be increased across campus and the bandwidth will

be increased to reduce dropped connections and increase wireless internet access speeds across campus.

Texting has become one of the preferred methods of communication among students. Various departments within the College have identified a need to leverage texting as a tool to strengthen and build relationships with students. In 2019, the College will be implementing a text messaging system that will allow communications with students for recruitment, appointment reminders, key dates, and other important information.

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 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 update the facilities master plan for the next five to ten years in fiscal year 2019.

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 annual 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, 2017. 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 2017. We believe our current report for the fiscal year ended June 30, 2018 continues to meet the stringent program requirements for the Certificate of Achievement and will be submitted to GFOA.

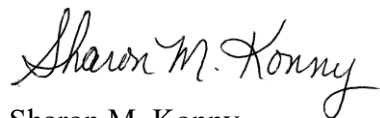
In addition, Elgin Community College also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 14, 2016 for the fiscal year ending June 30, 2017. This is the eighth budget award the College has received. In order to qualify for the Distinguished Budget 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 was not submitted for review due to the format and change in requirements; however, the College will be submitting the 2019 budget to GFOA for the Distinguished Budget Presentation Award. We believe the budget will meet the new 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, Business and Finance and
Interim Chief Human Resources Officer

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

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, 2018 and 2017, 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 audits 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, 2018 and 2017, 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.

Change in Accounting Principle

As described in Note 11, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. The implementation of this guidance resulted in changes to the postemployment benefit related liability, revenue, expense, notes presented in the notes to financial statements and to the required supplementary information. The data for the June 30, 2017 fiscal year end was not restated as the required information was not available. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 section 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 September 27, 2018 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
September 27, 2018

Elgin Community College

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

As management of Elgin Community College, we offer readers of Elgin Community College's financial statements this narrative overview and analysis of the financial activities of Elgin Community College for fiscal years ended June 30, 2018; June 30, 2017; and June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information available in our letter of transmittal and the College's basic financial statements.

Using This Annual Report

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

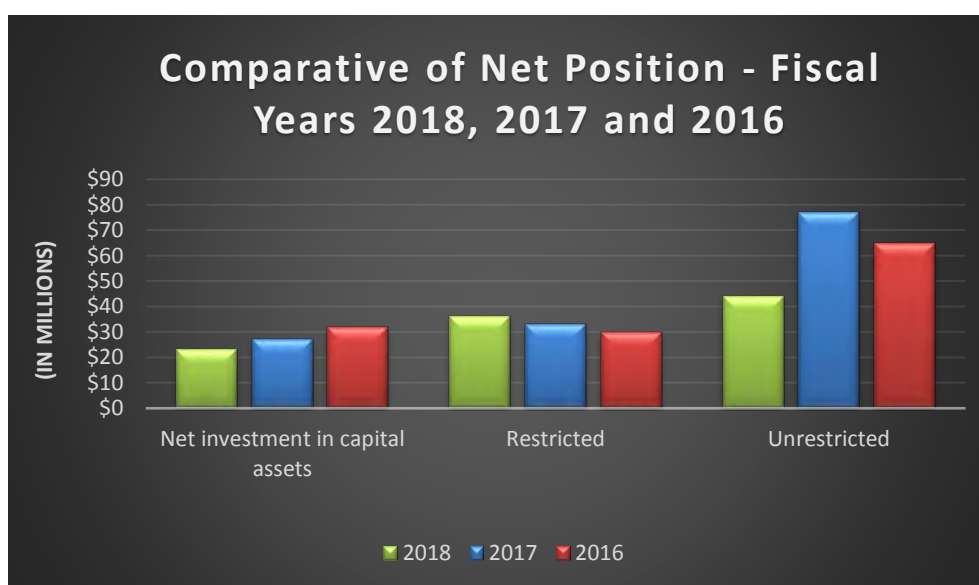
Financial Highlights

The College adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during fiscal year 2018. The implementation of this new accounting principal resulted in changes to the postemployment benefit related liability, deferred inflows, deferred outflows, revenue and expenses. This change took place in fiscal year 2018; therefore, the information as of June 30, 2017 was not restated. **The College's** change in net position from operations before recognizing the change in accounting principal as of fiscal year 2018 decreased by \$3.5 million when compared to fiscal year ended June 30, 2017. The change in net position from June 30, 2016 to June 30, 2017 increased \$9.7 million. **The College's** change in net position before the change in accounting principle at June 30, 2018 amounted to \$6.1 million. The change in accounting principle that was applied in fiscal year 2018 amounted to \$40.4 million. The total net position at the end of fiscal year 2018 decreased by \$34.3 million when compared to the net position at end of fiscal year 2017.

	2018	2017	Increase/(Decrease) 2018/2017	2016
Total College Revenues	146,365,290	143,299,480	3,065,810	131,361,036
Total College Expenses	140,235,341	133,588,635	6,646,706	131,453,309
Change in net position before capital contributions	6,129,949	9,710,845	(3,580,896)	(92,273)
Capital Contributions	29,995	-	29,995	-
Change in net position	6,159,944	9,710,845	(3,550,901)	(92,273)
Net position at beginning of year	137,149,524	127,438,679	9,710,845	127,530,952
Change in accounting principle	(40,416,531)	-	(40,416,531)	-
Net position, July 1, Restated	96,732,993	127,438,679	(30,705,686)	127,530,952
Net position at end of year	\$ 102,892,937	\$ 137,149,524	\$ (34,256,587)	\$ 127,438,679

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, 2018; June 30, 2017; and June 30, 2016:



The College's financial net position was reduced in fiscal year 2018 due to the implementation of GASB 75. The College had an unrestricted net position of \$44.4 million which was a decrease from fiscal year 2017 of \$32.5 million. This decrease was due to the implementation of GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, which required the College to record a long-term obligation for OPEB as a liability for the first time. The College recorded a long-term liability at the beginning of the year of \$40.4 million representing the College's proportionate share of the state college insurance program.

The Statement of Net Position

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.

	Increase/(Decrease)			
	2018	2017	2018/2017	2016
Current assets	\$ 172,523,322	\$ 154,965,608	\$ 17,557,714	\$ 145,080,323
Restricted assets	2,940,898	6,409,564	(3,468,666)	6,374,183
Total current assets	175,464,220	161,375,172	14,089,048	151,454,506
Non-current assets				
Capital assets, net of depreciation	195,856,432	204,921,142	(9,064,710)	210,764,086
Total non-current assets	195,856,432	204,921,142	(9,064,710)	210,764,086
Total assets	371,320,652	366,296,314	5,024,338	362,218,592
Deferred outflows of resources	991,818	349,311	642,507	358,074
Total assets and deferred outflows of resources	372,312,470	366,645,625	5,666,845	362,576,666
Current liabilities	24,164,695	23,973,535	191,160	25,275,137
Non-current liabilities	212,104,614	175,971,138	36,133,476	180,604,198
Total liabilities	236,269,309	199,944,673	36,324,636	205,879,335
Deferred inflows of resources	33,150,224	29,551,428	3,598,796	29,258,652
Total liabilities and deferred inflows of resources	269,419,533	229,496,101	39,923,432	235,137,987
Net Position				
Net investment in capital assets	22,528,437	27,119,754	(4,591,317)	32,216,404
Restricted for:				
Capital projects	19,825,069	18,455,427	1,369,642	16,241,168
Debt service	5,014,363	3,746,425	1,267,938	3,549,757
Specific purposes	7,144,909	6,966,647	178,262	6,508,712
Working cash	4,014,363	4,014,363	-	4,014,363
Unrestricted	44,365,796	76,846,858	(32,481,062)	64,908,275
Total net position	\$ 102,892,937	\$ 137,149,474	\$ (34,256,537)	\$ 127,438,679

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.

The change in net position from operations resulted primarily from the College receiving additional funds than budgeted from the State of Illinois. The College budgeted \$1.8 million in funding from the State of Illinois in fiscal year 2018 and actually received \$5.2 million in funding from the state. The fiscal year 2018 change in net position from operations was also due to projects being delayed until fiscal year 2019. 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. 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.

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 and reallocated to restricted funds 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. These savings included such things as a reduction in instructional salaries due to vacant positions, no out of out of state travel, and a delay in certain equipment purchases. 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 2018 were \$372.3 million, an increase of 1.5 percent or \$5.7 million when compared to fiscal year 2017. This increase was the net change between the \$14.0 million increase in current assets, the \$9.0 million decrease in noncurrent assets and the \$0.60 million increase in deferred outflows of **resources. The College's capital assets remained stable with** a slight increase of \$0.40 million. Accumulated depreciation increased by \$9.5 million due to depreciation for fiscal year 2018.

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 the prior fiscal year. 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 the previous fiscal year.

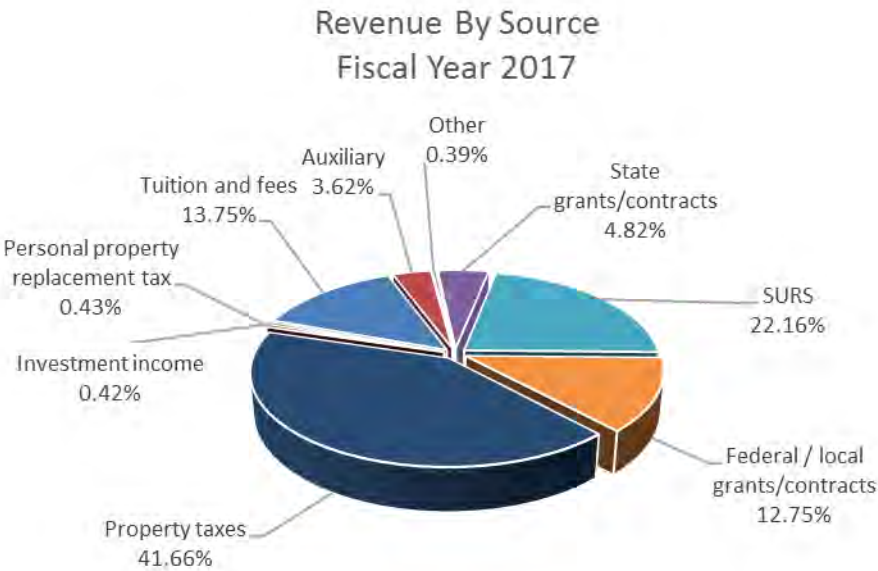
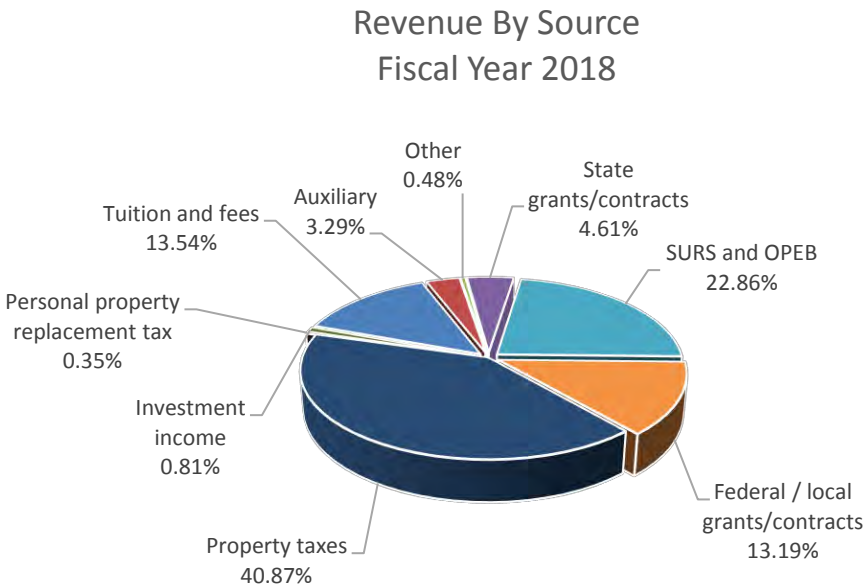
Statement of Revenue, Expenses and Changes in Net Position

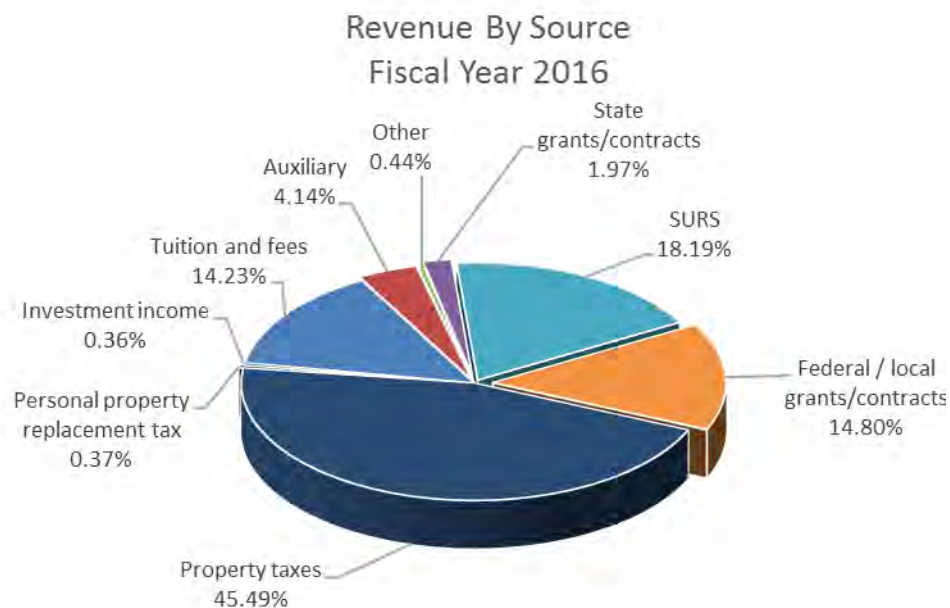
Following is a comparison of the major components of operating results of the College for the years ended June 30, 2018; June 30, 2017 and June 30, 2016:

