



Comprehensive Annual Financial Report

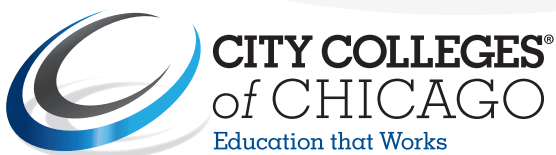
Fiscal Year Ended June 30, 2014

Rahm Emanuel
Mayor, City of Chicago, Illinois

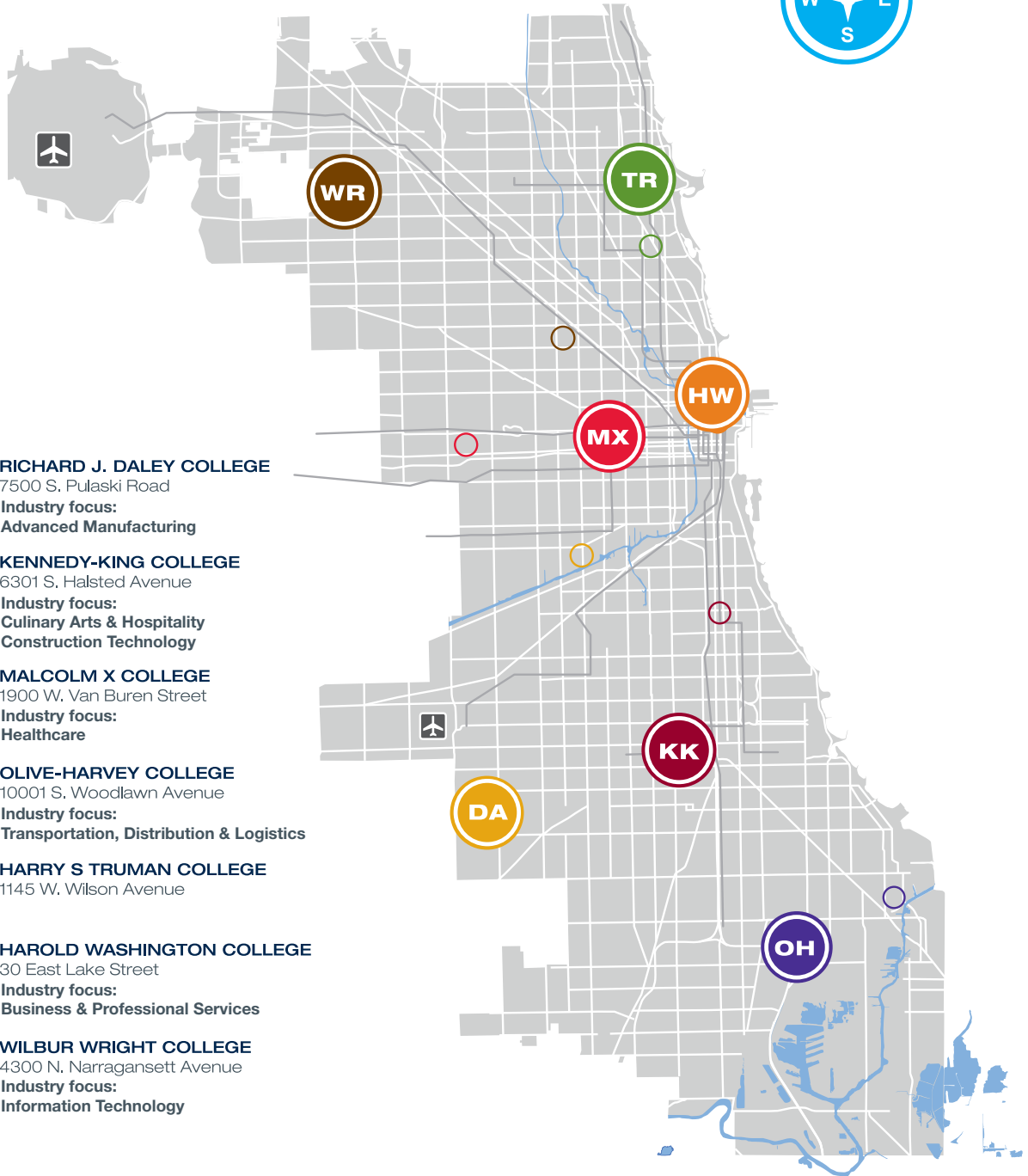
Cheryl L. Hyman
Chancellor

Paula Wolff
Board Chair

Board of Trustees of Community College
District No. 508
Cook County, State of Illinois



