

**City Colleges of Chicago
Community College
District No. 508**

Special Reports
Fiscal Year Ended June 30, 2021

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County of Cook and State of Illinois

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**City Colleges of Chicago
Community College District No. 508
Comprehensive Annual Financial Report
Fiscal year ended June 30, 2021**

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RSM US LLP

Independent Auditor's Report on the Supplementary Information

Board of Trustees
City Colleges of Chicago
Community College District No. 508

We have audited the basic financial statements of City Colleges of Chicago, Community College District No. 508 (City Colleges) as of and for the year ended June 30, 2021, and have issued our report thereon, dated November 29, 2021, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to November 29, 2021.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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.

RSM US LLP

Chicago, Illinois
February 24, 2022

City Colleges of Chicago
Community College District No. 508
All Funds Summary
Uniform Financial Statement #1
Fiscal Year Ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Trust & Agency Fund**	Audit Fund	Liability, Protection Settlement Fund	Building Bonds Proceeds Fund	GASB 34/35 Adjustment *	Total
Fund Balance: June 30, 2020, as restated	\$ 38,390,394	\$ 1,329,201	\$ (19,700,626)	\$ -	\$ (11,940,669)	\$ (451,905)	\$ 67,013,532	\$ 1,309,037	\$ 293,763	\$ (619,300)	\$ 6,263,420	\$ 402,050,354	\$ 483,937,201
Revenues:													
Local Tax Revenue	\$ 102,232,774	28,141,082	-	20,686,360	-	-	-	-	468,172	4,585,037	-	-	156,113,425
All Other Local Revenue	6,138	-	1,562,137	-	-	4,143,808	-	-	-	-	-	-	5,712,083
ICCB Grants	47,281,134	-	-	-	-	3,271,353	-	-	-	-	-	-	50,552,487
All Other State Revenue	28,700	-	-	-	-	181,176,291	-	-	-	-	-	-	181,204,991
Federal Revenue	21,390,656	-	-	-	388,278	94,283,319	-	-	-	-	-	-	116,062,253
Student Tuition and Fees	76,060,079	-	-	-	685,584	768	-	-	-	-	-	-	76,746,431
All Other Revenue	1,045,434	1,064,884	179,489	3,757	1,963,021	2,992,817	-	96,190	-	7,095	3,060	-	7,355,747
Total Revenues	248,044,915	29,205,966	1,741,626	20,690,117	3,036,883	285,868,356	-	96,190	468,172	4,592,132	3,060	-	593,747,417
Expenses													
Instruction	97,600,336	-	-	-	4,700	83,530,760	-	-	-	-	-	(250,361)	180,885,435
Academic Support	17,985,482	-	-	-	-	26,900,037	-	-	-	-	-	(310,481)	44,575,038
Student Services	28,478,030	-	-	-	(2,718)	33,049,804	-	385,000	-	-	-	(627,644)	61,282,472
Public Service/Continuing Education	55,548	-	-	-	821,835	1,613,865	-	-	-	-	-	(20,324)	2,470,924
Auxiliary Services	3,918,807	-	-	-	2,892,367	5,525,522	-	-	-	-	-	15,422	12,352,118
Operations and Maintenance	8,647,513	27,470,193	8,940,035	20,690,117	-	18,911,069	-	-	-	84,287	(1,921,219)	21,901,962	104,723,957
Institutional Support	39,368,114	95,376	7,450,417	-	83,688	31,786,315	-	-	427,028	5,530,455	-	(146,634)	84,594,759
Scholarships, Grants, Waivers	11,145,804	-	-	-	-	81,637,196	-	-	-	-	-	-	92,783,000
Total Expenses	207,199,634	27,565,569	16,390,452	20,690,117	3,799,872	282,954,568	-	385,000	427,028	5,614,742	(1,921,219)	20,561,940	583,667,703
Net Transfers	(34,826,009)	-	34,269,536	-	556,473	-	-	-	-	-	-	-	-
Fund Balance: June 30, 2021	\$ 44,409,666	\$ 2,969,598	\$ (79,916)	\$ -	\$ (12,147,185)	\$ 2,461,883	\$ 67,013,532	\$ 1,020,227	\$ 334,907	\$ (1,641,910)	\$ 8,187,699	\$ 381,488,414	\$ 494,016,915

* The Investment in Plant Fund and the Long Term Debt Fund Summaries were consolidated into the GASB 34/35 Adjustment Fund Summary.