	Increase/(Decrease)			
	2018	2017	2018/2017	2016
Operating Revenues				
Tuition and fees	\$ 19,819,523	\$ 19,698,407	\$ 121,116	\$ 18,708,812
Auxiliary enterprises revenue	4,812,253	5,190,530	(378,277)	5,447,158
Other operating revenue	704,257	563,841	140,416	585,537
Total operating revenues	25,336,033	25,452,778	(116,745)	24,741,507
Non-Operating Revenues				
State grants and contracts	6,752,842	6,906,698	(153,856)	2,584,487
State Universities Retirement System (SURS)	29,712,674	31,752,682	(2,040,008)	23,837,660
Community College Health Insurance Security Fund OPEB	3,748,389	-	3,748,389	-
Federal and local grants and contracts	19,311,064	18,266,445	1,044,619	19,453,978
Property taxes	59,812,614	59,700,764	111,850	59,783,305
Personal property replacement tax	512,789	612,836	(100,047)	481,466
Investment income	1,178,885	607,277	571,608	478,633
Total non-operating revenues	121,029,257	117,846,702	3,182,555	106,619,529
Total Revenues	146,365,290	143,299,480	3,065,810	131,361,036
Operating Expenses				
Instruction	46,707,679	46,731,411	(23,732)	43,549,796
Academic support	12,892,822	11,540,322	1,352,500	10,678,304
Student services	10,011,447	10,199,159	(187,712)	10,266,124
Public services	554,178	727,052	(172,874)	648,532
Auxiliary services	7,594,131	6,317,873	1,276,258	6,980,338
Scholarships and student grants	6,877,819	6,697,769	180,050	7,584,922
Operation and maintenance of plant	13,641,492	11,948,992	1,692,500	11,289,345
Institutional support	23,963,787	21,355,749	2,608,038	22,461,019
Depreciation	9,594,246	9,540,919	53,327	9,281,794
Total operating expenses	131,837,601	125,059,246	6,778,355	122,740,174
Non-Operating Expenses				
Interest expense	8,397,740	8,529,389	(131,649)	8,713,135
Total non-operating expenses	8,397,740	8,529,389	(131,649)	8,713,135
Total Expenses	140,235,341	133,588,635	6,646,706	131,453,309
Change in net position before capital contributions	6,129,949	9,710,845	(3,580,896)	(92,273)
Capital Contributions	29,995	-	29,995	-
Change in net position	6,159,944	9,710,845	(3,550,901)	(92,273)
Net position at beginning of year	137,149,524	127,438,679	9,710,845	127,530,952
Change in accounting principle	(40,416,531)	-	(40,416,531)	-
Net position, July 1, Restated	96,732,993	127,438,679	(30,705,686)	127,530,952
Net position at end of year	\$ 102,892,937	\$ 137,149,524	\$ (34,256,587)	\$ 127,438,679

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, 2018, June 30, 2017 and June 30, 2016:





The College's main source of revenue is derived from local property taxes, which accounted for 40.88 percent of total revenue in fiscal year 2018; 41.66 percent of the total revenues in fiscal year 2017; and 45.51 percent of total revenues in fiscal year 2016. The second largest source of income for the College is tuition and fees which made up 13.55 percent of total revenues in fiscal year 2018, 13.75 percent of total revenues in fiscal year 2017 and 14.24 percent of total revenues in fiscal year 2016. In fiscal year 2016, tuition and fees was the third largest source of income with federal and local grants being the second largest source of income. Federal and local grants and contracts are the third largest source of income of for the College in fiscal years 2018 and 2017. In fiscal year 2018, federal and local grants and contracts amounted to 13.30 percent; while 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 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 2018 marks the second year in a row that tuition and fee revenues are the second largest source of revenue for the College. 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 2018, state grants and contract revenue made up 4.82 percent of the total revenue; 4.82 percent of total revenue for fiscal year 2017; and 1.97 percent of total revenue for fiscal year 2016. The difference between the state grants and contracts between fiscal years 2017 and 2016 is due to the State of Illinois passing a budget on July 6, 2017 for fiscal year 2017 which allocated state adult education grant funds to community colleges. The increase of 2.85 percent between fiscal years 2017 and 2016 in state grant and contract revenue reflects these funds.

Fiscal year 2018

For the College as a whole, total revenue increased by \$3.0 million or 2.11 percent when compared to fiscal year 2017.

- Property tax revenue remained level with fiscal year 2017. In January of 2018, the College abated debt service taxes in the 2017 tax levy as they relate to the Build America payments or rebates expected to be received in 2018 related to the Taxable General Obligation Bonds, Series 2009B and Series 2009C. The College abated \$84,204.75 of the taxes related to Bond Series 2009B and \$694,974.76 of the taxes related to Bond Series 2009C, which are equal to the Build America Bond payments that was received in fiscal year 2018 less the amount due to the sequester by the Federal government in 2017. The College also abated the \$1.8 million in Debt Service to keep the 2017 levy equal to the 2016 operating levy.
- State grants and contracts in fiscal year 2018 remained relatively flat when compared to fiscal year 2017. The state grants and contracts decreased minimally by \$0.3 million.
- State University Retirement System (SURS) had a \$2.0 million dollar decrease in fiscal year 2018 compared to fiscal year 2017. SURS is a special funding situation whereby the State of Illinois is responsible for funding on behalf of the College. The decrease in fiscal year 2018 is a 6.4 percent decrease from 2017. The decrease in revenue is offset by the same decrease in expenses for SURS retirement costs incurred by the State on behalf of the College.
- Federal and local grants and contracts increased by \$1.2 million when compared to fiscal year 2017. In fiscal year 2018, the College awarded \$0.96 million or 11.1 percent more in PELL grants than in fiscal year 2017. 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 who attended ECC that qualified for the PELL grant versus paying out of pocket. The number of direct loan students decreased minimally by 5.3 percent however the amount of direct loans awarded per student went up by 2.0 percent when compared to fiscal year 2017. The average direct loan per student increased from \$3,584 in fiscal year 2017 to \$3,872 in fiscal year 2018. **The College's federal grants decreased by \$0.71 million.**
- Tuition and fee revenue remained relatively flat when compared to fiscal year 2017. The tuition and fee revenue increased by \$0.1 million or 0.61 percent. The in-district tuition rate increased by \$4 per semester hour in fiscal year 2018. Total credit hours claimed in fiscal year 2018 were 176,626 which is 2,794 claimed credit hours or 0.01 percent less than fiscal year 2017.
- Investment income increased from \$607,277 in fiscal year 2017 to \$1,178,885 in fiscal year 2018, resulting in a 94.13 percent increase. **The College's investments have been doing well in the better economy.**
- **Overall, the College's increase in net position amounted to \$6.1 million in fiscal year 2018 which is \$3.5 million or 36 percent less than fiscal year 2017.**

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. 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.
- 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. 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 fiscal year 2016. 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 in the semester hour rate bringing the rate per hour 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 6th. 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 the previous fiscal year.

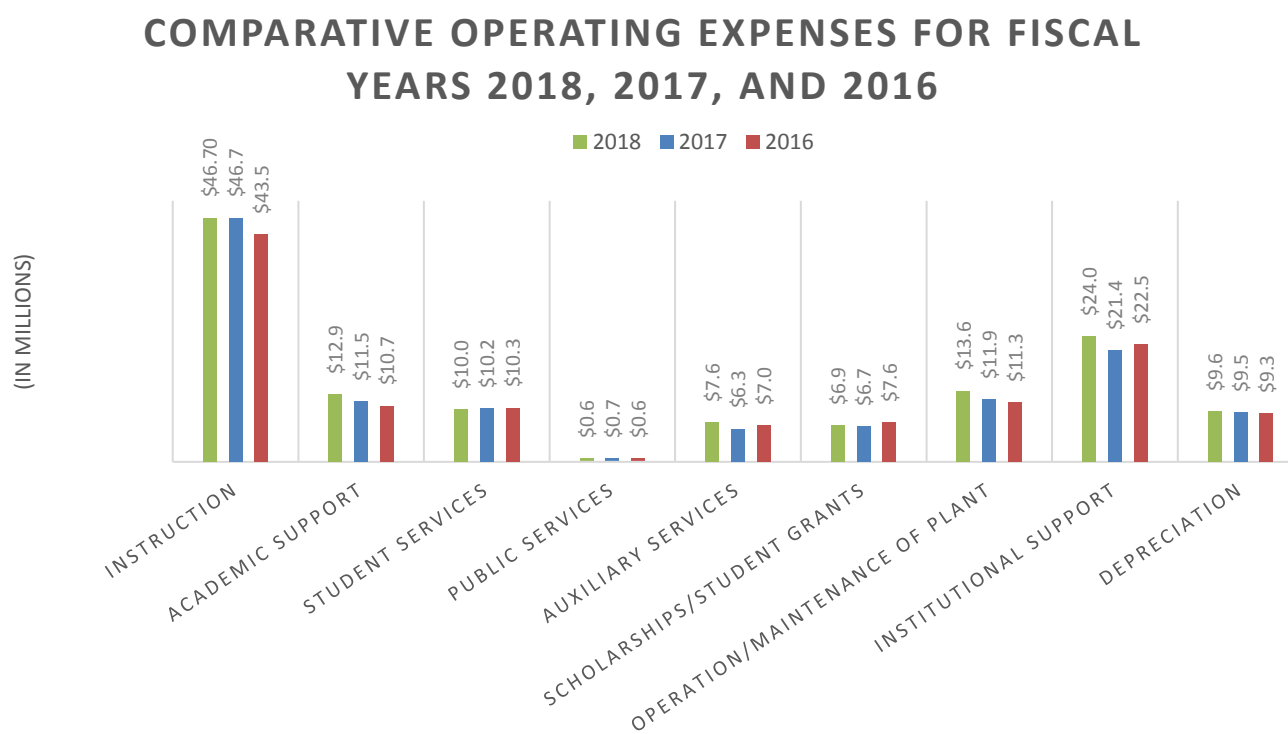
- Property tax revenue decreased in fiscal year 2016 due to the debt service extension which decreased to 14.94% and 15.44% from fiscal year 2015. Increases in property tax extensions are limited to the lesser of 5% or the increase in the national Consumer Price Index (CPI). For fiscal year 2016, CPI reduced to 0.8% from a CPI of 1.5% in fiscal year 2015. 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 the previous fiscal year.
- **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.

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 2018, overall operating expenses increased by 5.39 percent when compared to fiscal year 2017. Total operating expenses increased from \$125 million in fiscal year 2017 to \$131 million in fiscal year 2018.

Operating Expenses – By Function

The following is a graphic illustration of operating expenses:



Fiscal Year 2018

- Instruction expenses remained consistent with spending in fiscal year 2017. Instruction expenses in fiscal year 2018 were only \$0.02 million or 0.05 percent less than fiscal year 2017. The College has continued to monitor expenses and continued with no out of state travel in fiscal year 2018. The College has been cautious with spending as this was our first fiscal year with a state budget.
- Academic support expenses increased \$1.3 million or 11.7 percent in comparison with fiscal year 2017. The increase is attributed to vacant positions being filled in fiscal year 2018.
- Student Services operating expenses increased \$1.7 million or 16.9 percent compared to fiscal year 2017. In the Financial Aid and Scholarships department, there was an increase in the uncollected ING and IVG awards as well as an increase from the third party government uncollected accounts.
- Auxiliary services operating expenses increased \$1.3 million or 20.0 percent in relation to fiscal year 2017. Student Life hired a full time coordinator for targeted populations and added a part time position in fiscal year 2018.
- Operation and maintenance of plant increased \$1.7 million or 14.2 percent when compared to fiscal year 2017.
- Institutional support operating expenses increased \$2.6 million when compared to fiscal year 2017.
- The implementation of GASB Statement No, 75 resulted in an additional OPEB expense of \$7.5 million being recognized in the current year.

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.
- 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. 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 the previous fiscal year. 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.

Long-Term Debt

As of June 30, 2018, 2017, and 2016, the College had a total of \$175,826,341, \$180,481,138 and \$185,049,198 in outstanding bonded indebtedness, respectively. The decrease in long-term debt from fiscal years 2018, 2017, and 2016 was due to the payment of principal on bonds. The entire amount each year is in the form of general obligation bonds that are backed by the full faith and credit of the College.

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

Capital Assets

	Net Capital Assets		
	2018	2017	2016
Capital Assets			
Land and improvements	\$ 19,065,397	\$ 19,065,397	\$ 19,065,397
Site improvements	25,073,728	25,073,728	24,567,091
Construction in progress	22,564	-	1,210,825
Buildings	240,583,563	240,564,643	236,747,433
Machinery and equipment	14,733,832	14,326,850	13,741,897
Furniture and fixtures	214,032	214,032	214,032
Total capital assets	299,693,116	299,244,650	295,546,675
Less: accumulated depreciation	(103,836,684)	(94,323,508)	(84,782,589)
Net capital assets	\$ 195,856,432	\$ 204,921,142	\$ 210,764,086

Net capital assets decreased \$9.1 million in fiscal year 2018 when compared to fiscal year 2017. In fiscal year 2018, buildings increased \$0.022 million due building improvement of newly installed carpet in the childcare center. Machinery and equipment increased \$0.47 million in fiscal year 2018. This increase was due to the purchase of instructional equipment such as two new gas ovens and a combi-oven for the Hospitality Management department. An isolation booth was purchased for a recording studio for the Arts Center. A standup forklift and a new tractor truck were purchased for the Truck Driving department. The Welding department purchased several electrical learning systems. The college also received a donated microtome for the Histotechnology department that was valued at \$0.030 million. A new tire changer and automotive lift were purchased for the Automotive department. The **College's Police department purchased a new police vehicle to replace** an older vehicle in their fleet. The Operations and Maintenance department purchased two new mowers for the Grounds department and a new floor scrubber for the Housekeeping department. These increases were offset by \$9.5 million in depreciation.

Net capital assets decreased \$5.84 million in fiscal year 2017 when compared to fiscal year 2016. 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 the previous fiscal year. 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. Construction in progress decreased in fiscal year 2016 by \$17.6 million when compared to the previous fiscal year. 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. 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.

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.

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 and Interim Chief Human Resources Officer, 1700 Spartan Drive, Elgin, IL 60123.

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BASIC FINANCIAL STATEMENTS

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

STATEMENTS OF NET POSITION

June 30, 2018 and 2017

	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 47,027,914	\$ 30,469,369
Investments	85,178,843	78,839,235
Property tax receivable	28,731,574	29,688,033
Accrued interest receivable	631,465	277,032
Student tuition receivable	7,508,213	7,394,055
Other accounts receivable	1,628,700	6,526,844
Inventory	437,285	473,432
Prepaid assets	1,379,328	1,297,608
Restricted assets		
Cash and cash equivalents	2,940,898	6,409,564
Total current assets	175,464,220	161,375,172
NONCURRENT ASSETS		
Capital assets	299,693,116	299,244,650
Less accumulated depreciation	(103,836,684)	(94,323,508)
Total noncurrent assets	195,856,432	204,921,142
Total assets	371,320,652	366,296,314
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding	119,019	147,023
OPEB expense	685,351	-
SURS pension expense	187,448	202,288
Total deferred outflows of resources	991,818	349,311
Total assets and deferred outflows of resources	372,312,470	366,645,625

(This statement is continued on the following page.)