CITY COLLEGES OF CHICAGO



- DA** **RICHARD J. DALEY COLLEGE**
 7500 S. Pulaski Road
Industry focus:
 Advanced Manufacturing
- KK** **KENNEDY-KING COLLEGE**
 6301 S. Halsted Avenue
Industry focus:
 Culinary Arts & Hospitality
 Construction Technology
- MX** **MALCOLM X COLLEGE**
 1900 W. Van Buren Street
Industry focus:
 Healthcare
- OH** **OLIVE-HARVEY COLLEGE**
 10001 S. Woodlawn Avenue
Industry focus:
 Transportation, Distribution & Logistics
- TR** **HARRY S TRUMAN COLLEGE**
 1145 W. Wilson Avenue
- HW** **HAROLD WASHINGTON COLLEGE**
 30 East Lake Street
Industry focus:
 Business & Professional Services
- WR** **WILBUR WRIGHT COLLEGE**
 4300 N. Narragansett Avenue
Industry focus:
 Information Technology

Satellite Locations

- Lake View Learning Center**
 3310 North Clark Street
 Chicago, IL 60657
- West Side Learning Center**
 4624 W. Madison Street
 Chicago, IL 60644
- Dawson Technical Institute**
 3901 South State Street
 Chicago, IL 60609
- Humboldt Park Vocational Education Center**
 1645 N. California Avenue
 Chicago, IL 60647
- Arturo Velasquez Institute**
 2800 S. Western
 Chicago, IL 60608
- South Chicago Learning Center**
 3055 E. 92 Street
 Chicago, IL 60617



COMMUNITY COLLEGE DISTRICT NO. 508

Chicago, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2014

***Prepared by:
Office of Finance***

Paula Wolff, Board Chair
Cheryl L. Hyman, Chancellor

**Board of Trustees of
Community College
District No. 508
County of Cook and
State of Illinois**

Rahm Emanuel
Mayor, City of Chicago, Illinois

Board of Trustees

Paula Wolff, Chair

Ellen Alberding, Vice Chair

Larry R. Rogers, Sr., Secretary

Rev. Darrell Griffin

Marisela Lawson

Everett Rand

Clarisol Duque

Jacques Sarr, Student Member

Leah Heinecke-Krumhus, Advisor to
the Board of Trustees

Candace Montgomery, Assistant
Board Secretary

Roberto Concepcion, Executive
Director, Internal Audit

John Gasiorowski, Inspector General

District Office
226 West Jackson
Boulevard
Chicago, Illinois
60606
(312) 553-2500
www.ccc.edu



Administrative Officers

Cheryl L. Hyman, Chancellor

James T. Frankenbach,
Chief Operating Officer

Craig Lynch,
Chief of Staff and Enterprise Services

Dr. Vernese Edghill-Walden
Chief Academic Officer

Laurent Pernot,
Executive Vice Chancellor and Senior Adviser

Joyce Carson,
Vice Chancellor of Finance and Business
Enterprises / CFO

Rasmus Lynnerup,
Vice Chancellor, Strategy, Research and
Organizational Effectiveness

Jerrold Martin,
Vice Chancellor, Information Technology and
Chief Information Officer

Diane Minor,
Vice Chancellor, Administrative Services and
Procurement

Eugene Munin,
General Counsel

Beatrice O'Donnell,
Vice Chancellor, Safety and Security

Stephanie Tomino,
Vice Chancellor, Human Resources and Staff

Dr. Jose Aybar,
President, Daley College

Dr. Margaret A. Martyn,
Interim President, Harold Washington College

Arshele Stevens,
President, Kennedy-King College

Dr. Anthony E. Munroe,
President, Malcolm X College

Dr. Angelia Millender,
President, Olive-Harvey College

Dr. Reagan Romali,
President, Truman College

Dr. David Potash,
President, Wright College

October 10, 2014

To the Board of Trustees and Residents of Community College District 508:

It is my pleasure to present the Comprehensive Annual Financial Report (CAFR) of City Colleges of Chicago for the fiscal year ended June 30, 2014. This report offers a comprehensive analysis of our financial conditions and activities, and demonstrates City Colleges' commitment to delivering a quality, relevant and affordable education to our 115,000 students while serving as a responsible steward of taxpayer dollars.