** The Trust & Agency Fund was restated for the implementation of GASB 84.

**City Colleges of Chicago
Community College District No. 508
Summary of Fixed Assets and Debt
Uniform Financial Statement #2
Fiscal Year Ended June 30, 2021**

	Capital Assets July 1, 2020	Additions	Deletions and Transfers	Capital Assets June 30, 2021
Fixed Assets				
Land	\$ 51,376,464	\$ -	\$ -	\$ 51,376,464
Construction in progress	6,320,470	7,335,895	(7,999,234)	5,657,131
Buildings and improvements	1,103,821,256	2,872,972	(1,038,737)	1,105,655,491
Equipment	64,817,510	-	-	64,817,510
Software	42,883,798	4,994,321	-	47,878,119
Accumulated depreciation	(431,067,638)	(34,655,652)	820,181	(464,903,109)
Net Fixed Assets	\$ 838,151,860	\$ (19,452,464)	\$ (8,217,790)	\$ 810,481,606
	Long-Term Debt July 1, 2020	Additions	Deletions and Transfers	Long-Term Debt June 30, 2021
Fixed Debt				
Bonds payable	\$ 306,235,000	\$ -	\$ (5,015,000)	\$ 301,220,000
Total Fixed Debt	\$ 306,235,000	\$ -	\$ (5,015,000)	\$ 301,220,000

City Colleges of Chicago
Community College District No. 508
Operating Funds Revenues and Expenditures
Uniform Financial Statement #3
Fiscal Year Ended June 30, 2021

OPERATING REVENUES BY SOURCE	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Local Government Revenue:			
Local Taxes	\$ 95,066,326	\$ 28,141,082	\$ 123,207,408
Personal Property Replacement Tax	7,166,448	-	7,166,448
Other	6,138	-	6,138
TOTAL LOCAL GOVERNMENT	102,238,912	28,141,082	130,379,994
State Government:			
ICCB Base Operating Grant	32,686,997	-	32,686,997
ICCB Equalization Grants	13,265,400	-	13,265,400
ICCB Career and Technical Education	1,328,737	-	1,328,737
Other (Include other ICCB grants not listed above)	28,700	-	28,700
TOTAL STATE GOVERNMENT	47,309,834	-	47,309,834
Federal Government:			
Dept. of Education	156,067	-	156,067
HEERF	21,234,589	-	21,234,589
TOTAL FEDERAL GOVERNMENT	21,390,656	-	21,390,656
Student Tuition and Fees			
Tuition	75,914,341	-	75,914,341
Fees	145,738	-	145,738
TOTAL TUITION AND FEES	76,060,079	-	76,060,079
Other Sources			
Sales and Service Fees	540,325	-	540,325
Facilities Revenue	-	1,064,797	1,064,797
Investment Revenue	295,012	8	295,020
Other	210,097	79	210,176
TOTAL OTHER REVENUE	1,045,434	1,064,884	2,110,318
TOTAL REVENUE	\$ 248,044,915	\$ 29,205,966	\$ 277,250,881
OPERATING EXPENDITURES BY PROGRAM			
Instruction	\$ 97,600,336	\$ -	\$ 97,600,336
Academic Support	17,985,482	-	17,985,482
Student Services	28,478,030	-	28,478,030
Public Service/Continuing Education	55,548	-	55,548
Auxiliary Services	3,918,807	-	3,918,807
Operations and Maintenance	8,647,513	27,470,193	36,117,706
Institutional Support	39,368,114	95,376	39,463,490
Scholarships, Grants, Waivers	11,145,804	-	11,145,804
TOTAL EXPENDITURES	\$ 207,199,634	\$ 27,565,569	\$ 234,765,203
Less Non-Operating Items			
Transfers to Non-Operating Funds	34,826,009	-	34,826,009
ADJUSTED EXPENDITURES	\$ 242,025,643	\$ 27,565,569	\$ 269,591,212
OPERATING EXPENDITURES BY OBJECT			
Salaries	\$ 163,655,507	\$ 14,285,240	\$ 177,940,747
Employee Benefits	13,753,406	2,917,737	16,671,143
Contractual Services	7,410,395	1,885,170	9,295,565
General Materials and Supplies	10,558,820	828,161	11,386,981
Professional Development	91,952	597	92,549
Fixed Charges	354,127	943,125	1,297,252
Utilities	675,622	6,610,164	7,285,786
Capital Outlay	4,316	-	4,316
Other	10,695,489	95,375	10,790,864
TOTAL EXPENDITURES	\$ 207,199,634	\$ 27,565,569	\$ 234,765,203
Transfers to Non-Operating Funds	34,826,009	-	34,826,009
ADJUSTED EXPENDITURES	\$ 242,025,643	\$ 27,565,569	\$ 269,591,212