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

STATEMENTS OF NET POSITION (Continued)

June 30, 2018 and 2017

	2018	2017
CURRENT LIABILITIES		
Accounts payable	\$ 1,933,119	\$ 2,157,006
Accrued salaries and benefits payable	3,845,043	4,048,099
Accrued health care liability	870,900	986,896
Unearned tuition	10,222,727	9,931,564
Claims payable	325,000	325,000
Interest payable	352,224	356,838
General obligation bonds payable	5,015,000	4,510,000
Other current liabilities	1,600,682	1,658,132
Total current liabilities	24,164,695	23,973,535
NONCURRENT LIABILITIES		
General obligation bonds payable	170,811,341	175,971,138
Other postemployment benefit obligation	41,293,273	-
Total noncurrent liabilities	212,104,614	175,971,138
Total liabilities	236,269,309	199,944,673
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	29,593,226	29,551,428
OPEB expense	3,556,998	-
Total deferred inflows of resources	33,150,224	29,551,428
Total liabilities and deferred inflows of resources	269,419,533	229,496,101
NET POSITION		
Net investment in capital assets	22,528,437	27,119,754
Restricted for		
Capital projects	19,825,069	18,455,427
Debt service	5,014,363	3,746,425
Grant purposes	2,343,908	2,343,908
Audit purposes	135,865	126,000
Liability insurance	4,477,688	4,294,451
Pension contributions	187,448	202,288
Working cash	4,014,363	4,014,363
Unrestricted	44,365,796	76,846,908
TOTAL NET POSITION	\$ 102,892,937	\$ 137,149,524

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, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Student tuition and fees	\$ 19,818,103	\$ 19,674,745
Chargeback revenue	1,420	23,662
Auxiliary enterprises revenue	4,812,253	5,190,530
Other operating revenue	704,257	563,841
Total operating revenues	25,336,033	25,452,778
OPERATING EXPENSES		
Instruction	46,707,679	46,731,411
Academic support	12,892,822	11,540,322
Student services	10,011,447	10,199,159
Public services	554,178	727,052
Auxiliary services	7,594,131	6,317,873
Scholarships and student grants	6,877,819	6,697,769
Operation and maintenance of plant	13,641,492	11,948,992
Institutional support	23,963,787	21,355,749
Depreciation	9,594,246	9,540,919
Total operating expenses	131,837,601	125,059,246
OPERATING INCOME (LOSS)	(106,501,568)	(99,606,468)
NON-OPERATING REVENUES (EXPENSES)		
State grants and contracts	40,213,905	38,659,380
Property taxes	59,812,614	59,700,764
Personal property replacement tax	512,789	612,836
Federal grants and contracts	18,533,740	17,265,623
Local grants and contracts	777,324	1,000,822
Interest expense and fiscal charges	(8,397,740)	(8,529,389)
Investment income	1,178,885	607,277
Total non-operating revenues (expenses)	112,631,517	109,317,313
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	6,129,949	9,710,845
CAPITAL CONTRIBUTIONS	29,995	-
CHANGE IN NET POSITION	6,159,944	9,710,845
NET POSITION, JULY 1	137,149,524	127,438,679
Change in accounting principle	(40,416,531)	-
NET POSITION, JULY 1, RESTATED	96,732,993	127,438,679
NET POSITION, JUNE 30	\$ 102,892,937	\$ 137,149,524

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 19,995,108	\$ 19,642,100
Payments to suppliers	(38,478,325)	(32,924,935)
Payments to employees	(47,505,383)	(52,947,846)
Auxiliary enterprise charges	4,838,714	5,252,967
Other	1,505,421	105,852
	<u>(59,644,465)</u>	<u>(60,871,862)</u>
Net cash from operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local property taxes	60,810,871	59,387,846
Local grants and contracts	777,324	1,000,822
State appropriations and grants	11,437,708	3,791,408
Federal grants and contracts	18,549,997	17,118,869
	<u>91,575,900</u>	<u>81,298,945</u>
Net cash from noncapital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(502,041)	(3,850,624)
Principal paid on bonds	(4,510,000)	(4,445,000)
Interest paid on bonds	(8,508,745)	(8,618,583)
	<u>(13,520,786)</u>	<u>(16,914,207)</u>
Net cash from capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	65,806,047	53,476,271
Interest on investments	998,641	759,481
Purchase of investments	(72,125,458)	(59,056,971)
	<u>(5,320,770)</u>	<u>(4,821,219)</u>
Net cash from investing activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,089,879	(1,308,343)
CASH AND CASH EQUIVALENTS, JULY 1	<u>36,878,933</u>	<u>38,187,276</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 49,968,812</u>	<u>\$ 36,878,933</u>
Cash and cash equivalents	\$ 47,027,914	\$ 30,469,369
Restricted cash and cash equivalents	<u>2,940,898</u>	<u>6,409,564</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 49,968,812</u>	<u>\$ 36,878,933</u>

(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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (106,501,568)	\$ (99,606,468)
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation	9,594,246	9,540,919
State pension and OPEB expense	33,273,615	31,746,842
Changes in net position		
Receivables (net)	675,892	(664,914)
Inventories	36,147	(1,128)
Prepaid expenses	(81,720)	(377,511)
Accounts payable	(223,887)	(144,332)
Accrued salaries	(203,056)	(1,394,412)
Retirement liability	3,632,393	(66,421)
Unearned tuition	291,163	214,813
Other accrued liabilities	(137,690)	(119,250)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (59,644,465)</u>	<u>\$ (60,871,862)</u>
NONCASH INVESTING, CAPITAL AND FINANCING		
Accretion of interest on debt	\$ 80,718	\$ 100,706
Change in fair value of investments	174,189	249,498
Capital contributions	29,995	-
State pension and OPEB expense	33,461,063	31,949,130
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING	<u>\$ 33,745,965</u>	<u>\$ 32,299,334</u>

See accompanying notes to financial statements.

ELGIN COMMUNITY COLLEGE FOUNDATION
ELGIN, ILLINOIS

STATEMENTS OF FINANCIAL POSITION

June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 743,116	\$ 841,578
Pledges receivable, net	123,931	116,411
Prepaid expenses and other	-	3,722
Cash surrender value of life insurance	41,327	38,214
Investments	7,425,655	6,880,791
TOTAL ASSETS	\$ 8,334,029	\$ 7,880,716
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 3,661	\$ 5,803
Deferred revenue	3,000	3,000
Due to Elgin Community College	32,468	68,594
Total liabilities	39,129	77,397
NET ASSETS		
Unrestricted		
Undesignated	1,106,779	981,177
Designated for the Ralph and Edith Apple Presidential Fund	65,151	57,012
Designated for endowment	39,834	39,708
Total unrestricted	1,211,764	1,077,897
Temporarily restricted	3,088,104	3,028,589
Permanently restricted	3,995,032	3,696,833
Total net assets	8,294,900	7,803,319
TOTAL LIABILITIES AND NET ASSETS	\$ 8,334,029	\$ 7,880,716

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, 2018
(With Summarized Financial Information for the Year Ended June 30, 2017)

	2018				2017
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUES					
Contributions	\$ 81,959	\$ 276,033	\$ 107,307	\$ 465,299	\$ 651,508
Special events	143,490	2,041	-	145,531	133,205
Investment return, net of fees	51,885	502,580	-	554,465	689,067
Contributed services	394,548	-	-	394,548	404,835
Gifts in-kind	32,170	23,054	-	55,224	33,682
Net assets released from restrictions					
Management fees	80,186	(80,186)	-	-	-
Other	473,115	(664,007)	190,892	-	-
Total revenues	1,257,353	59,515	298,199	1,615,067	1,912,297
EXPENSES					
Program services					
Scholarship awards	285,619	-	-	285,619	252,117
Support to Elgin Community College	216,672	-	-	216,672	169,171
Gifts in-kind, materials and supplies	55,734	-	-	55,734	32,922
Contributed services	38,458	-	-	38,458	40,692
Total program services	596,483	-	-	596,483	494,902
Management and general	358,270	-	-	358,270	333,860
Special events - cost of direct donor benefit	53,192	-	-	53,192	42,968
Fundraising	115,541	-	-	115,541	115,518
Total management and general	527,003	-	-	527,003	492,346
Total expenses	1,123,486	-	-	1,123,486	987,248
CHANGE IN NET ASSETS	133,867	59,515	298,199	491,581	925,049
NET ASSETS, JULY 1	1,077,897	3,028,589	3,696,833	7,803,319	6,878,270
NET ASSETS, JUNE 30	<u>\$ 1,211,764</u>	<u>\$ 3,088,104</u>	<u>\$ 3,995,032</u>	<u>\$ 8,294,900</u>	<u>\$ 7,803,319</u>

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The District reports unearned revenue and deferred revenue on its statement of net position. Unearned revenues arise when a potential revenue does not meet both the measurable and earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. Deferred revenue results from property taxes being levied and reported as a receivable before the period for which the taxes are levied. In subsequent periods, when both revenue recognition criteria are met or when the District has met all eligibility requirements, the liability for unearned revenue is removed from the statement of net position and revenue is recognized. Tuition and fee revenues related to courses primarily held after June 30, 2018 and 2017 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)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Accrued Salaries and Benefits

Accumulated vacation leave and compensatory time is recorded as an expense and liability as the benefits accrue to employees. The liability for accumulated unpaid vacation leave is based upon accumulated days times the current pay rate for each employee. A maximum of 30 days of vacation and 40 hours of compensatory time may be accumulated for full-time, non-union staff. Since 1986, the District has offered a senior service incentive program to employees planning retirement. Provisions of the current contract with the Elgin Community College Faculty Association and other employee groups allow up to 15 faculty members to retire per year between 1998 and 2008 and to receive additional compensation during the final three years of employment and five years of paid health care. Administrators of the District with over 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)

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Deferred Outflows/Inflows of Resources (Continued)

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 Security Fund (CIP) (\$196,448 for the fiscal year ended June 30, 2017). The District applies the requirement of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2018 and recognizes a revenue and expense for the State of Illinois portion of CIP under a special funding situation (see Note 8). The District applies the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, whereby the State of Illinois is responsible for the employer contribution and the total pension liability resulting from a special funding situation. Therefore, for the fiscal years ended June 30, 2018 and 2017, the District has reported its proportionate share of the collective pension expense and revenue for the State of Illinois' share (see Note 7).

p. Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

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 The Illinois Funds.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

The following table presents the debt investments of the District as of June 30, 2018 by type of investment:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 19,610,337	\$ 18,368,462	\$ 1,241,875	\$ -	\$ -
FHLMC	2,486,073	2,486,073	-	-	-
FHLB	3,800,793	1,337,998	2,462,795	-	-
FFCB	1,987,130	-	1,987,130	-	-
Negotiable certificates of deposit	3,923,521	990,254	2,933,267	-	-
TOTAL	\$ 31,807,854	\$ 23,182,787	\$ 8,625,067	\$ -	\$ -

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	-	-
U.S. Treasury notes	5,206,885	2,980,392	2,226,493	-	-
TOTAL	\$ 20,462,335	\$ 13,226,677	\$ 7,235,658	\$ -	\$ -

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, 2018, the FHLMC, FFCB and FHLB debt investments were all rated Aaa by Moody's.

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

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 The Illinois Funds and other money market fund.

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, 2018: U.S. Treasury securities of \$19,610,337, U.S. agency securities (FHLMC, FFCB and FHLB) of \$8,273,996 and negotiable certificates of deposit of \$3,923,521 are valued using a matrix pricing model (Level 2 inputs).

The District has the following recurring fair value measurements as of June 30, 2017: U.S. Treasury securities of \$5,206,885, U.S. agency securities (FHLMC and FHLB) of \$15,255,450 are valued using a matrix pricing model (Level 2 inputs).

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

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 2016 was passed on December 13, 2016 and the annual tax levy resolution for 2017 was passed on December 12, 2017.
- 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 2017 and 2018.

Property taxes are recognized as revenue in the year intended to finance, regardless of when collected. The second half of the 2017 (2016) tax levy is intended to finance the 2018 (2017) fiscal year and, accordingly, is reported as deferred revenue. The 2018 tax levy, which attached as an enforceable lien on property as of January 1, 2018, has not been recorded as a receivable as of June 30, 2018 as the tax has not yet been levied by the District and will not be levied until December 2018 and, therefore, the levy is not measurable at June 30, 2018.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Land	\$ 19,065,397	\$ -	\$ -	\$ 19,065,397
Construction in progress	-	22,564	-	22,564
Total capital assets not being depreciated	19,065,397	22,564	-	19,087,961
Capital assets being depreciated				
Buildings	240,564,643	18,920	-	240,583,563
Site improvements	25,073,728	-	-	25,073,728
Machinery and equipment	14,326,850	488,052	81,070	14,733,832
Furniture and fixtures	214,032	-	-	214,032
Total capital assets being depreciated	280,179,253	506,972	81,070	280,605,155

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	\$ 73,367,409	\$ 6,238,971	\$ -	\$ 79,606,380
Site improvements	9,681,076	2,394,088	-	12,075,164
Machinery and equipment	11,092,261	950,842	81,070	11,962,033
Furniture and fixtures	182,762	10,345	-	193,107
Total accumulated depreciation	94,323,508	9,594,246	81,070	103,836,684
Total capital assets being depreciated, net	185,855,745	(9,087,274)	-	176,768,471
CAPITAL ASSETS, NET	\$ 204,921,142	\$ (9,064,710)	\$ -	\$ 195,856,432

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

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

5. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2018 is as follows:

	Balances July 1, 2017	Issuance*	Repayment/ Amortization	Balances June 30, 2018	Current Portion
General Obligation (Capital Appreciation) Bonds Series 2001B	\$ 1,730,477	\$ 80,718	\$ 480,000	\$ 1,331,195	\$ 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	3,000,000	-	1,000,000	2,000,000	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	39,370,000	-	700,000	38,670,000	1,500,000
General Obligation Refunding Bonds Series 2012	7,555,000	-	1,230,000	6,325,000	1,235,000
General Obligation Bonds Series 2013A	36,150,000	-	1,100,000	35,050,000	800,000
General Obligation Bonds Series 2013B	10,000,000	-	-	10,000,000	-
Premium on general obligation bonds	2,060,661	-	235,515	1,825,146	-
Discount on general obligation bonds	(185,000)	-	(10,000)	(175,000)	-
TOTAL	\$ 180,481,138	\$ 80,718	\$ 4,735,515	\$ 175,826,341	\$ 5,015,000

*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, 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.

General Obligation Bonds

The District issues general obligation bonds to finance various capital improvements. General Obligation Bonds at June 30, 2018 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 4.00% to 5.40% to the principal each June 15 and December 15 and is payable upon maturity.

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

5. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

\$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%.

\$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%.

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

5. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

\$35,000,000 General Obligation Taxable Build America Bonds, Series 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 2.50% to 6.00%. 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 2.00% to 2.40%.

\$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%.