Over the past year, City Colleges maintained a strong financial position with net position of \$883 million, an increase of \$6 million over fiscal year 2013. Through greater efficiencies, the elimination of redundancies, and cost containment strategies, we have saved \$61 million since the launch of Reinvention that allows us to continue to strategically invest in areas that support student success. These investments are generating results – City Colleges' graduation rate has nearly doubled since the launch of Reinvention, and in just the last year, GED attainment is up 55 percent and adult education transitions to credit are up 51 percent. We have made this progress with a balanced budget every year under Reinvention and no increase in property taxes.

Savings from our capital plan have allowed for the creation of the STAR Scholarship, which will cover tuition, books and fees for qualifying Chicago Public High School graduates after the application of financial aid. Targeted investments also allowed for a ten-fold expansion of our dual enrollment program, which provides free college courses to high school students. Similarly, savings have allowed us to launch a GED testing scholarship to help offset the significant recent increase in the price of GED tests for City Colleges adult education students.

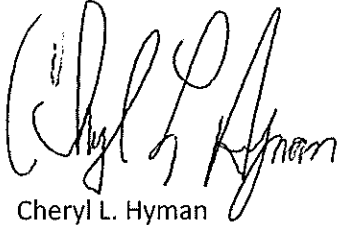
City Colleges continues to prepare students for careers in fast-growing fields through its College to Careers plan. Close to three years into the initiative, nearly 1,500 students have found a job or internship in one of the seven College to Careers fields. More than 150 corporate and four year college partners are working with faculty and staff to redesign curricula, facilities, and to offer our students access to real world learning opportunities, jobs and internships. Enrollment in College to Careers programs exceeds our targets. Construction continues on a new \$251 million campus for Malcolm X College and Olive-Harvey College's new \$45 million Transportation, Distribution, and Logistics (TDL) Center, part of our \$545 million system-wide capital plan.

A new Student Guided Pathways to Success system combines pathway maps, block scheduling and whole program enrollment (launching next year) to provide students with a clear roadmap to their goals. In addition, student supports that were expanded to every college, including wellness centers, disability access centers, veteran centers, and student activities centers, continue to experience strong usage.

We believe great teachers give students the best possible chance at getting a successful education. That is why City Colleges is investing over \$2 million dollars to bring more full-time faculty to teach in areas of specialized need. Having these dedicated educators ensures we have the talent to accomplish our core academic mission.

City Colleges' achievements are the outgrowth of hard work from every member of our faculty and staff. Their commitment, along with the strategic investments our strong financial position has made possible, help City Colleges move closer towards our goal of becoming a world-class community college system.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl L. Hyman". The signature is fluid and cursive, with the first name being the most prominent.

Cheryl L. Hyman

Chancellor

City Colleges of Chicago

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

**Comprehensive Annual Financial Report
Fiscal year ended June 30, 2014**

TABLE OF CONTENTS

Schedule/Table Page

INTRODUCTORY SECTION

- Transmittal Letter v
- Principal Officials xvi
- Organizational Chart xvii
- Certificate of Achievement for Excellence in Financial Reporting xviii

FINANCIAL SECTION

- Independent Auditor’s Report 1
- Management’s Discussion and Analysis 3
- Basic Financial Statements**
- Statement of Net Position 11
- Statement of Revenues, Expenses and Changes in Net Position 12
- Statement of Cash Flows 13
- Notes to Basic Financial Statements 15

STATISTICAL SECTION (*Unaudited*)

Financial Trends

- Components of Net Position A 36
- Changes in Net Position B 37
- Assessed and Estimated Value of Taxable Property C 38
- Property Tax Rates – Direct and Overlapping Governments D 39
- Principal Property Taxpayers – Current Year and Nine Years Ago E 40
- Property Tax Levies and Collections F 41
- Enrollment, Tuition and Fee Rates, Credit Hours, Tuition and Fee Revenues Generated G 42

Debt Capacity

- Ratios of General Debt Outstanding H 43
- Direct and Overlapping Long-Term Debt I 44
- Demographic and Economic Statistics J 45

**City Colleges of Chicago
Community College District No. 508
Comprehensive Annual Financial Report
Fiscal year ended June 30, 2014**

TABLE OF CONTENTS

Schedule/Table Page

STATISTICAL SECTION *(Unaudited)*

Demographic and Economic Information

- | | | |
|--|---|----|
| • Principal Employers | K | 46 |
| • Employee Data | L | 47 |
| • Student Enrollment Demographic Statistics – Credit Hours by Category | M | 48 |