**City Colleges of Chicago
Community College District No. 508
Restricted Purposes Fund Revenues and Expenditures
Uniform Financial Statement #4
Fiscal Year Ended June 30, 2021**

REVENUE BY SOURCE:

TOTAL LOCAL GOVERNMENT	\$ 4,143,808
State Government	
ICCB - Adult Education	3,271,353
SURS - On Behalf	166,771,455
Other	<u>14,404,836</u>
TOTAL STATE GOVERNMENT	<u>184,447,644</u>
Federal Government	
Department of Education	47,985,955
Other	<u>46,297,364</u>
TOTAL FEDERAL GOVERNMENT	<u>94,283,319</u>
TOTAL OTHER SOURCES	<u>2,993,585</u>
TOTAL RESTRICTED PURPOSES FUND REVENUES	<u>\$ 285,868,356</u>

EXPENDITURES BY PROGRAM

Instruction	\$ 83,530,760
Academic Support	26,900,037
Student Services	33,049,804
Public Service/Continuing Education	1,613,865
Auxiliary Services	5,525,522
Operations and Maintenance	18,911,069
Institutional Support	31,786,315
Scholarships, Grants and Waivers	<u>81,637,196</u>
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u>\$ 282,954,568</u>

EXPENDITURES BY OBJECT

Salaries	\$ 20,087,366
Employee Benefits	171,747,843
Contractual Services	1,739,887
General Materials and Supplies	6,087,054
Professional Development	98,202
Capital Outlay	291,330
Other	114,508
Scholarships, Grants, Waivers	<u>82,788,378</u>
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u>\$ 282,954,568</u>

City Colleges of Chicago
Community College District No. 508
Current Funds * Expenditures by Activity
Uniform Financial Statement #5
Fiscal Year Ended June 30, 2021

INSTRUCTION	
Instructional Programs	\$ 181,135,796
Total Instruction	<u>181,135,796</u>
ACADEMIC SUPPORT	
Library Center	5,758,857
Instructional Materials Center	272,443
Educational Media Services	111,688
Academic Computing Support	2,734,365
Academic Administration and Planning	23,511,028
Other	<u>12,497,138</u>
Total Academic Support	<u>44,885,519</u>
STUDENT SERVICES SUPPORT	
Admissions and Records	12,078,796
Counseling and Career Services	19,710,384
Financial Aid Administration	7,486,947
Other	<u>22,248,989</u>
Total Student Services Support	<u>61,525,116</u>
PUBLIC SERVICE/CONTINUING EDUCATION	
Community Education	402,179
Customized Training (Instructional)	261,020
Community Services	663,712
Other	<u>1,164,337</u>
Total Public Service/Continuing Education	<u>2,491,248</u>
AUXILIARY SERVICES	<u>12,336,696</u>
OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	17,323,881
Custodial Services	12,964,833
Grounds	34,386
Campus Security	12,980,469
Transportation	28,377
Utilities	6,610,164
Administration	3,300,052
Other	<u>1,870,900</u>
Total Operations and Maintenance of Plant	<u>55,113,062</u>
INSTITUTIONAL SUPPORT	
Executive Management	13,497,488
Fiscal Operations	18,446,121
Community Relations	7,069,813
Administrative Support Services	40,610,522
Board of Trustees	397,695
General Institutional	8,817,918
Institutional Research	1,185,376
Administrative Data Processing	14,098,301
Other	<u>(26,832,258)</u>
Total Institutional Support	<u>77,290,976</u>
SCHOLARSHIPS, STUDENTS GRANTS, & WAIVERS	<u>92,783,000</u>
TOTAL CURRENT FUNDS EXPENDITURES	<u>\$ 527,561,413</u>