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

5. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

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
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	-	-
TOTAL	\$ 172,845,000	\$ 98,692,052	\$ 271,537,052	\$ 108,755	\$ 1,440,000

Operating Lease Commitment

The District has an operating lease for off-campus classroom space. Lease payments for fiscal years 2018 and 2017 totaled \$130,000 and \$120,000, respectively. The lease expired in fiscal year 2017 and was extended until June 30, 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.

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

6. RISK MANAGEMENT AND CONTINGENT LIABILITIES (Continued)

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 2018 and 2017, the specific coverage is \$110,000 per covered person and the aggregate attachment is approximately \$6,103,143 and \$6,904,620, 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, 2018 and 2017.

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

	2018	2017	2016
CLAIMS PAYABLE, JULY 1	\$ 325,000	\$ 325,000	\$ 325,000
Claims paid	(8,509,675)	(8,190,313)	(7,858,533)
Claims incurred	8,509,675	8,190,313	7,858,533
CLAIMS PAYABLE, JUNE 30	\$ 325,000	\$ 325,000	\$ 325,000

7. RETIREMENT COMMITMENTS

Plan Description

The District contributes to the State Universities Retirement System of Illinois (SURS), 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

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

7. RETIREMENT COMMITMENTS (Continued)

Plan Description (Continued)

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 ILCS. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2018 and 2017 can be found in SURS' comprehensive annual financial report (CAFR) notes to financial statements.

Contributions

The State is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of SURS to reach 90% of the total actuarial accrued liability by the end of fiscal year 2045. Employer contributions from trust, federal and other funds are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal years 2017 and 2018 was 12.53% and 12.46%, respectively, of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of affected annuitants or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

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

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy

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

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

Net Pension Liability

At June 30, 2017 and 2016, SURS reported a net pension liability of \$25,481,105,995 and \$25,965,271,744, respectively. The net pension liability was measured as of June 30, 2016 and 2015.

Employer Proportionate Share of Net Pension Liability

For the year ended June 30, 2018, 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 \$313,774,339 or 1.2314%. 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, 2017 and the total pension used to calculate the net pension liability was determined based on the June 30, 2016 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2017.

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.

Pension Expense

At June 30, 2017 and 2016, SURS reported a collective net pension expense of \$2,412,918,129 and \$2,566,164,865, respectively.

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

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

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

Employer Proportionate Share of Pension Expense

The District's proportionate share of collective net pension expense is recognized as both revenue and matching expense in the 2018 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 2017. As a result, the District recognized revenue and pension expense of \$29,712,674 for the fiscal year ended June 30, 2018.

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.

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 \$187,448 in federal, trust or grant contributions for the fiscal year ended June 30, 2018. These contributions were made subsequent to the pension liability measurement date of June 30, 2017 and are recognized as deferred outflows of resources as of June 30, 2018.

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.

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

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2017 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, 2017 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. 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 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 RP2014 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018 and 2017, 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)

2017		
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%	7.34%
Global Equity	8.00%	6.85%
Fixed Income	19.00%	1.38%
Treasury-Inflation Protected Securities	4.00%	1.17%
Emerging Market Debt	3.00%	4.14%
Real Estate REITS	4.00%	5.75%
Direct Real Estate	6.00%	4.62%
Commodities	2.00%	4.23%
Hedged Strategies	5.00%	3.95%
Opportunity Fund	1.00%	6.71%
Total	100.00%	5.20%
Inflation		2.75%
EXPECTED ARITHMETICAL RETURN		7.95%
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 ARITHMETICAL RETURN		7.84%

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)

2018

Discount Rate

A single discount rate of 7.09% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.56% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the SURS Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.09%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percentage-point lower or 1 percentage point higher:

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

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)

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 SURS 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 SURS 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

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

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

8. RETIREE HEALTH PLAN

Plan Description

In addition to the pension plan described previously, the District contributes to 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 0.50% of covered payroll and every community college district to contribute 0.50% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State of Illinois to contribute 0.5% of estimated covered payroll directly to the plan.. The result is pay as you go financing of the plan.

2018

The following disclosures are for the year ended June 30, 2018, in accordance with GASB Statement No, 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of CIP and additions to/deductions from CIP's fiduciary net position have been determined on the same basis as they are reported by CIP. For this purpose, CIP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

At June 30, 2018, the District reported a liability of \$41,293,273 for its proportionate share of the total OPEB liability that reflected a reduction for State OPEB support of \$40,749,410 resulting in a total OPEB liability associated with the District of \$82,042,683. The OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2016 rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the State, statutorily determined.

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

8. RETIREE HEALTH PLAN (Continued)

2018 (Continued)

At June 30, 2018 and June 30, 2017, the District's proportions were 2.264336% and 2.231538%, respectively.

For the year ended June 30, 2018, the District recognized OPEB expense of \$3,748,389 and revenue of \$3,748,389 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 116,868
Changes in assumption	-	3,439,695
Changes in proportionate share and differences between District contributions and proportionate share of contributions	497,418	-
Contributions made after the measurement date	187,933	-
Net difference between projected and actual earnings on OPEB plan investments	-	435
TOTAL	<u>\$ 685,351</u>	<u>\$ 3,556,998</u>

\$187,933 reported as deferred outflows or resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement period ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2019	\$ (611,938)
2020	(611,938)
2021	(611,938)
2022	(611,938)
2023	(611,828)
Thereafter	-
TOTAL	<u>\$ (3,059,580)</u>

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

8. RETIREE HEALTH PLAN (Continued)

2018 (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions

Inflation	2.75%
Salary increases	3.75% to 10.00%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% to 9.00% trending to 4.50%

Asset valuation method	Market value
------------------------	--------------

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

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

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

8. RETIREE HEALTH PLAN (Continued)

2018 (Continued)

Rate Sensitivity

The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the District calculated using the discount rate of 3.56% as well as what the District's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.56%) or 1 percentage point higher (4.56%) than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
OPEB liability	\$ 47,225,511	\$ 41,293,273	\$ 36,178,897

The table below presents the District's OPEB liability, calculated using the healthcare cost trend rates as well as what the District's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8% in 2018 decreasing to an ultimate trend rate of 5.02% in 2025 for non-Medicare coverage, and 9% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	\$ 34,256,951	\$ 41,293,273	\$ 51,475,648

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CIP financial report.

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

8. RETIREE HEALTH PLAN (Continued)

2017

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

Year Ended June 30,	District Percent of Required Contribution	District	State
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 44 and 58 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, 2018 and 2017, 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 \$2,294,426 and \$2,643,423 at June 30, 2018 and 2017, respectively, is recorded as a liability in the District's financial statements as accrued salary and benefits payable and accrued health care liability payable.

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

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 \$108,167 and \$220,961, which is recorded as a liability at June 30, 2018 and 2017, respectively.

11. CHANGE IN ACCOUNTING PRINCIPLE

The District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. The implementation of this guidance resulted in changes to the postemployment benefit related liability, revenue, expense, notes presented in the notes to financial statements and to the required supplementary information. The data of the June 30, 2017 fiscal year end was not restated as the required information was not available. Our opinion is not modified with respect to this matter.

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 Four Fiscal Years

MEASUREMENT DATE JUNE 30,	2018	2017	2016	2015
(a) Proportion percentage of the collective net pension liability	0.00%	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	313,774,339	321,283,731	283,916,422	256,747,050
TOTAL (b) + (c)	\$ 313,774,339	\$ 321,283,731	\$ 283,916,422	\$ 256,747,050
Employer covered-employee payroll	\$ 43,536,271	\$ 44,783,792	\$ 43,699,564	\$ 42,948,297
Proportion of collective net pension liability associated with employer as a percentage of covered-employee payroll	720.72%	717.41%	649.70%	597.80%
SURS plan net position as a percentage of total pension liability	42.04%	39.57%	42.37%	44.39%
ELGIN COMMUNITY COLLEGE - DISTRICT NUMBER 509				
Federal, trust, grant and other contribution	\$ 187,448	\$ 202,288	\$ 183,047	\$ 165,555
Contribution in relation to required contribution	187,448	202,288	183,047	165,555
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -
Employer covered-employee payroll	\$ 43,536,271	\$ 44,783,792	\$ 43,699,564	\$ 42,948,297
Contributions as a percentage of covered-employee payroll	0.43%	0.45%	0.42%	0.39%

Note: SURS 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.)

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

**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY AND SCHEDULE OF CONTRIBUTIONS
CIP PLAN**

June 30, 2018

MEASUREMENT DATE JUNE 30,	2017
College's proportion of the net OPEB liability	2.264336%
College's proportionate share of the net OPEB liability	\$ 41,293,273
Portion of State's' total proportion of net OPEB liability associated with the College	<u>40,749,410</u>
Total	<u><u>\$ 82,042,683</u></u>
College covered-employee payroll	\$ 42,874,121
Proportion of collective net OPEB liability associated with the College as a percentage of covered-employee payroll	191.36%
CIP plan net position as a percentage of total OPEB liability	(2.87%)
FISCAL YEAR ENDED JUNE 30,	2018
Statutorily required contribution	\$ 196,448
Contribution in relation to the statutorily required contribution	<u>196,448</u>
CONTRIBUTION EXCESS (DEFICIENCY)	<u><u>\$ -</u></u>
Employer covered-employee payroll	\$ 42,874,121
Contributions as a percentage of covered-employee payroll	0.46%

Note: The District implemented GASB No. 75 in fiscal year 2018. The information above is presented for as many years as available. The schedule is intended to show information for ten years.

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no benefit changes recognized in the total OPEB liability as of June 30, 2017.

Changes in Assumptions

The discount rate changed from 2.85% at June 30, 2016 to 3.56% at June 30, 2017.

(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, 2018

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
CURRENT ASSETS					
Cash and cash equivalents	\$ 14,345,267	\$ 4,055,979	\$ 2,549,086	\$ 136,756	\$ 2,620,897
Investments	44,291,775	10,505,994	152,377	2,289	2,223,381
Property tax receivable	17,067,005	5,162,809	-	64,150	1,152,526
Accrued interest receivable	631,465	-	-	-	-
Student tuition receivable	7,508,213	-	-	-	-
Other accounts receivable	653,626	26,736	384,936	-	-
Due from other funds	3,109,054	-	-	-	-
Inventory	-	-	-	-	-
Prepaid assets	1,220,519	7,253	130	-	-
Restricted assets					
Cash and cash equivalents	-	-	-	-	-
Total current assets	88,826,924	19,758,771	3,086,529	203,195	5,996,804
NONCURRENT ASSETS					
Capital assets	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Total assets	88,826,924	19,758,771	3,086,529	203,195	5,996,804
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	-	-	-	-	-
OPEB expense	-	-	-	-	-
SURS expense	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	88,826,924	19,758,771	3,086,529	203,195	5,996,804

Federal Financial Aid	Federal Grants	Bond and Interest	Operations and Maintenance Restricted	Building Bond Proceeds	Food Services	Book Store	Child Care
\$ 1,744,394	\$ 861,717	\$ 1,615,712	\$ 292,551	\$ -	\$ 2,400	\$ 4,298,562	\$ -
13,215	31,755	3,557,956	18,007,923	-	-	1,655,221	-
-	-	5,285,084	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,571	451,757	-	-	-	24,550	31,707	21,509
1,323,937	-	-	-	-	-	-	31,992
-	-	-	-	-	27,289	409,996	-
-	3,087	-	145,392	-	-	-	-
-	-	-	-	2,940,898	-	-	-
3,089,117	1,348,316	10,458,752	18,445,866	2,940,898	54,239	6,395,486	53,501
-	-	-	-	-	51,641	123,808	-
-	-	-	-	-	(51,641)	(123,808)	-
-	-	-	-	-	-	-	-
3,089,117	1,348,316	10,458,752	18,445,866	2,940,898	54,239	6,395,486	53,501
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,089,117	1,348,316	10,458,752	18,445,866	2,940,898	54,239	6,395,486	53,501

(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, 2018

	Visual Performing Arts Center	Production Services	Student Life and Athletics	Lifelong Learning
CURRENT ASSETS				
Cash and cash equivalents	\$ 300	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property tax receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Student tuition receivable	-	-	-	-
Other accounts receivable	6,561	-	-	18,457
Due from other funds	1,453,066	249,039	97,258	42,621
Inventory	-	-	-	-
Prepaid assets	-	-	372	2,575
Restricted assets				
Cash and cash equivalents	-	-	-	-
Total current assets	1,459,927	249,039	97,630	63,653
NONCURRENT ASSETS				
Capital assets	45,191	291,118	-	9,075
Less accumulated depreciation	(11,729)	(253,367)	-	(9,075)
Total noncurrent assets	33,462	37,751	-	-
Total assets	1,493,389	286,790	97,630	63,653
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	-	-	-	-
OPEB expense	-	-	-	-
SURS expense	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	1,493,389	286,790	97,630	63,653

Employee Benefits	Working Cash	Trust and Agency	Long- Term Obligations	Capital Assets	Eliminations	Adjustments	Total
\$ 13,943,843	\$ 86,942	\$ 473,508	\$ -	\$ -	\$ -	\$ -	\$ 47,027,914
-	4,389,459	347,498	-	-	-	-	85,178,843
-	-	-	-	-	-	-	28,731,574
-	-	-	-	-	-	-	631,465
-	-	-	-	-	-	-	7,508,213
-	-	1,290	-	-	-	-	1,628,700
4,480,175	-	-	-	-	(10,787,142)	-	-
-	-	-	-	-	-	-	437,285
-	-	-	-	-	-	-	1,379,328
-	-	-	-	-	-	-	2,940,898
18,424,018	4,476,401	822,296	-	-	(10,787,142)	-	175,464,220
-	-	-	-	299,172,283	-	-	299,693,116
-	-	-	-	(103,387,064)	-	-	(103,836,684)
-	-	-	-	195,785,219	-	-	195,856,432
18,424,018	4,476,401	822,296	-	195,785,219	(10,787,142)	-	371,320,652
-	-	-	119,019	-	-	-	119,019
685,351	-	-	-	-	-	-	685,351
-	-	-	187,448	-	-	-	187,448
685,351	-	-	306,467	-	-	-	991,818
19,109,369	4,476,401	822,296	306,467	195,785,219	(10,787,142)	-	372,312,470