Operating Information

- | | | |
|---|---|----|
| • Capital Assets Statistics | N | 49 |
| • Miscellaneous Statistics | O | 50 |
| • Community College State Funding | P | 51 |
| • Revenues and Expenditures by Campus | Q | 52 |
| • Statement of Revenues, Expenses and Changes in Net Position by Campus | R | 53 |

SPECIAL REPORTS SECTION

State Required Reports Section

Uniform Financial Statements

- | | | |
|--|---|----|
| • All Funds Summary | 1 | 54 |
| • Summary of Fixed Assets and Debt | 2 | 55 |
| • Operating Funds Revenues and Expenditures | 3 | 56 |
| • Restricted Purposes Fund Revenues and Expenditures | 4 | 57 |
| • Current Funds Expenditures by Activity | 5 | 58 |
| • Certification of Chargeback Reimbursement for Fiscal Year 2015
<i>(Unaudited)</i> | 6 | 59 |

Independent Accountant’s Report on Schedule of Enrollment Data and Other Bases on Which Claims are Filed		60
--	--	----

Schedule of Enrollment Data and Other Bases on Which Claims are Filed	7	61
---	---	----

Reconciliation of In-District and Chargeback/Cooperative Contractual Agreement Credit Hours	8	62
---	---	----

Student Residency Verification Process	9	63
--	---	----

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

**Comprehensive Annual Financial Report
Fiscal year ended June 30, 2014**

TABLE OF CONTENTS

Schedule/TablePage

SPECIAL REPORTS SECTION *(Continued)*

State Grant Compliance Section

Independent Auditor's Report 64

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Grant Program Financial Statements Performed in Accordance with *Government Auditing Standards* 66

Grant Program Financial Statements

State Adult Education and Family Literacy Grant Program:

- Combined Balance Sheet 68
- Combined Statement of Revenues, Expenditures and Changes in Fund Balance 68
- Expenditure Amounts and Percentages for ICCB Grant Funds Only 69

Early School Leavers Grant Program:

- Balance Sheet 70
- Statement of Revenues, Expenditures and Changes in Fund Balance 70

Career and Technical Education Program Improvement Grant Program:

- Balance Sheet 71
- Statement of Revenues, Expenditures and Changes in Fund Balance 71

Accelerating Opportunities Grant Program (AO508):

- Balance Sheet 72
- Statement of Revenues, Expenditures and Changes in Fund Balance 72

Adult Education Bridge Grant Program:

- Balance Sheet 73
- Statement of Revenues, Expenditures, and Changes in Fund Balance 73

Dual Credit Enhancement Grant Program:

- Balance Sheet 74
- Statement of Revenues, Expenditures and Changes in Fund Balance 74

Notes to Grant Program Financial Statements 75

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

**Comprehensive Annual Financial Report
Fiscal year ended June 30, 2014**

TABLE OF CONTENTS

Schedule/Table Page

**SINGLE AUDIT ACT SUPPLEMENTARY FINANCIAL AND
COMPLIANCE REPORT SECTION**

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	78
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance	80
Schedule of Expenditures of Federal Awards	83
Notes to Schedule of Expenditures of Federal Awards	89
Schedule of Findings and Questioned Costs	91
Summary Schedule of Prior Audit Findings	97
Corrective Action Plan	98

Introductory Section



Transmittal Letter

October 10, 2014

To Members of the Board of Trustees of City Colleges
Of Chicago, Community College District No. 508:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of City Colleges of Chicago, Community College District No. 508 (City Colleges or the District), for the fiscal year ended June 30, 2014. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB).

City Colleges also maintains its accounts in accordance with guidelines set forth by the Government Finance Officers Association (GFOA), National Association of College and University Business Officers (NACUBO) and the Illinois Community College Board (ICCB). To more easily account for limitations and restrictions on certain resources, ICCB requires City Colleges to also report by select categories of funds. The financial records of City Colleges are maintained on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when incurred. The independent auditor's report of McGladrey LLP is included in the financial section of this CAFR.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of City Colleges. 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 City Colleges. All disclosures necessary to enable the reader to gain an understanding of City Colleges' financial activities in relation to its mission have been included.

This letter of transmittal should be read in conjunction with the accompanying *Management's Discussion and Analysis*, which focuses on current activities, accounting changes, and currently known facts.