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


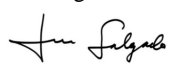


**City Colleges of Chicago
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 508**

CERTIFICATE OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2022

All fiscal year 2021 non-capital operating expenditures for the past year from the following funds:

Education Fund	\$ 207,199,634
Operations and Maintenance Fund	27,565,569
Bond and Interest Fund	20,690,117
Restricted Purposes Fund, excluding SURS	116,183,114
Audit Fund	427,028
Liability, Protection and Settlement Fund	<u>5,614,742</u>
Total noncapital expenditures	\$ 377,680,204
 Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	 <u>\$ 28,054,214</u>
 Total costs included	 <u>\$ 405,734,418</u>
 Total certified semester credit hours for FY 2021	 653,576.0
 Per capita cost	 \$ 620.79
 All FY 2021 state and federal operating grants for noncapital expenditures, except ICCB grants	 \$ 130,495,790
 FY 2021 state and federal grants per semester credit hour	 \$ 199.66
 District's average ICCB grant rate (excluding equalization grants) for FY 2021	 \$ 56.93
 District's student tuition and fee rate per semester credit hour for FY 2021	 <u>\$ 112.62</u>
 Chargeback reimbursement per semester credit hour	 <u>\$ 251.58</u>

Approved: <u></u>	<u>2/28/2022</u>
Maribel Rodriguez, Chief Financial Officer	Date
Approved: <u></u>	<u>2/28/2022</u>
Juan Salgado, Chancellor	Date



RSM US LLP

**Independent Accountant's Report on the Schedule of Enrollment Data
and Other Bases Upon Which Claims Are Filed**

Board of Trustees
City Colleges of Chicago
Community College District No. 508

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed (the Schedule) of City Colleges of Chicago, Community College District No. 508 (City Colleges) for the year ended June 30, 2021. City Colleges' management is responsible for preparing the Schedule in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Our responsibility is to express an opinion on the Schedule based 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 the Schedule referred to above is in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

The supplementary information on page 11 discusses City Colleges' residency policy and provides a summary of assessed valuations and is the responsibility of City Colleges' management. This information has not been subjected to the examination procedures applied in the examination of the Schedule and, accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Board of Trustees, management of City Colleges and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Chicago, Illinois
February 24, 2022

**City Colleges of Chicago
Schedule of Enrollment Data and
Other Bases On Which Claims are Filed
Year ended June 30, 2021**

**Total Semester Credit Hours by Term
(In-District and Out-of-District Reimbursable)**

Categories	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate Transfer	46,057.0	-	158,497.0	-	153,010.5	-	357,564.5	-
Business Occupational	4,393.5	16.0	16,827.5	78.0	15,535.0	36.0	36,756.0	130.0
Technical Occupational	2,595.5	-	11,286.5	-	11,939.0	-	25,821.0	-
Health Occupational	2,692.0	-	11,235.0	-	11,413.5	-	25,340.5	-
Remedial/Developmental	2,465.0	-	19,892.0	-	12,050.0	-	34,407.0	-
Adult Basic/Secondary Education	31,607.0	1,732.0	68,257.5	1,023.0	68,818.0	2,119.5	168,682.5	4,874.5
Total	89,810.0	1,748.0	285,995.5	1,101.0	272,766.0	2,155.5	648,571.5	5,004.5

Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2021

Categories	Unrestricted			Restricted		
	Total Credit Hours	Total Credit Hours Certified by ICCB	Difference	Total Credit Hours	Total Credit Hours Certified by ICCB	Difference
Baccalaureate Transfer	357,564.5	357,564.5	-	-	-	-
Business Occupational	36,756.0	36,756.0	-	130.0	130.0	-
Technical Occupational	25,821.0	25,821.0	-	-	-	-
Health Occupational	25,340.5	25,340.5	-	-	-	-
Remedial/Developmental	34,407.0	34,407.0	-	-	-	-
Adult Basic/Secondary Education	168,682.5	168,682.5	-	4,874.5	4,874.5	-
Total	648,571.5	648,571.5	-	5,004.5	5,004.5	-

Summary of Certified Dual Credit and Dual Enrollment Hours

	<u>Dual Credit</u>	<u>Dual Enrollment</u>
Reimbursable Semester Credit Hours (All Terms)	21,849.0	10,374.0