(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, 2018

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
CURRENT LIABILITIES					
Accounts payable	\$ 1,708,760	\$ 677	\$ -	\$ 9	\$ 188,222
Accrued salaries and benefits payable	1,808,400	242,169	83,899	1,247	35,637
Accrued health care liability	-	-	-	-	-
Due to other funds	10,990	-	-	-	-
Unearned tuition	10,013,337	-	-	-	-
Claims payable	-	-	-	-	-
Interest payable	-	-	-	-	-
Current portion of general obligation bonds	-	-	-	-	-
Other current liabilities	(4,164)	9,944	658,722	-	108,167
Total current liabilities	13,537,323	252,790	742,621	1,256	332,026
NONCURRENT LIABILITIES					
General obligation bonds	-	-	-	-	-
Other postemployment benefit obligation	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Discount on general obligation bonds	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	13,537,323	252,790	742,621	1,256	332,026
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	17,578,839	5,317,641	-	66,074	1,187,090
OPEB expense	-	-	-	-	-
Total deferred inflows of resources	17,578,839	5,317,641	-	66,074	1,187,090
Total liabilities and deferred inflows of resources	31,116,162	5,570,431	742,621	67,330	1,519,116
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted for					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Grant purposes	-	-	2,343,908	-	-
Audit purposes	-	-	-	135,865	-
Liability insurance	-	-	-	-	4,477,688
Pension contributions	-	-	-	-	-
Working cash	-	-	-	-	-
Unrestricted (deficit)	57,710,762	14,188,340	-	-	-
TOTAL NET POSITION (DEFICIT)	\$ 57,710,762	\$ 14,188,340	\$ 2,343,908	\$ 135,865	\$ 4,477,688

Federal Financial Aid	Federal Grants	Bond and Interest	Operations and Maintenance Restricted	Building Bond Proceeds	Food Services	Book Store	Child Care
\$ 8,203	\$ -	\$ 807	\$ -	\$ -	\$ 1,696	\$ 14,725	\$ -
103	13,748	-	-	-	48,848	38,265	35,375
-	-	-	-	-	-	-	-
3,080,811	1,329,616	-	-	22,564	665	6,342,496	-
-	-	-	-	-	-	-	18,126
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,952	-	-	-	3,030	-	-
3,089,117	1,348,316	807	-	22,564	54,239	6,395,486	53,501
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,089,117	1,348,316	807	-	22,564	54,239	6,395,486	53,501
-	-	5,443,582	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	5,443,582	-	-	-	-	-
3,089,117	1,348,316	5,444,389	-	22,564	54,239	6,395,486	53,501
-	-	-	-	-	-	-	-
-	-	-	18,445,866	2,918,334	-	-	-
-	-	5,014,363	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 5,014,363	\$ 18,445,866	\$ 2,918,334	\$ -	\$ -	\$ -

(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, 2018

	Visual Performing Arts Center	Production Services	Student Life and Athletics	Lifelong Learning
CURRENT LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	10,760	19,858	49,565	30,675
Accrued health care liability	-	-	-	-
Due to other funds	-	-	-	-
Unearned tuition	158,286	-	-	32,978
Claims payable	-	-	-	-
Interest payable	-	-	-	-
Current portion of general obligation bonds	-	-	-	-
Other current liabilities	-	-	-	-
Total current liabilities	169,046	19,858	49,565	63,653
NONCURRENT LIABILITIES				
General obligation bonds	-	-	-	-
Other postemployment benefit obligation	-	-	-	-
Premium on general obligation bonds	-	-	-	-
Discount on general obligation bonds	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	169,046	19,858	49,565	63,653
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	-	-	-	-
OPEB expense	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	169,046	19,858	49,565	63,653
NET POSITION				
Net investment in capital assets	33,462	37,751	-	-
Restricted for				
Capital projects	-	-	-	-
Debt service	-	-	-	-
Grant purposes	-	-	-	-
Audit purposes	-	-	-	-
Liability insurance	-	-	-	-
Pension contributions	-	-	-	-
Working cash	-	-	-	-
Unrestricted (deficit)	1,290,881	229,181	48,065	-
TOTAL NET POSITION (DEFICIT)	<u>\$ 1,324,343</u>	<u>\$ 266,932</u>	<u>\$ 48,065</u>	<u>\$ -</u>

Employee Benefits	Working Cash	Trust and Agency	Long-Term Obligations	Capital Assets	Eliminations	Adjustments	Total
\$ 3,178	\$ -	\$ 6,842	\$ -	\$ -	\$ -	\$ -	\$ 1,933,119
1,426,494	-	-	-	-	-	-	3,845,043
870,900	-	-	-	-	-	-	870,900
-	-	-	-	-	(10,787,142)	-	-
-	-	-	-	-	-	-	10,222,727
325,000	-	-	-	-	-	-	325,000
-	-	-	352,224	-	-	-	352,224
-	-	-	5,015,000	-	-	-	5,015,000
-	-	820,031	-	-	-	-	1,600,682
2,625,572	-	826,873	5,367,224	-	(10,787,142)	-	24,164,695
-	-	-	169,161,195	-	-	-	169,161,195
41,293,273	-	-	-	-	-	-	41,293,273
-	-	-	1,825,146	-	-	-	1,825,146
-	-	-	(175,000)	-	-	-	(175,000)
41,293,273	-	-	170,811,341	-	-	-	212,104,614
43,918,845	-	826,873	176,178,565	-	(10,787,142)	-	236,269,309
-	-	-	-	-	-	-	29,593,226
3,556,998	-	-	-	-	-	-	3,556,998
3,556,998	-	-	-	-	-	-	33,150,224
47,475,843	-	826,873	176,178,565	-	(10,787,142)	-	269,419,533
-	-	-	(173,327,995)	195,785,219	-	-	22,528,437
-	-	-	(1,539,131)	-	-	-	19,825,069
-	-	-	-	-	-	-	5,014,363
-	-	-	-	-	-	-	2,343,908
-	-	-	-	-	-	-	135,865
-	-	-	-	-	-	-	4,477,688
-	-	-	187,448	-	-	-	187,448
-	4,014,363	-	-	-	-	-	4,014,363
(28,366,474)	462,038	(4,577)	(1,192,420)	-	-	-	44,365,796
\$ (28,366,474)	\$ 4,476,401	\$ (4,577)	\$ (175,872,098)	\$ 195,785,219	\$ -	\$ -	\$ 102,892,937

(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, 2018

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
OPERATING REVENUES					
Student tuition and fees	\$ 25,017,005	\$ -	\$ -	\$ -	\$ -
Chargeback revenue	1,420	-	-	-	-
Auxiliary enterprises revenue	-	-	-	-	-
Other operating revenue	427,308	247,292	29,657	-	-
Total operating revenues	25,445,733	247,292	29,657	-	-
OPERATING EXPENSES					
Instruction	29,133,186	-	1,440,984	-	-
Academic support	7,911,413	-	35,496	-	-
Student services	5,156,877	-	2,375	-	-
Public services	239,503	-	70,573	-	-
Auxiliary services	-	-	13,000	-	-
Scholarships and student grants	2,606	-	5,711	-	-
Operation and maintenance of plant	61,169	8,734,193	-	-	579,042
Institutional support	13,461,868	1,114,676	29,657	122,452	1,678,279
Depreciation	-	-	-	-	-
Total operating expenses	55,966,622	9,848,869	1,597,796	122,452	2,257,321
OPERATING INCOME (LOSS)	(30,520,889)	(9,601,577)	(1,568,139)	(122,452)	(2,257,321)
NON-OPERATING REVENUES (EXPENSES)					
State grants and contracts					
Other state grants and contracts	5,240,200	-	1,512,642	-	-
State Universities Retirement System pension	-	-	-	-	-
Community College Health Insurance Security Fund OPEB	-	-	-	-	-
Property taxes	34,868,776	10,628,200	-	132,317	2,440,558
Personal property replacement tax	512,789	-	-	-	-
Federal grants and contracts	-	-	-	-	-
Local grants and contracts	657,360	64,467	55,497	-	-
Debt service	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(12,206,349)	-	-	-	-
Investment income	1,065,026	-	-	-	-
Total non-operating revenues (expenses)	30,137,802	10,692,667	1,568,139	132,317	2,440,558
CHANGE IN NET POSITION	(383,087)	1,091,090	-	9,865	183,237
NET POSITION (DEFICIT), JULY 1	58,093,849	13,097,250	2,343,908	126,000	4,294,451
Change in accounting principle	-	-	-	-	-
NET POSITION (DEFICIT), JULY 1, RESTATED	58,093,849	13,097,250	2,343,908	126,000	4,294,451
NET POSITION (DEFICIT), JUNE 30	\$ 57,710,762	\$ 14,188,340	\$ 2,343,908	\$ 135,865	\$ 4,477,688

Federal Financial Aid	Federal Grants	Bond and Interest	Operations and Maintenance Restricted	Building Bond Proceeds	Food Services	Book Store	Child Care
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	1,038,406	3,331,506	340,606
-	-	-	-	-	-	-	-
-	-	-	-	-	1,038,406	3,331,506	340,606
-	2,537,543	-	-	-	-	-	-
-	-	-	-	-	-	-	-
189,476	416,335	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	981,849	3,126,514	591,335
13,137,904	64,803	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	5,851	22,564	-	-	-
-	-	-	-	-	-	-	-
13,327,380	3,018,681	-	5,851	22,564	981,849	3,126,514	591,335
(13,327,380)	(3,018,681)	-	(5,851)	(22,564)	56,557	204,992	(250,729)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	11,742,763	-	-	-	-	-
-	-	-	-	-	-	-	-
13,327,380	3,018,681	780,433	1,407,246	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(13,029,147)	-	-	-	-	-
-	-	1,773,889	-	-	-	-	250,729
-	-	-	-	-	(56,557)	(204,992)	-
-	-	-	-	58,337	-	-	-
13,327,380	3,018,681	1,267,938	1,407,246	58,337	(56,557)	(204,992)	250,729
-	-	1,267,938	1,401,395	35,773	-	-	-
-	-	3,746,425	17,044,471	2,882,561	-	-	-
-	-	-	-	-	-	-	-
-	-	3,746,425	17,044,471	2,882,561	-	-	-
\$ -	\$ -	\$ 5,014,363	\$ 18,445,866	\$ 2,918,334	\$ -	\$ -	\$ -

(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, 2018

	Visual Performing Arts Center	Production Services	Student Life and Athletics	Lifelong Learning	Employee Benefits
OPERATING REVENUES					
Student tuition and fees	\$ -	\$ -	\$ -	\$ 396,725	\$ -
Chargeback revenue	-	-	-	-	-
Auxiliary enterprises revenue	646,676	444,051	11,467	-	-
Other operating revenue	-	-	-	-	-
Total operating revenues	646,676	444,051	11,467	396,725	-
OPERATING EXPENSES					
Instruction	-	-	-	-	13,914,685
Academic support	-	-	-	-	4,945,913
Student services	-	-	855,224	-	3,438,091
Public services	-	-	-	-	244,102
Auxiliary services	398,513	462,248	-	495,114	1,525,558
Scholarships and student grants	-	-	-	-	11,169
Operation and maintenance of plant	-	-	-	-	4,346,931
Institutional support	-	-	-	-	7,806,796
Depreciation	5,649	14,601	-	1,134	-
Total operating expenses	404,162	476,849	855,224	496,248	36,233,245
OPERATING INCOME (LOSS)	242,514	(32,798)	(843,757)	(99,523)	(36,233,245)
NON-OPERATING REVENUES (EXPENSES)					
State grants and contracts					
Other state grants and contracts	-	-	-	-	-
State Universities Retirement System pension	-	-	-	-	29,712,674
Community College Health Insurance Security Fund OPEB	-	-	-	-	3,748,389
Property taxes	-	-	-	-	-
Personal property replacement tax	-	-	-	-	-
Federal grants and contracts	-	-	-	-	-
Local grants and contracts	-	-	-	-	-
Debt service	-	-	-	-	-
Transfers in	-	-	843,757	110,164	9,500,000
Transfers (out)	-	-	-	(10,641)	-
Investment income	-	-	-	-	-
Total non-operating revenues (expenses)	-	-	843,757	99,523	42,961,063
CHANGE IN NET POSITION	242,514	(32,798)	-	-	6,727,818
NET POSITION (DEFICIT), JULY 1	1,081,829	299,730	48,065	-	5,322,239
Change in accounting principle	-	-	-	-	(40,416,531)
NET POSITION (DEFICIT), JULY 1, RESTATED	1,081,829	299,730	48,065	-	(35,094,292)
NET POSITION (DEFICIT), JUNE 30	\$ 1,324,343	\$ 266,932	\$ 48,065	\$ -	\$ (28,366,474)

Working Cash	Trust and Agency	Long- Term Obligations	Capital Assets	Eliminations	Adjustments	Total
\$ -	\$ -	\$ -	\$ -	\$ (5,595,627)	\$ -	\$ 19,818,103
-	-	-	-	-	-	1,420
-	-	-	-	(1,000,459)	-	4,812,253
-	-	-	-	-	-	704,257
-	-	-	-	(6,596,086)	-	25,336,033
-	-	-	(318,719)	-	-	46,707,679
-	-	-	-	-	-	12,892,822
-	-	-	(46,931)	-	-	10,011,447
-	-	-	-	-	-	554,178
-	-	-	-	-	-	7,594,131
-	-	-	-	(6,344,374)	-	6,877,819
-	-	-	(109,838)	-	-	13,611,497
-	-	14,840	(41,484)	(251,712)	-	23,963,787
-	-	-	9,572,862	-	-	9,594,246
-	-	14,840	9,055,890	(6,596,086)	-	131,807,606
-	-	(14,840)	(9,055,890)	-	-	(106,471,573)
-	-	-	-	-	-	6,752,842
-	-	-	-	-	-	29,712,674
-	-	-	-	-	-	3,748,389
-	-	-	-	-	-	59,812,614
-	-	-	-	-	-	512,789
-	-	-	-	-	-	18,533,740
-	-	-	-	-	-	777,324
-	-	4,631,407	-	-	-	(8,397,740)
-	-	-	-	(12,478,539)	-	-
-	-	-	-	12,478,539	-	-
55,522	-	-	-	-	-	1,178,885
55,522	-	4,631,407	-	-	-	112,631,517
55,522	-	4,616,567	(9,055,890)	-	-	6,159,944
4,420,879	(4,577)	(180,488,665)	204,841,109	-	-	137,149,524
-	-	-	-	-	-	(40,416,531)
4,420,879	(4,577)	(180,488,665)	204,841,109	-	-	96,732,993
\$ 4,476,401	\$ (4,577)	\$ (175,872,098)	\$ 195,785,219	\$ -	\$ -	\$ 102,892,937

(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.	55-58
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	59-63
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.	64-68
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.	69-71
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.	72-74

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

FINANCIAL TRENDS
NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2018	2017	2016	2015
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 22,528,437	\$ 27,119,754	\$ 32,216,404	\$ 35,206,436
Restricted				
Capital projects	19,825,069	18,455,427	16,241,168	13,832,563
Debt service	5,014,363	3,746,425	3,549,757	4,435,843
Specific purposes	7,144,909	6,966,647	6,508,712	6,216,059
Working cash	4,014,363	4,014,363	4,014,363	4,014,363
Unrestricted	44,365,796	76,846,908	64,908,275	63,825,688
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 102,892,937	\$ 137,149,524	\$ 127,438,679	\$ 127,530,952