PROFILE OF THE CITY COLLEGES OF CHICAGO

City Colleges is a non-home rule community college district of the State of Illinois, having boundaries coterminous with the City of Chicago. City Colleges is established under and governed by the Illinois Public Community College Act and operates seven colleges offering two-year Associates' degrees, occupational certificates, continuing education, customized business-specific training and adult education programs. City Colleges has no component units that are included for presentation in the financial statements.

Of the Board's eight members, the seven who vote are appointed by the Mayor of the City of Chicago with the approval of the City Council of Chicago. One non-voting student member, selected in accordance with the Illinois Public Community College Act, is elected from one of the colleges.

The District currently occupies a land area of approximately 228.5 square miles, and serves an estimated population of 2,718,782.

As a large urban school district, our colleges, students and administrators reflect the broad diversity of our city. Our constituents are comprised of a large number of ethnic minorities, working adults, single parents and individuals from low-income backgrounds. City Colleges District Office and the seven separately accredited colleges are strategically located throughout the City of Chicago.

In fiscal year 2014, City Colleges awarded 11,891 degrees and certificates. The vision for City Colleges is to transform the District into a world-class institution that not only prepares students to move into higher education, but also ensures that they have the skills necessary for employment. All this will need to be accomplished while enhancing and maintaining efficient and effective operations that are not only customer focused but also fiscally responsible.

SUSTAINING REINVENTION IN THE FACE OF FISCAL CHALLENGES

Since the beginning of Reinvention in 2010, City Colleges has nearly doubled the number of graduates and the federal Integrated Postsecondary Education Data System (IPEDS) graduation rate for first time full-time students, while launching the College to Careers program and articulation agreements with four-year institutions to ensure the relevance of City Colleges diplomas and certificates to the demands of employers and universities. The last full fiscal year, for which data is available, City Colleges met 20 of 24 key strategic metrics, and 3 of 4 metrics that were missed by 5% or less.

At the same time, City Colleges has maintained fiscal discipline and boosted accountability to taxpayers by instituting zero-based budgeting, practiced since 2010 to ensure that every spending request is evaluated in the context of academic goals. The institution achieved \$61 million in savings from elimination of administrative inefficiencies and redundancies, and these funds have been reinvested in the classroom. City Colleges' fiscal discipline has yielded continued balanced budgets and AA and AA- credit ratings for the institution.

City Colleges has continued to fuel its Reinvention with a balanced budget in spite of severe cuts in State funding. This has not come with trade-offs and the abandonment of certain planned initiatives, which could render recent years' rapid pace of improvement in student outcomes less sustainable should State cuts continue.

City Colleges is funded indirectly by the State: The General Assembly allocates funding to the Illinois Community College Board (ICCB), which in turn funds community colleges across the State according to a formula it sets.

Since fiscal year 2011, the first full year of Reinvention, through fiscal year 2014, City Colleges has seen its base operating grant from ICCB decrease from \$48.7 million to \$44.1 million, and its supplemental allocation went from \$15 million to \$14.1 million. ICCB has cut fiscal year 2015 funding for City Colleges by another \$2.2 million. This represents a decrease of nearly \$8 million in just four years.

Cuts to City Colleges' funding by ICCB have taken place even as ICCB itself was kept level by the General Assembly and Governor the last two years on the heels of cuts in prior years. Since fiscal year 2012 through fiscal year 2015, ICCB will have lost \$11 million in funding, meaning that City Colleges has been made to bear 70% of the cuts, a vastly disproportionate share. Moreover, total state funding for community colleges has not kept pace with inflation and remains well below fiscal year 2002 levels.

While City Colleges intends to explore solutions to this funding issue with State officials and other stakeholders, it has taken steps in its own continued balanced budget to maintain funding reform and improved student outcomes in spite of dwindling State support.

Colleges and departments are being held level with fiscal year 2014 budgets. Thus, the fiscal year 2015 budget already funds the continuation of the initiatives that allowed City Colleges to meet 20 of its 24 goals in its more recent five-year plan scorecard. It also funds new ones made possible through the strategic realignment of priorities and reallocation of funds within the fiscal year 2014 college and departmental budget level for fiscal year 2015. In addition, the fiscal year 2015 budget will invest into new full-time faculty positions (\$2.3 million), health benefit increases (\$3.3 million), the expansion of dual-credit and dual-enrollment early college programs to boost college preparedness among high school students and the launch of a new City Colleges shuttle to link our facilities with each other and better connect them to CTA rail lines (\$1.6 million).