City Colleges of Chicago
Schedule of Enrollment Data and
Other Bases On Which Claims are Filed (Continued)
Year ended June 30, 2021

Reconciliation of In-District and
Chargeback/Cooperative Contractual Agreement Credit Hours

	<u>Attending In-District</u>	<u>Attending Out-of-District on Chargeback or Cooperative/ Contractual Agreement</u>	<u>Total</u>
Unrestricted in-district resident hours	624,558.5		
Restricted in-district resident hours	<u>4,752.5</u>		
Semester credit hours (all terms)	629,311.0	-	629,311.0

District prior-year equalized assessed evaluation \$ 89,478,355,786

	<u>Total Credit Hours</u>	<u>Total Credit Hours Certified by ICCB</u>	<u>Difference</u>
In-district resident	629,311.0	629,311.0	-
Out-of-district (chargeback/contractual agreement)	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>629,311.0</u>	<u>629,311.0</u>	<u>-</u>

Schedule 9

Student Residency Verification Process (Unexamined)

Because all the District's campuses are publicly supported and chartered within the Community College District No. 508 (the City of Chicago), residents of Chicago "in-district" students pay a lower tuition rate for college credit courses. Those eligible for the resident status tuition rate, as of the date of arrival in Chicago, are:

- Minors whose parents or legal guardians live in Chicago
- Adults or emancipated minors who live in Chicago (and have not moved to the city for the sole purpose of attending a post-secondary educational institution)
- Students who live out of district may qualify for in-district tuition if they work more than 35 hours per week in the City of Chicago. Proof of full-time employment must be shown at registration.

Any student at any time may be required to submit proof of Chicago residency through a voter registration card, driver's license, state identification card, utility bills, or other appropriate documentation. The District may require an affidavit from the parent or guardian of the minor student, or from adult or emancipated minor students themselves.

Non-resident tuition and fees will be charged to:

- Students residing outside Chicago or occupying a Chicago dwelling for purposes of attending a post-secondary educational institution
- All international students holding student I-20 visas

Summary of Assessed Valuations (Unexamined)

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>
2020	\$89,478,355,786
2019	87,776,056,332
2018	86,286,411,094
2017	76,722,182,440
2016	73,984,605,433
2015	70,924,421,349
2014	64,879,908,794
2013	62,337,066,955
2012	65,221,057,665
2011	75,087,804,739

Independent Auditor's Report on Audits of Grant Programs Financial Statements

To the Board of Trustees of
City Colleges of Chicago
Community College District No. 508

Report on the Financial Statements

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grant Program, the Early School Leavers Grant Program, the Innovative Bridge and Transition Grant Program, the Workforce Equity Initiative Grant Program, and the Workforce Equity Initiative Grant Program 2 (collectively, the Grant Programs) of City Colleges of Chicago, Community College District No. 508 (City Colleges) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City Colleges' grant programs financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the State Adult Education and Family Literacy Grant Program, the Early School Leavers Grant Program, the Innovative Bridge and Transition Grant Program, the Workforce Equity Initiative Grant Program, and the Workforce Equity Initiative Grant Program 2 as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the grant programs financial statements present only the Grant Programs referred to above and do not purport to, and do not, present the financial position of City Colleges as of June 30, 2021, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the grant programs financial statements of City Colleges. The ICCB Compliance Statement on page 17 is presented for purposes of additional analysis and is not a required part of the grant programs financial statements.

The ICCB Compliance Statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the grant programs financial statements. Such information has been subjected to the auditing procedures applied in the audit of the grant programs financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the grant programs financial statements or to the grant programs financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the ICCB Compliance Statement is fairly stated, in all material respects, in relation to the grant programs financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2022, on our consideration of City Colleges' internal control over financial reporting of the Grant Programs 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City Colleges' 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 City Colleges' internal control over financial reporting and compliance.