Data Source

Audited Financial Statements

The District implemented GASB Statement No. 75 in 2018 which accounted for the reduction in unrestricted net position

	2014		2013		2012		2011		2010		2009
\$	34,543,852	\$	32,352,291	\$	33,909,175	\$	34,777,999	\$	35,356,731	\$	36,295,009
	11,960,223		10,999,277		9,783,970		10,469,259		3,240,150		2,674,068
	4,610,459		5,419,398		4,303,754		5,090,051		6,404,530		3,561,560
	6,831,512		6,728,355		6,514,932		6,492,477		6,396,307		6,082,634
	4,014,363		4,353,938		4,346,941		4,339,812		4,330,373		4,309,690
	58,909,689		54,972,930		50,477,632		41,435,573		34,203,085		32,364,664
\$	120,870,098	\$	114,826,189	\$	109,336,404	\$	102,605,171	\$	89,931,176	\$	85,287,625

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

**FINANCIAL TRENDS
CHANGES IN NET POSITION**

Last Ten Fiscal Years

Fiscal Year	2018	2017	2016	2015
OPERATING REVENUES				
Student tuition and fees	\$ 19,818,103	\$ 19,674,745	\$ 18,679,471	\$ 17,854,603
Chargeback revenue	1,420	23,662	29,341	20,193
Auxiliary enterprises revenue	4,812,253	5,190,530	5,447,158	5,842,478
Other operating revenue	704,257	563,841	585,537	572,867
Total operating revenues	25,336,033	25,452,778	24,741,507	24,290,141
OPERATING EXPENSES				
Instruction	46,707,679	46,731,411	43,549,796	41,133,232
Academic support	12,892,822	11,540,322	10,678,304	10,541,916
Student services	10,011,447	10,199,159	10,266,124	9,840,585
Public services	554,178	727,052	648,532	637,014
Auxiliary services	7,594,131	6,317,873	6,980,338	7,640,448
Scholarships and student grants	6,877,819	6,697,769	7,584,922	8,465,310
Operation and maintenance of plant	13,641,492	11,948,992	11,289,345	11,020,170
Institutional support	23,963,787	21,355,749	22,461,019	20,478,735
Depreciation	9,594,246	9,540,919	9,281,794	7,849,474
Total operating expenses	131,837,601	125,059,246	122,740,174	117,606,884
OPERATING INCOME (LOSS)	(106,501,568)	(99,606,468)	(97,998,667)	(93,316,743)
NON-OPERATING REVENUES (EXPENSES)				
State grants and contracts	40,213,905	38,659,380	26,422,147	26,494,242
Property taxes	59,812,614	59,700,764	59,783,305	60,113,167
Personal property replacement tax	512,789	612,836	481,466	599,265
Federal grants and contracts	18,533,740	17,265,623	18,520,444	19,884,290
Local grants and contracts	777,324	1,000,822	933,534	914,404
Interest expense and fiscal charges	(8,397,740)	(8,529,389)	(8,713,135)	(8,977,871)
Gain (loss) on disposal of capital assets	-	-	-	-
Miscellaneous	-	-	-	-
Investment income	1,178,885	607,277	478,633	334,156
Total non-operating revenues (expenses)	112,631,517	109,317,313	97,906,394	99,361,653
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEMS	6,129,949	9,710,845	(92,273)	6,044,910
Capital contributions	29,995	-	-	615,944
Special item	-	-	-	-
CHANGE IN NET POSITION	\$ 6,159,944	\$ 9,710,845	\$ (92,273)	\$ 6,660,854

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

	2014	2013	2012	2011	2010	2009
\$	17,601,837	\$ 17,796,951	\$ 17,392,850	\$ 17,281,365	\$ 15,924,226	\$ 16,129,872
	4,080	19,240	9,481	32,185	32,717	14,761
	6,058,778	6,190,318	6,228,893	6,459,463	7,388,451	6,439,037
	587,439	484,396	591,736	710,734	651,973	655,019
	24,252,134	24,490,905	24,222,960	24,483,747	23,997,367	23,238,689
	40,342,156	38,138,301	35,603,159	33,364,067	31,148,537	27,042,791
	9,729,192	9,390,437	8,784,072	8,537,599	7,477,019	6,572,369
	9,858,311	9,603,280	9,662,520	9,754,645	9,173,240	7,901,374
	585,054	548,452	659,724	695,987	794,065	649,359
	8,033,825	8,132,120	8,568,546	8,603,717	8,958,317	8,175,955
	9,529,773	10,842,872	11,748,883	13,047,275	10,720,251	6,614,469
	11,088,637	10,495,422	10,134,567	10,053,689	9,982,871	10,420,075
	18,053,287	19,733,213	16,486,280	18,459,040	16,212,172	15,969,082
	7,141,073	6,614,370	5,915,072	4,687,560	4,224,350	3,927,467
	114,361,308	113,498,467	107,562,823	107,203,579	98,690,822	87,272,941
	(90,109,174)	(89,007,562)	(83,339,863)	(82,719,832)	(74,693,455)	(64,034,252)
	23,680,818	22,465,643	17,899,680	15,855,838	13,598,021	10,737,235
	59,334,287	57,315,417	56,483,841	55,000,588	49,166,923	46,745,497
	572,570	546,332	516,189	585,266	474,436	571,390
	21,279,900	22,578,078	24,316,611	24,549,217	18,682,097	11,332,557
	91,305	125,511	109,896	4,540,393	154,136	1,217,541
	(9,296,498)	(8,247,538)	(8,760,298)	(7,796,814)	(3,797,616)	(3,014,476)
	-	(413,297)	-	-	26,815	-
	-	-	-	-	-	-
	164,601	127,201	595,085	964,702	1,032,194	2,021,068
	95,826,983	94,497,347	91,161,004	93,699,190	79,337,006	69,610,812
	5,717,809	5,489,785	7,821,141	10,979,358	4,643,551	5,576,560
	326,100	-	-	-	-	-
	-	-	-	1,694,637	-	-
\$	6,043,909	\$ 5,489,785	\$ 7,821,141	\$ 12,673,995	\$ 4,643,551	\$ 5,576,560

**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
2017	\$ 9,284,702,097	\$ 1,548,816,162	\$ 787,406,847	\$ 139,716,886	\$ 16,687,179	\$ 11,777,329,171	0.4999	\$ 35,331,987,513	33.333%
2016	8,856,835,760	1,482,909,707	733,208,614	131,345,674	16,804,186	11,221,103,941	0.5296	33,663,311,823	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%

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

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

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

Data Sources

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

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

REVENUE CAPACITY
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	Legal Limit 2015	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
TAX RATES (1)											
District Rates											
Education	0.2350	0.2963	0.3028	0.3192	0.3304	0.3119	0.2868	0.2539	0.2379	0.2129	0.2092
Operations and maintenance	0.0750	0.0907	0.0947	0.0976	0.0980	0.1018	0.0953	0.0850	0.0796	0.0664	0.0700
Liability insurance	None	0.0137	0.0145	0.0168	0.0167	0.0151	0.0151	0.0129	0.0126	0.0129	0.0099
Audit	0.0500	0.0011	0.0012	0.0013	0.0014	0.0012	0.0011	0.0009	0.0006	0.0006	0.0004
Debt Service Fund	None	0.0914	0.1091	0.1172	0.1444	0.1426	0.1123	0.1018	0.0973	0.0808	0.0392
Bond and Interest Fund	None	0.0068	0.0073	0.0078	0.0081	0.0071	0.0071	0.0053	0.0046	0.0043	0.0036
Prior period adjustment		(0.0001)	0.0000	0.0009	0.0086	(0.0088)	0.0038	(0.0144)	0.0081	0.0054	(0.0030)
Total district rates (1)		0.4999	0.5296	0.5609	0.6076	0.5709	0.5215	0.4454	0.4407	0.3833	0.3293
Others											
Kane County		0.4025	0.4201	0.4479	0.4684	0.4623	0.4336	0.3990	0.3730	0.3398	0.3336
Kane County Forest Preserve		0.1658	0.2253	0.2944	0.3126	0.3039	0.2710	0.2609	0.2201	0.1997	0.1932
Elgin Township and Road Funds		0.1950	0.1805	0.1950	0.2053	0.1972	0.1758	0.1550	0.1364	0.1230	0.1207
Gail Borden Library District		0.4729	0.5227	0.5294	0.5796	0.5087	0.4791	0.4084	0.3650	0.3380	0.3175
Fox River Water Reclamation		0.0000	0.0325	0.0339	0.0409	0.0370	0.0344	0.0299	0.0273	0.0249	0.0240
City of Elgin		2.1494	2.2396	2.4110	2.3218	2.1668	1.9344	1.9836	1.9214	1.9202	1.9200
School District No. 46		6.3696	6.5487	7.1238	8.0229	5.9395	6.3706	5.5589	5.2661	4.5494	4.2066
Total rates		9.7552	10.1694	11.0354	11.9515	10.1861	10.2204	9.2410	8.7500	7.8783	7.4448

(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	2017 Levy Year			2008 Levy Year		
		Assessed Value	Rank	Percentage of Total District Assessed Valuation	Assessed Value (000s)	Rank	Percentage of Total District Assessed Valuation
Target	Retail	\$ 26,788,408	1	0.23%	\$ 24,662,119	5	0.18%
Wal-Mart	Retail	22,879,637	2	0.19%	21,294,891	6	0.15%
Algonquin Commons LLC	Real Property	20,508,282	3	0.17%	31,805,337	2	0.23%
Poplar Creek Crossing	Retail	19,650,363	4	0.17%	-		-
Aboretum Mall LLC	Mall	19,474,971	5	0.17%	-		-
John B. Sanfilippo and Son, Inc.	Snack Food	17,479,121	6	0.15%	18,038,605	10	0.13%
Adessa Illinois LLC	Real Property	17,201,830	7	0.15%	-		-
Q Center LLC	Conference Center	16,926,173	8	0.14%	-		-
GH of Hoffman Estates	Real Property	16,447,305	9	0.14%	-		-
Canterfield Apartment Owner LLC	Real Property	16,298,370	10	0.14%	-		-
Individual	Real Propert	-		-	33,091,905	1	0.24%
Springhill Mall, LLC	Commerical Shopping Center	-		-	30,062,238	3	0.22%
Bradley Operation Limited	Real Property	-		-	27,246,564	4	0.19%
Park Place Apartments (BVF II)	Apartments	-		-	19,214,492	7	0.14%
MDKTSTP Ent Fin Dept	Real Property	-		-	18,892,119	8	0.14%
Transamerica Comm. Fin.	Real Property	-		-	18,257,983	9	0.13%
		<u>\$ 193,654,460</u>		<u>1.64%</u>	<u>\$ 242,566,253</u>		<u>1.72%</u>

(1) Previously Bradley Operation Limited.

Note: Excludes \$5,224,196 of EAV (Frozen TIF Value for Sears Roebuck National Headquarters). The actual 2017 value of the Sears property in the TIF district is \$113,704,139.

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, 2017	Collected During Year Ended June 30, 2018 (6)	Total Collected Through June 30, 2018 (4)	Percent of Taxes Extended Collected Through June 30, 2018	Tax Cap Limit (5)
2017	\$ 11,777,329,171	0.4999	\$ 60,359,170	\$ -	\$ 31,041,236	\$ 31,041,236	51.43%	2.10%
2016	11,221,103,941	0.5296	60,314,611	30,020,701	30,014,124	60,034,825	99.54%	0.70%
2015	10,325,972,629	0.5609	59,544,514	59,486,690	(61,958)	59,424,732	99.80%	0.80%
2014	10,026,440,546	0.6076	60,820,489	60,465,829	(72,963)	60,392,866	99.30%	1.50%
2013	10,185,173,177	0.5709	60,245,707	59,955,937	(66,989)	59,888,948	99.41%	1.70%
2012	11,143,211,646	0.5215	58,907,754	58,501,366	(28,603)	58,472,763	99.26%	3.00%
2011	12,468,311,880	0.4454	55,920,678	55,661,850	(7,406)	55,654,444	99.52%	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%

(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 Credit Courses	Headcount Credit Courses	In-District Tuition and Fees per Semester Hour	Out-of-District Tuition and Fees per Semester Hour	Out-of-State Tuition and Fees per Semester Hour		
2018	5,679	9,599	\$ 129.00	\$ 434.49	\$ 497.79	176,626	\$ 24,753,564
2017	5,773	9,918	125.00	434.49	497.79	179,420	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

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

Data Source

District records

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

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

Last Ten Fiscal Years

Fiscal Year Ended	General Obligation Bonds (1)	Capital Lease Obligations	Due to Other Governments	Total Outstanding Debt (2)	District Estimated Actual Taxable Property Value	Percentage of Total Outstanding Debt to Estimated Actual Taxable Property Value	Population (Estimated)	Total Outstanding Debt Per Capita	Total Outstanding Debt as a Percentage of Personal Income
2018	\$ 175,826,341	\$ -	\$ -	\$ 175,826,341	\$ 11,777,329,171	1.49%	468,894	\$ 374.98	1.02%
2017	180,481,188	-	-	180,481,188	10,924,750,362	1.65%	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%

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

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

Data Sources

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

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

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

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds (1) (3)	Less: Amounts Restricted for Debt Service (2)	Net General Bonded Debt	District Estimated Actual Taxable Property Value	Percentage of Net General Bonded Debt to Estimated Actual Taxable Property Value	Population (Estimated)	Net General Bonded Debt Per Capita
2018	\$ 175,826,341	\$ 5,014,363	\$ 170,811,978	\$ 11,777,329,171	1.49%	468,894	\$ 374.98
2017	180,481,188	3,746,425	176,734,763	11,221,103,941	1.65%	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

(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.