RSM US LLP

Chicago, Illinois
February 24, 2022

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Grant Programs Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees of
City Colleges of Chicago
Community College District No. 508

Report on the Financial Statements

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the guidelines of the Illinois Community College Board *Fiscal Management Manual*, the financial statements of the State Adult Education and Family Literacy Grant Program, the Early School Leavers Grant Program, the Innovative Bridge and Transition Grant Program, the Workforce Equity Initiative Grant Program, and the Workforce Equity Initiative Grant Program 2 (collectively, the Grant Programs) of City Colleges of Chicago, Community College District No. 508 (City Colleges) as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 29, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the grant programs financial statements, we considered City Colleges' internal control over financial reporting (internal control) as a basis of designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the grant programs financial statements, but not for the purpose of expressing an opinion on the effectiveness of City Colleges' internal control. Accordingly, we do not express an opinion on the effectiveness City Colleges' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Colleges' grant programs financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the grant programs financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

RSM US LLP

Chicago, Illinois
February 24, 2022

**City Colleges of Chicago
Community College District No. 508
State Adult Education and Family Literacy Grant Program
Statement of Net Position
June 30, 2021**

	<u>State Basic</u>	<u>State Performance</u>
Assets		
Due from City Colleges of Chicago	\$ 16,673	\$ 23,727
Total Assets	<u>16,673</u>	<u>23,727</u>
Liabilities and Net Position		
Accrued payroll	<u>16,673</u>	<u>23,727</u>
Total Liabilities	<u>16,673</u>	<u>23,727</u>
Net Position	<u>-</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 16,673</u>	<u>\$ 23,727</u>

**Statement of Revenues, Expenses
and Changes in Net Position
Year ended June 30, 2021**

	<u>State Basic</u>	<u>State Performance</u>
Revenue		
State Sources	\$ 1,977,533	\$ 1,293,820
Expenses By Program		
Instruction	1,241,824	215,259
Social Work Services	9,097	117,311
Guidance Services	270,237	114,579
Assessment and Testing	<u>149,989</u>	<u>209,391</u>
Subtotal Instructional and Student Services	<u>1,671,147</u>	<u>656,540</u>
Program Support		
Improvement of Instructional Services	-	66,591
General Administration	287,493	348,504
Data and Information Services	<u>18,893</u>	<u>222,185</u>
Subtotal Program Support	<u>306,386</u>	<u>637,280</u>
Total Expenses	<u>1,977,533</u>	<u>1,293,820</u>
Excess of Revenue Over Expenses		
Net Position - July 1, 2020	<u>-</u>	<u>-</u>
Net Position - June 30, 2021	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to grant program financial statements.

City Colleges of Chicago
Community College District No. 508
ICCB Compliance Statement for the
Adult Education and Family Literacy Grant Program
Expense Amounts and Percentages for ICCB Grant Funds Only
Year Ended June 30, 2021

	<u>Expense Amount</u>	<u>Allowed Expense Percentage</u>	<u>Actual Expense Percentage</u>
State Basic			
Instruction	\$ 1,241,824	Minimum 45%	63%
General Administration	\$ 287,493	Maximum 15%	15%

See accompanying notes to grant program financial statements.

**City Colleges of Chicago
Community College District No. 508
Early School Leavers Grant Program
Statement of Net Position
June 30, 2021**

Assets	
Grant receivable	\$ 70,000
Total Assets	<u>70,000</u>
 Liabilities and Net Position	
Accrued payroll	3,261
Due to City Colleges of Chicago	<u>66,739</u>
Total Liabilities	<u>70,000</u>
 Net Position	
Total Liabilities and Net Position	\$ -
	<u>\$ 70,000</u>

**Statement of Revenues, Expenses
and Changes in Net Position
Year ended June 30, 2021**

Revenue	
State sources	\$ <u>70,000</u>
 Expenses	
Salaries	57,336
Employee benefits	<u>12,664</u>
Total Expenses	<u>70,000</u>
 Excess of Revenue Over Expenses	
Net Position - July 1, 2020	<u>-</u>
Net Position - June 30, 2021	<u>\$ -</u>

See accompanying notes to grant program financial statements.

**City Colleges of Chicago
Community College District No. 508
Innovative Bridge and Transition Program
Statement of Net Position
June 30, 2021**

Assets	
Grant receivable	\$ 289,066
Total Assets	<u>289,066</u>
Liabilities and Net Position	
Accrued expenses	685
Due to City Colleges of Chicago	<u>288,381</u>
Total Liabilities	<u>289,066</u>
Net Position	
Total Liabilities and Net Position	<u>\$ -</u> <u>289,066</u>

**Statement of Revenues, Expenses
and Changes in Net Position
Year ended June 30, 2021**

Revenue	
State sources	<u>\$ 289,066</u>
Expenses	
Salaries	209,473
Employee benefits	3,234
Purchased services	27,992
Materials and supplies	44,707
Scholarships	<u>3,660</u>
Total Expenses	<u>289,066</u>
Excess of Revenue Over Expenses	
Net Position - July 1, 2020	-
Net Position - June 30, 2021	<u>\$ -</u>

See accompanying notes to grant program financial statements.

**City Colleges of Chicago
Community College District No. 508
Workforce Equity Initiative
Statement of Net Position
June 30, 2021**

Assets	
Due from City Colleges of Chicago	\$ 1,050,101
Total Assets	<u>1,050,101</u>
 Liabilities and Net Position	
Accounts payable	446,010
Accrued payroll	33,548
Other liabilities	<u>570,543</u>
Total Liabilities	<u>1,050,101</u>
 Net Position	
Total Liabilities and Net Position	<u>-</u> <u>\$ 1,050,101</u>

**Statement of Revenues, Expenses
and Changes in Net Position
Year ended June 30, 2021**

Revenue	
State sources	\$ <u>2,999,387</u>
 Expenses	
Salaries	505,306
Employee benefits	64,932
Equipment	873,249
Purchased services	437,258
Materials and supplies	395,855
Conference and meeting expenses	19,771
Scholarships	<u>703,016</u>
Total Expenses	<u>2,999,387</u>
 Excess of Revenue Over Expenses	
Net Position - July 1, 2020	<u>-</u>
Net Position - June 30, 2021	<u>\$ -</u>

See accompanying notes to grant program financial statements.

**City Colleges of Chicago
Community College District No. 508
Workforce Equity Initiative 2
Statement of Net Position
June 30, 2021**

Assets	
Due from City Colleges of Chicago	\$ 3,997,021
Total Assets	<u>3,997,021</u>
 Liabilities and Net Position	
Accounts payable	152,375
Accrued payroll	24,855
Unearned revenue	3,819,791
Total Liabilities	<u>3,997,021</u>
 Net Position	
Total Liabilities and Net Position	<u>-</u> <u>\$ 3,997,021</u>

**Statement of Revenues, Expenses
and Changes in Net Position
Year ended June 30, 2021**

Revenue	
State sources	\$ <u>1,210,231</u>
 Expenses	
Salaries	198,606
Employee benefits	20,426
Equipment	174,566
Purchased services	36,881
Materials and supplies	229,032
Conference and meeting expenses	695
Scholarships	<u>550,025</u>
Total Expenses	<u>1,210,231</u>
 Excess of Revenue Over Expenses	
Net Position - July 1, 2020	<u>-</u>
Net Position - June 30, 2021	<u>\$ -</u>

See accompanying notes to grant program financial statements.

City Colleges of Chicago
Community College District No. 508
Notes to Grant Program Financial Statements
June 30, 2021

1. PROGRAM DESCRIPTIONS

City Colleges of Chicago is responsible for administering the following programs in accordance with “Policy Guidelines for Restricted Grant Expenditures and Reporting” set forth by ICCB in its Fiscal Management Manual. Program funds are accounted for in the City Colleges of Chicago’s current restricted fund.

A. State Adult Education and Family Literacy Grants

The ICCB awards funding to eligible applicants to develop, implement and improve adult education and literacy activities. The provider must use the grant to establish or operate programs that provide services or instruction in one or more of the following categories:

- Adult education and literacy services (including workplace)
- Family literacy services
- English literacy programs

The ICCB provides funding for Adult Education and Family Literacy from State and Federal sources in fiscal year 2021. State funds include two categories: (1) State Basic and (2) State Performance. Federal funds include one category in fiscal year 2021, (1) Federal Basic. Funding is allocated through a competitive process. The funding source determines the applicable statutory regulations, policies, and guidelines including allowable costs.

B. Early School Leavers Grant

The Early School Leavers Grant is to provide opportunities for youth 16 – 21 years to re-engage in the completion of their secondary education and receipt of either the GED credential or a high school diploma, while receiving intensive career services.

C. Innovative Bridge and Transition Program Grant

The City Colleges of Chicago’s Career Bridge programs are offered in six different career sectors across six campuses. The program is designed as an Integrated Education and Training (IET) program, which means that students will receive contextualized instruction in a career area and will be co-enrolled in Adult Education along with credit classes for industry credentials. The goals of Career Bridge are: obtainment of an industry credential allowing entry into the workforce; to improve reading, writing, math and/or English language skills, and preparation for the high school equivalency, if needed.