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

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

June 30, 2018

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Government	Government's Share of Debt
Elgin Community College	\$ 175,826,341	100.00%	\$ 175,826,341
SCHOOLS			
School District Number 54	-	2.27%	-
High School District Number 211	-	1.36%	-
Unit School District Number 46	260,203,433	100.00%	260,203,433
Unit School District Number 158	88,599,317	0.03%	28,053
Unit School District Number 300	256,406,579	74.51%	191,049,024
Unit School District Number 301	43,240,000	98.87%	42,752,173
Unit School District Number 303	43,135,000	99.61%	42,965,294
Unit School District Number 427	57,307,646	0.36%	204,246
Total schools			537,202,223
COUNTIES AND LARGE UNITS			
Kane County	88,525,000	55.32%	48,973,438
Kane County Forest Preserve District	154,575,000	55.32%	85,513,349
Cook County	3,367,546,750	1.41%	47,464,390
Cook County Forest Preserve District	149,290,000	1.41%	2,104,190
Metropolitan Water Reclamation District	2,377,123,381	1.16%	27,593,656
DuPage County	160,900,000	3.26%	5,240,401
DuPage County Forest Preserve District	111,117,382	3.26%	3,619,016
DuPage Water Commission	-	1.17%	-
Total counties and large units			220,508,440
CITIES AND VILLAGES			
Village of Algonquin	6,460,000	27.13%	1,752,435
Village of Bartlett	36,945,000	100.00%	36,945,000
Village of Burlington	-	99.41%	-
Village of Campton Hills	-	6.03%	-
Campton Township	29,805,000	90.76%	27,049,807
Village of Carpentersville	41,420,000	88.02%	36,457,818
Village of East Dundee	13,950,000	100.00%	13,950,000
City of Elgin	77,195,000	100.00%	77,195,000
Village of Gilberts	845,000	99.92%	844,304
Village of Hampshire	2,565,000	85.24%	2,186,294
Village of Hanover Park	16,655,000	38.65%	6,437,433
Village of Hoffman Estates	94,025,000	17.48%	16,434,038
City of St. Charles	97,015,000	98.30%	95,365,446
Village of Schaumburg	306,070,000	2.88%	8,828,472
Village of South Elgin	27,970,000	100.00%	27,970,000
Village of South Barrington	-	5.90%	-
Village of Streamwood	3,465,000	99.94%	3,462,781
City of West Chicago	-	18.30%	-
Village of West Dundee	8,680,000	86.34%	7,494,474
Total cities and villages			362,373,302

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

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

June 30, 2018

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Government	Government's Share of Debt
OTHERS			
Library Districts			
Algonquin Public Library District	\$ 840,000	2.78%	\$ 23,337
Barrington Public Library District	-	1.85%	-
Bartlett Public Library District	-	100.00%	-
Gail Borden Public Library	9,910,000	100.00%	9,910,000
Huntley Public Library District	-	3.14%	-
Poplar Creek Library District	15,700,000	81.51%	12,797,146
Schaumburg Public Library District	-	2.33%	-
Town and Country Public Library District	-	25.03%	-
West Chicago Public Library District	-	7.21%	-
Park Districts			
Bartlett Park District	23,025,000	100.00%	23,025,000
Carol Stream Park District	47,358,636	7.25%	3,433,499
Dundee Township Park District	18,509,585	96.66%	17,890,576
Hampshire Park District	2,030,000	100.00%	2,030,000
Hanover Park Park District	2,450,000	41.89%	1,026,258
Hoffman Estates Park District	65,715,000	18.61%	12,232,244
Huntley Park District	3,910,000	2.16%	84,315
Schaumburg Park District	14,505,000	3.07%	445,828
South Barrington Park District	7,310,000	4.22%	308,213
St. Charles Park District	27,900,000	99.83%	27,853,768
Streamwood Park District	5,443,000	95.10%	5,176,499
West Chicago Park District	26,335,000	15.29%	4,027,856
West Chicago Fire Protection District	7,005,000	20.17%	1,413,094
Special Service Areas			
Carpentersville Special Service Area Numbers 6, 7, 10, 11 and 17	-	100.00%	-
Gilberts Special Service Area Number 10	14,996,000	100.00%	14,996,000
Gilberts Special Service Area Number 19	-	100.00%	-
Hanover Park Special Service Area Number 2	-	100.00%	-
Hampshire Special Service Area Number 9	980,000	100.00%	980,000
Pingree Grove Special Service Area Number 1	-	100.00%	-
St. Charles TIF 2	-	100.00%	-
Streamwood Special Service Area Number 3	-	100.00%	-
West Chicago Special Service Area Number 2	-	27.99%	-
Total others			137,653,633
Total schools, counties and large units, cities and villages			1,120,083,965
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 1,257,737,598

Data Sources

District records and Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties
Overlapping debt percentages based on 2017 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

Fiscal Year	Assessed Value	Debt Limit Rate	Debt Limit (Assessed Value Debt Limit Rate)	Net Debt Applicable to Debt Limit	Legal Debt Margin	Net Debt Applicable to Debt Limit as a Percentage of Debt Limit
2018	\$ 11,777,329,171	2.875%	\$ 338,598,214	\$ 175,826,341	\$ 162,771,873	51.93%
2017	11,221,103,941	2.875%	322,606,738	180,481,188	142,125,550	55.94%
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%

Data Sources

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

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

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

Last Ten Fiscal Years

Fiscal Year	Population (Estimate)	Personal Income (1)	Per Capita Personal Income	Unemployment Rate (2)(3)
2018	468,894	\$ 17,177,431,082	\$ 36,634	4.6%
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%

(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 based on Kane County in the Current Monthly Unemployment Rates for the State, Metro Areas, Counties and Cities table. Kane County represents the majority county in District 509.

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

2018			2008		
Employer	Rank	Estimated Employees	Employer	Rank	Estimated Employees
Northwest Community Hospital	1	4,000	Sears Roebuck Company	1	6,000
Sears Holding Corp.	2	3,950	Unit School District Number 46	2	5,000
Zurich North American Commercial	3	2,500	Motorola Networks	3	4,000
Advocate Sherman Hospital	4	2,200	Northwest Community Healthcare	4	4,000
St. Alexius Medical Center	5	2,045	AT&T	5	2,700
Northrop Grumman Corporation	6	1,900	Chase	6	2,500
Motorola Solutions	7	1,600	Motorola, Inc.	7	2,145
HSBC Finance Corporation	8	1,500	St. Alexius Medical Center	8	2,045
Presence St. Joseph Hospital	9	1,300	Level 3 Communications	9	2,000
John B. Sanfilippo & Son, Inc.	10	1,200	Northrop Grumman Corporation	10	2,000
Clearbrook	11	1,000	Sherman Hospital	11	1,700
Arthur J Gallagher & Company	12	825	Zurich North American Commercial	12	1,700
Paylocity Corporation	13	800	Experian Information Solutions, Inc.	13	1,500
Optum RX, Inc.	14	800	Elgin Mental Health Center	14	1,300
Nation Pizza Products LP	15	700	Provena St. Joseph Hospital	15	1,300
Gallagher-Bassett Services, Inc.	16	675	Elgin Riverboat Resort	16	1,200
American NTN Bearing Mfg. Corp.	17	675	John B. Sanfilippo & Son, Inc.	17	850
Verizon Wireless, Inc.	18	670	Paddock Publications, Inc.	18	850
The Nielsen Company	19	650	IBM Global Services		800
LSI	20	610			
CDK Global (Previously ADP Dealer Services)	21	600			
Experian Informations Solutions, Inc.	22	600			
Capsonic Group, LLC	23	600			

Data Sources

2018 Illinois Manufacturers Directory, 2018 Illinois Services Directory and a selected telephone survey.

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

DEMOGRAPHIC AND ECONOMIC INFORMATION
STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Baccalaureate	Business Occupational	Technical Occupational	Health Occupational	Remedial Development	Adult Basic Secondary Education	Total Claimed Credit Hours
2018	108,356	8,524	14,912	10,761	12,972	21,101	176,626
2017	108,930	8,913	14,237	10,657	14,709	21,974	179,420
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

Data Source

District records

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

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

Last Ten Fiscal Years

Employee Group	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Faculty										
Full-time FTE	136	133	135	133	132	130	132	134	131	127
Part-time FTE	181	173	195	205	219	209	200	198	172	143
Total FTE	317	306	330	338	351	339	332	332	303	270
Headcount	510	530	577	601	615	598	620	608	549	499
Administrators										
Full-time FTE	46	47	45	44	43	43	40	33	34	33
Part-time FTE	-	-	-	-	-	-	-	-	-	-
Total FTE	46	47	45	44	43	43	40	33	34	33
Headcount	46	47	45	44	43	43	40	33	34	33
Nonteaching Professional Staff										
Full-time FTE	182	191	194	189	166	171	180	193	179	171
Part-time FTE	30	41	48	48	51	49	51	76	74	75
Total FTE	212	232	242	237	217	220	231	269	253	246
Headcount	252	281	289	285	267	269	282	345	326	321
Classified Staff										
Full-time FTE	108	101	107	102	112	107	111	110	111	110
Part-time FTE	65	62	63	69	75	69	66	65	65	63
Total FTE	173	163	170	171	187	176	177	175	176	173
Headcount	228	206	233	239	261	244	242	239	240	235

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

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

Data Source

ICCB C1/C2 submissions

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

**OPERATING INFORMATION
DEGREES AND CERTIFICATES AWARDED**

Last Ten Fiscal Years

Degrees and Certificates Awarded	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General studies degrees										
Associate degrees										
Arts	612	543	522	529	466	524	496	393	427	374
Sciences	153	182	256	231	196	197	145	136	108	88
Engineering science	26	29	26	19	14	14	15	2	8	3
Fine arts	2	2	5	9	11	7	3	1	5	5
Liberal studies and general education	17	20	23	42	41	43	75	62	53	43
Occupational degrees										
Associate degree in applied science	326	360	384	369	359	387	411	344	313	303
Occupational certificates										
One year or more	177	178	321	299	286	292	329	307	258	201
Less than one year	863	739	819	1,087	880	1,019	1028	977	1188	912
TOTAL DEGREES AND CERTIFICATES AWARDED	2,176	2,053	2,356	2,585	2,253	2,483	2,502	2,222	2,360	1,929

Data Source

District records

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

OPERATING INFORMATION
CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Main Campus										
Size of campus in acres	211.5	211.5	211.5	211.5	211.5	168.5	181.5	174.4	179.1	157.5
Number of buildings	18	18	18	18	18	18	18	18	17	16
Gross square footage	1,121,671	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
Number of parking lots	18	18	18	18	18	18	16	18	19	22
Number of parking spaces	4,350	4,349	4,349	4,337	4,337	4,326	4,000	4,085	4,067	3,641
Burlington Facility										
Size of facility in acres	119.7	119.7	119.7	-	-	-	-	-	-	-
Number of buildings	4	4	4	-	-	-	-	-	-	-
Number of rooms	80	80	80	-	-	-	-	-	-	-
Gross square footage	37,622	37,622	37,622	-	-	-	-	-	-	-
Number of parking lots	3	3	3	-	-	-	-	-	-	-
Number of parking spaces	233	233	233	-	-	-	-	-	-	-
Fountain Square Campus										
Size of campus	-	-	-	-	-	-	-	-	2.1 acres	2.1 acres
Number of buildings	-	-	-	-	-	-	-	-	1	1
Number of rooms	-	-	-	-	-	-	-	-	119	119
Gross square footage	-	-	-	-	-	-	-	-	75,635	75,635
Number of parking lots	-	-	-	-	-	-	-	-	1	1
Number of parking spaces	-	-	-	-	-	-	-	-	38	38
Hanover Park Education and Work Center										
Number of buildings	1	1	1	1	1	-	-	-	-	-
Number of rooms	16	16	16	16	16	-	-	-	-	-
Gross square footage	10,848	10,848	10,848	9,274	9,274	-	-	-	-	-
Municipal parking lots	1	1	1	-	-	-	-	-	-	-
Streamwood Village Hall Campus										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Number of rooms	3	3	3	3	3	3	3	3	7	7
Gross square footage	3,224	3,224	3,224	3,224	3,224	3,224	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, 2018

**ALL NONCAPITAL AUDITED OPERATING EXPENDITURES
FOR FISCAL YEAR 2018 FROM ALL REVENUE SOURCES**

Education fund	\$ 55,782,098
Operations and maintenance fund	9,796,216
Bond and interest fund	-
Restricted purposes fund	1,461,451
Federal financial aid fund	13,309,880
Federal grants fund	3,018,679
Audit fund	122,452
Liability, protection and settlement fund	2,257,321
Auxiliary enterprises fund (subsidy only)	<u>932,460</u>

Total noncapital audited operating expenditures	86,680,557
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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>9,449,091</u>
--	------------------

Equals total costs included	<u><u>\$ 96,129,648</u></u>
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TOTAL CERTIFIED SEMESTER CREDIT HOURS	<u><u>176,626.0</u></u>
--	-------------------------

PER CAPITA COST	<u><u>\$ 544.26</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, 2018

All fiscal year 2018 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>\$ 16,120,765</u>
Fiscal year 2018 state and federal grants per semester credit hour	91.27
District's average ICCB grant rate for fiscal year 2019	29.77
District's student tuition and fee rate per semester credit hour for fiscal year 2018	<u>129.00</u>
EQUALS CHARGEBACK REIMBURSEMENT PER SEMESTER CREDIT HOUR	<u><u>\$ 294.22</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, 2018

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprise Funds	Restricted Purposes Fund	Federal Financial Aid Fund	Working Cash Fund
FUND BALANCES, JULY 1, 2017	\$ 58,093,849	\$ 13,097,250	\$ 17,044,471	\$ 3,746,425	\$ 6,751,863	\$ 2,343,908	\$ -	\$ 4,420,879
REVENUES								
Local tax revenue	35,381,565	10,628,200	-	11,742,763	-	-	-	-
All other local revenue	1,420	-	-	-	-	-	-	-
ICCB grants	5,240,200	-	-	-	-	1,324,255	-	-
All other state revenue	-	-	-	-	-	33,461,063	-	-
Federal revenue	-	-	1,407,246	780,433	-	-	13,327,380	-
Student tuition and fees	25,017,005	-	-	-	396,725	-	-	-
All other revenue	2,149,694	311,759	-	-	5,812,712	273,541	-	55,522
Total revenues	67,789,884	10,939,959	1,407,246	12,523,196	6,209,437	35,058,859	13,327,380	55,522
EXPENDITURES								
Instruction	29,133,186	-	-	-	-	14,291,066	-	-
Academic support	7,911,413	-	-	-	-	4,603,000	-	-
Student services	5,156,877	-	-	-	855,224	3,177,420	189,476	-
Public service/continuing education	239,503	-	-	-	-	295,999	-	-
Auxiliary services	-	-	-	-	8,849,139	1,421,839	-	-
Operations and maintenance	61,169	8,734,193	-	-	-	4,014,350	-	-
Institutional support	13,461,868	1,114,676	5,851	13,029,147	-	7,239,160	-	-
Scholarships, grants and waivers	2,606	-	-	-	-	16,025	13,137,904	-
Total expenditures	55,966,622	9,848,869	5,851	13,029,147	9,704,363	35,058,859	13,327,380	-
NET TRANSFERS	(12,206,349)	-	-	1,773,889	10,432,460	-	-	-
FUND BALANCES, JUNE 30, 2018	\$ 57,710,762	\$ 14,188,340	\$ 18,445,866	\$ 5,014,363	\$ 13,689,397	\$ 2,343,908	\$ -	\$ 4,476,401