City Colleges of Chicago
Community College District No. 508
Notes to Grant Program Financial Statements
June 30, 2021

1. PROGRAM DESCRIPTIONS *(Continued)*

D. Workforce Equity Initiative Grants

The purpose of these grants is to create, support, or expand short-term workforce (credit and/or noncredit) training opportunities in high-need communities focused on specific sectors with identified workforce gaps. Programs will be monitored throughout the year on the following outcomes:

- Employment after completion of the credential aligned with regional workforce gaps that provides a full-time job paying at least 30% above the regional living wage or is on a pathway to a family sustaining wage;
- Accelerated time for the targeted population to enter and succeed in postsecondary education/training programs that lead to employment in high skilled, high wage, and in-demand occupations;
- The degree to which the programs comply with ICCB, state guidelines;
- The degree to which 60% of the eligible participants served are African Americans;
- The ability to achieve the outcomes and objectives as initially indicated by the program.

All programs developed should be a part of a career pathway that allows participants to obtain an industry recognized credential and/or a community college certificate (credit or noncredit) in the shortest possible time while maintaining quality instruction and enhancing the participant's eligibility for employment in the identified sectors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Reporting

These grant program financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. Expenses are reported when services are rendered, or when goods are received.

Grant revenues are reported in these grant program financial statements when allowable grant expenses are made. Expenses are allowable if they comply with "Policy Guidelines for Restricted Grant Expenditures and Reporting" set for in the ICCB Fiscal Management Manual.

City Colleges of Chicago
Community College District No. 508
Notes to Grant Program Financial Statements
June 30, 2021

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

A. Basis of Reporting *(Continued)*

The grant funds shall be expended or obligated prior to June 30 each year, the last day of the fiscal year. Grant funds should be accounted for in the same period as in the credit hour claiming process. Unexpended funds shall be returned to ICCB by October 15 following the end of the fiscal year. The State Adult Education and Family Literacy programs, the Early School Leavers program, and the Innovative Bridge and Transition program were fully expended within the grant period.

The grant funds for the Workforce Equity Initiative cover the periods of September 18, 2019 through June 30, 2021 for WEI 1 and November 1, 2020 through March 31, 2022 for WEI 2. Revenue is recognized when expenditure requirements have been met. The Workforce Equity Initiative 1 program has unearned revenue of \$570,543 at June 30, 2021 and the Workforce Equity Initiative 2 program has unearned revenue of \$3,819,791 at June 30, 2021 which both represents grant monies received but not yet expended.

These grant program financial statements cover only the State Adult Education and Family Literacy, the Early School Leavers, the Innovative Bridge and Transition program and the Workforce Equity Initiative for Year 1 and Year 2. It is not intended to and does not represent the financial position or results of operations of City Colleges of Chicago in its entirety.

B. Cash held by City Colleges of Chicago

To facilitate sound management, substantially all grant program cash for the State Adult Education and Family Literacy, the Early School Leavers program, the Innovative Bridge and Transition program and the Workforce Equity Initiative is pooled with City Colleges.

C. Accounts Receivable

A receivable is recorded for the funds to be received from the ICCB at June 30, 2021 for reimbursement of the allowable expenditures incurred during the fiscal year.

D. Due to City Colleges of Chicago

Due to City Colleges of Chicago represents the amount to be reimbursed to City Colleges for the use of resources to pay for the expenses incurred by the grant program prior to the receipt of the grant monies.

City Colleges of Chicago
Community College District No. 508
Notes to Grant Program Financial Statements
June 30, 2021

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

E. Unearned Revenue

Unearned revenue represents grant funds received that have not yet been earned.

F. Uses of Estimates

The preparation of the grant program financial statements in conformity with accounting principles generally accepted in the United States of America requires sound management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates and assumptions.

Please contact us if you would like additional copies of the Special Reports for the year ended June 30, 2021: <http://www.ccc.edu/departments/Pages/Annual-Finance-and-Budget-Reports>

For further information or to learn about our educational, operational and employment opportunities, please visit the CCC website at <http://www.ccc.edu>.

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