(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, 2018

	Audit Fund	Liability, Protection Settlement Fund	Building Bond Proceeds Fund	Federal Grants Fund	Total
FUND BALANCES, JULY 1, 2017	\$ 126,000	\$ 4,294,451	\$ 2,882,561	\$ -	\$ 112,801,657
REVENUES					
Local tax revenue	132,317	2,440,558	-	-	60,325,403
All other local revenue	-	-	-	-	1,420
ICCB grants	-	-	-	973,582	7,538,037
All other state revenue	-	-	-	-	33,461,063
Federal revenue	-	-	-	2,045,099	17,560,158
Student tuition and fees	-	-	-	-	25,413,730
All other revenue	-	-	58,337	-	8,661,565
Total revenues	132,317	2,440,558	58,337	3,018,681	152,961,376
EXPENDITURES					
Instruction	-	-	-	2,537,543	45,961,795
Academic support	-	-	-	-	12,514,413
Student services	-	-	-	416,335	9,795,332
Public service/continuing education	-	-	-	-	535,502
Auxiliary services	-	-	-	-	10,270,978
Operations and maintenance	-	579,042	-	-	13,388,754
Institutional support	122,452	1,678,279	22,564	-	36,673,997
Scholarships, grants, waivers	-	-	-	64,803	13,221,338
Total expenditures	122,452	2,257,321	22,564	3,018,681	142,362,109
NET TRANSFERS	-	-	-	-	-
FUND BALANCES, JUNE 30, 2018	\$ 135,865	\$ 4,477,688	\$ 2,918,334	\$ -	\$ 123,400,924

(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, 2018

	Fixed Asset/Debt Account Groups June 30, 2017, Restated			Additions	Deletions	Fixed Asset/Debt Account Groups June 30, 2018	
CAPITAL ASSETS							
Sites and improvements	\$	44,139,125	\$	-	\$	-	\$ 44,139,125
Buildings, additions and improvements		240,490,724		18,920		-	240,509,644
Equipment		13,845,853		475,488		(81,070)	14,240,271
Other capital assets		260,679		22,564		-	283,243
Accumulated depreciation		93,895,272		9,572,862		(81,070)	103,387,064
TOTAL CAPITAL ASSETS	\$	204,841,109	\$	(9,055,890)	\$	-	\$ 195,785,219
FIXED LIABILITIES							
Bonds payable	\$	178,605,527	\$	80,668	\$	(4,510,000)	\$ 174,176,195
OPEB Liability		40,612,979		680,294		-	41,293,273
Other fixed liabilities		-		-		-	-
TOTAL FIXED LIABILITIES	\$	219,218,506	\$	760,962	\$	(4,510,000)	\$ 215,469,468
		Outstanding July 1, 2017		Issued		Redeemed	Outstanding June 30, 2018
EDUCATION FUND							
Tax anticipation warrants		-		-		-	-
Tax anticipation notes		-		-		-	-
OPERATIONS AND MAINTENANCE FUND							
Tax anticipation warrants		-		-		-	-
Tax anticipation notes		-		-		-	-
BOND AND INTEREST FUND							
Tax anticipation warrants		-		-		-	-
Tax anticipation notes		-		-		-	-
AUDIT FUND							
Tax anticipation warrants		-		-		-	-
Tax anticipation notes		-		-		-	-
LIABILITY, PROTECTION AND SETTLEMENT FUND							
Tax anticipation warrants		-		-		-	-
Tax anticipation notes		-		-		-	-

(See independent auditor's report.)

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

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2018

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local government			
Local taxes	\$ 34,868,776	\$ 10,628,200	\$ 45,496,976
Chargeback revenue	1,420	-	1,420
Corporate Personal Property replacement tax	512,789	-	512,789
Other	-	-	-
Total local government	35,382,985	10,628,200	46,011,185
State government			
ICCB base operating grants	4,827,955	-	4,827,955
ICCB equalization grants	50,000	-	50,000
ICCB career & technical education	362,245	-	362,245
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	5,240,200	-	5,240,200
Federal government			
Department of Education	-	-	-
Department of Labor	-	-	-
Department of Health and Human Services	-	-	-
Other	-	-	-
Total federal government	-	-	-
Student tuition and fees			
Tuition	20,956,188	-	20,956,188
Fees	4,060,817	-	4,060,817
Other student assessments	-	-	-
Total student tuition and fees	25,017,005	-	25,017,005
Other sources			
Sales and service fees	-	-	-
Facilities revenue	-	64,467	64,467
Investment revenue	1,065,026	-	1,065,026
Nongovernmental grants	-	-	-
Other	1,084,668	247,292	1,331,960
Total other sources	2,149,694	311,759	2,461,453
Total revenues	67,789,884	10,939,959	78,729,843
Less non-operating items			
Tuition chargeback revenue	(1,420)	-	(1,420)
Instructional service contracts	-	-	-
ADJUSTED REVENUE	\$ 67,788,464	\$ 10,939,959	\$ 78,728,423

(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, 2018

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	\$ 29,133,186	\$ -	\$ 29,133,186
Academic support	7,911,413	-	7,911,413
Student services	5,156,877	-	5,156,877
Public service/continuing education	239,503	-	239,503
Organized research	-	-	-
Auxiliary services	-	-	-
Operations and maintenance	61,169	8,734,193	8,795,362
Institutional support	13,461,868	1,114,676	14,576,544
Scholarships, student grants, waivers	2,606	-	2,606
Total expenditures	55,966,622	9,848,869	65,815,491
Less non-operating items			
Tuition chargeback	-	-	-
Instructional service contracts	-	-	-
Transfers	12,206,349	-	12,206,349
ADJUSTED EXPENDITURES	\$ 68,172,971	\$ 9,848,869	\$ 78,021,840
BY OBJECT			
Salaries	\$ 40,446,864	\$ 4,279,126	\$ 44,725,990
Employee benefits	7,593,033	1,024,700	8,617,733
Contractual services	2,501,881	1,111,038	3,612,919
General materials and supplies	2,952,932	108,856	3,061,788
Library materials**	1,480	-	1,480
Conference and meeting expenses	409,206	3,650	412,856
Fixed charges	232,844	835,386	1,068,230
Utilities	-	2,356,372	2,356,372
Capital outlay	1,229,689	129,741	1,359,430
Other	600,173	-	600,173
Student grants and scholarships**	16,105	-	16,105
Total expenditures	55,966,622	9,848,869	65,815,491
Less non-operating items			
Tuition chargeback	-	-	-
Instructional service contracts	-	-	-
Transfers	12,206,349	-	12,206,349
ADJUSTED EXPENDITURES	\$ 68,172,971	\$ 9,848,869	\$ 78,021,840

**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, 2018**

REVENUES BY SOURCE

Total local government	<u>\$ 55,497</u>
State government	
ICCB - Student Success Grant	-
ICCB - Retirees Health Insurance Grant	-
ICCB - Special Initiatives Grants	-
ICCB - Program Improvement Grant	45,290
ICCB - Adult Education	1,028,910
ICCB - Other	-
Dept. of Corrections	-
Illinois Student Assistance Commission	-
Other (attach itemization)	<u>33,711,118</u>
Total state government	<u>34,785,318</u>
Federal government	
Department of Education	15,872,467
Department of Labor	468,918
Department of Health and Human Services	-
Other	<u>4,676</u>
Total federal government	<u>16,346,061</u>
Other sources	
Tuition and fees	-
Other	<u>218,044</u>
Total other sources	<u>218,044</u>
TOTAL RESTRICTED PURPOSES FUND REVENUES	<u><u>\$ 51,404,920</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, 2018**

EXPENDITURES BY PROGRAM

Instruction	\$ 16,828,609
Academic support	4,603,000
Student services	3,783,231
Public service/continuing education	295,999
Organized research	-
Auxiliary services	1,421,839
Operations and maintenance	4,014,350
Institutional support	7,239,160
Scholarships, grants, waivers	<u>13,218,732</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u><u>\$ 51,404,920</u></u>
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EXPENDITURES BY OBJECT

Salaries	\$ 3,403,702
Employee benefits	424,129
Contractual services	135,048
Student financial aid	-
General materials and supplies	269,987
*Library materials	-
Travel and conference/meeting expenses	236,019
Fixed charges	-
Utilities	-
Capital outlay	153,142
SURS/OPEB expense	33,461,063
Other	13,321,830
*Scholarships, grants, waivers	<u>13,218,732</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u><u>\$ 51,404,920</u></u>
--	------------------------------------

* 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, 2018**

INSTRUCTION

Instructional programs	\$ 42,106,098
Other	<u>1,318,154</u>
Total instruction	<u>43,424,252</u>

ACADEMIC SUPPORT

Library Center	1,598,429
Instructional Materials Center	790,863
Educational Media Services	1,296,269
Academic computing support	-
Academic administration and planning	4,120,211
Other	<u>4,708,641</u>
Total academic support	<u>12,514,413</u>

STUDENT SERVICES SUPPORT

Admissions and records	1,020,639
Counseling and career guidance	1,229,144
Financial aid administration	923,043
Administration	758,274
Social and cultural development	2,375
Other	<u>5,256,046</u>
Total student services support	<u>9,189,521</u>

PUBLIC SERVICE/CONTINUING EDUCATION

Community education	-
Customized training (instructional)	-
Community services	304,292
Other	<u>231,210</u>
Total public service/continuing education	<u>535,502</u>

ORGANIZED RESEARCH

-

AUXILIARY SERVICES

10,270,978

(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, 2018**

OPERATIONS AND MAINTENANCE OF PLANT

Maintenance	\$ 1,679,368
Custodial services	2,331,353
Grounds	747,124
Campus security	1,482,370
Transportation	-
Utilities	2,489,931
Administration	583,089
Other	<u>4,075,519</u>
 Total operations and maintenance of plant	 <u>13,388,754</u>

INSTITUTIONAL SUPPORT

Executive management	1,715,686
Fiscal operations	1,057,467
Community relations	817,745
Administrative support services	5,406,417
Board of trustees	61,832
General institution	3,659,088
Institutional research	304,338
Administrative data processing	2,526,551
Other	<u>8,067,311</u>
 Total institutional support	 <u>23,616,435</u>

SCHOLARSHIPS, STUDENT GRANTS AND WAIVERS

18,631

TOTAL CURRENT FUNDS EXPENDITURES

\$ 112,958,486

(See independent auditor's report.)

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheet of Elgin Community College District Number 509's (the District) State Adult Education and Family Literacy Grant Program as of June 30, 2018, 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, 2018, 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 sheet 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, 2018 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
September 27, 2018

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

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

June 30, 2018

	State Basic	State Performance	Total
ASSETS			
Receivable	\$ 245,333	\$ 97,637	\$ 342,970
TOTAL ASSETS	<u>\$ 245,333</u>	<u>\$ 97,637</u>	<u>\$ 342,970</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$ 245,333	\$ 97,637	\$ 342,970
Total liabilities	<u>245,333</u>	<u>97,637</u>	<u>342,970</u>
FUND BALANCES			
None	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 245,333</u>	<u>\$ 97,637</u>	<u>\$ 342,970</u>

(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, 2018

	State Basic	State Performance	Total
<hr/>			
REVENUES			
State sources	\$ 736,000	\$ 292,910	\$ 1,028,910
	<hr/>		
Total revenues	736,000	292,910	1,028,910
	<hr/>		
EXPENDITURES			
Instructional and student services			
Instruction	736,000	125,776	861,776
Guidance services	-	114,694	114,694
Social work services	-	18,503	18,503
	<hr/>		
Total instructional and student services	736,000	258,973	994,973
	<hr/>		
Program support			
Improvement of instructional services	-	20,941	20,941
General administration	-	12,996	12,996
	<hr/>		
Total program support	-	33,937	33,937
	<hr/>		
Total expenditures	736,000	292,910	1,028,910
	<hr/>		
NET CHANGE IN FUND BALANCE	-	-	-
	<hr/>		
FUND BALANCE, JULY 1, 2017	-	-	-
	<hr/>		
FUND BALANCE, JUNE 30, 2018	\$ -	\$ -	\$ -
	<hr/>		

(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, 2018

	Audited Expenditure Amount	Audited Expenditure Percentage
STATE BASIC		
Instruction (45% minimum required)	\$ 736,000	100%
General administration (9% maximum allowed)	-	0%

(See independent auditor's report.)

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

NOTES TO FINANCIAL STATEMENTS - STATE GRANT PROGRAMS

June 30, 2018

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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**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, 2017 through June 30, 2018. 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
September 27, 2018

**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, 2018

	Total Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
CATEGORIES								
Baccalaureate	13,066.0	38.0	49,115.5	46.0	46,082.0	-	108,263.5	93.0
Business occupational	784.5	-	4,006.5	-	3,733.0	-	8,524.0	-
Technical occupational	756.5	-	7,199.5	-	6,956.0	-	14,912.0	-
Health occupational	881.0	-	4,943.5	-	4,936.5	-	10,761.0	-
Remedial developmental	977.0	-	7,170.0	-	4,825.0	-	12,972.0	-
Adult basic education/adult secondary education	18.0	5,678.5	594.0	7,298.5	633.0	6,878.5	1,245.0	19,855.5
TOTAL CREDIT HOURS VERIFIED	16,483.0	5,716.5	73,029.0	7,344.5	67,165.5	6,878.5	156,677.5	19,948.5

	Chargeback/ Contractual		
	In-District	Agreement	Total
Reimbursable semester credit hours	168,554.0	3,012.0	171,566.0
	Dual Credit	Dual Enrollment	Total
Reimbursable semester credit hours	4,453.0	2,824.0	7,277.0

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

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

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

A valid Illinois driver's license or a pre-printed renewal application

An Illinois state identification card

Two current bank statements or utility bills addressed to the student

An in-district high school transcript issued within the last two years

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

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

DISTRICT'S 2017 EQUALIZED ASSESSED VALUATION \$ 11,860,012,992

(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, 2018

	Total Unrestricted Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	108,263.5	108,263.5	-	93.0	93.0	-
Business occupational	8,524.0	8,524.0	-	-	-	-
Technical occupational	14,912.0	14,912.0	-	-	-	-
Health occupational	10,761.0	10,761.0	-	-	-	-
Remedial developmental	12,972.0	12,972.0	-	-	-	-
Adult basic education/adult secondary education	1,245.0	1,245.0	-	19,855.5	19,855.5	-
TOTAL	156,677.5	156,677.5	-	19,948.5	19,948.5	-

	Total Attending	Total Attending Certified to the ICCB	Difference
In-District Residents	168,554.0	168,554.0	-
Chargeback/Contractual Agreement	3,012.0	3,012.0	-

	Total Reimbursable	Total Reimbursable Certified to the ICCB	Difference
Dual Credit	4,453.0	4,453.0	-
Dual Enrollment	2,824.0	2,824.0	-

(See independent auditor's report.)



Elgin
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College

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