The shuttle bus will help facilitate our students' access to our College to Careers programs. Today, nearly 20% of City Colleges' students take classes at two or more of our colleges. With each one of our colleges specializing in a College to Careers area, City Colleges expect this trend to become more pronounced, especially as we consolidate all our health care programs at the new Malcolm X by 2016.

ECONOMIC CONDITION AND OUTLOOK

The Federal Reserve Bank of Chicago forecasts the economy to grow at a solid pace in 2014 and to strengthen at a somewhat faster pace in 2015. The growth rate of real gross domestic product (GDP) is forecasted to be 2.3% in 2014 and 2.8% in 2015. 2013's actual GDP growth rate of 2.6% beat last year's 2013 forecasted rate of 2.3%. The unemployment rate is expected to fall to 6.3% by the fourth quarter of 2014 and then ease to 5.9% by the final quarter of 2015. Inflation as measured by the Consumer Price Index (CPI) is expected to increase from a very low 1.2% in 2013 to 2.0% in 2014. Real personal consumption expenditures are forecasted to expand at a solid rate of 2.8% this year and 2.7% in 2015. Light vehicle sales are expected to rise to 16.0 million units this year and then improve to 16.4 million units next year. Real business fixed investment is predicted to record solid growth rates of 3.4% in 2014 and 4.8% in 2015. The housing sector is predicted to improve over the forecast horizon and real residential investment is anticipated to expand at a rate of 5.4% in 2014 and 7.5% in 2015. The long term interest rate (ten-year Treasury rate) is forecasted to increase 21 basis points in 2014, to 2.96%, and 54 basis points in 2015, to 3.50%. The short term interest rate (one year Treasury rate) is expected to tick up this year, to 0.15% and increase 30 basis points next year, to 0.45%.

World Business Chicago, in July 2014, estimated that 319,022 people in the 14-county Chicago Metropolitan Statistical Area (MSA) were unemployed out of a labor force of approximately 4.862 million, resulting in a preliminary unemployment rate of 6.6%. The July rate was down from the June 2014 rate of 7.0%, and down significantly from the July 2013 rate of 9.3%. The unemployment rate reached its lowest level since September 2008, 6.5%. Between June 2014 and July 2014, the Chicago MSA gained an estimated 14,921 employed residents, increasing the total regional employment to approximately 4.543 million (seasonally adjusted). From July 2013 through July 2014, the Chicago economy has added 12,409 jobs, mostly attributed to professional and business services (+7,950), education and health services (+4,923), and construction (+1,598). The Consumer Confidence Index continued its increase. At 92.4, the index was up 1.5 percentage points from the previous month and up 10.6 percentage points from the previous year.

The Chicago Federal National Activity Index decreased to +0.12 in June 2014 from +0.16 in May 2014, led by a decline in consumption and housing related indicators. In the Chicago region, employment in manufacturing fell 0.27% in June 2014, while nonmanufacturing and construction employment increased 0.16% and 3.16%, respectively, in June 2014. The Chicago Business Activity Index estimates that in the coming months, the national economy is likely to stay on the path to recovery.

Chicago remains a thriving center of tourism and conventions. The City hosts various festivals which attract millions of visitors – Taste of Chicago, Chicago Blues Festival, Air and Water Show, etc. In addition, it is home to some of the world’s best museums, renowned architecture, vibrant theatre district, restaurants and shopping destinations which contribute to the local economy.

The change in enrollment levels at City Colleges is partly dependent on the current economic conditions in the Chicago metropolitan region.

City Colleges continues to face significant challenges while it strives to achieve its mission:

- Annual health care costs are rising at 7%. Benefits cost is forecasted to increase by approximately \$3.3 million or 9% in fiscal year 2015. Employee personal coverage elections under the plans have been modified so employees can elect the appropriate coverage to address their family needs. Additionally, new benefit programs have been implemented for eligible employees as follows: Voluntary Short-Term Disability, Voluntary Critical Illness, Employee Assistance, and Maternity Leave.
- City Colleges has several collective bargaining agreements, the outcome of which could place additional strain on resources.
- The Chicago Transit Authority (CTA) adopted an increase in the Ventra Program that provides unlimited rides on CTA buses and trains to eligible full-time students. While a portion of Ventra is recouped through student fees, this new increase will be absorbed by City Colleges, and has resulted in an impact of \$1.6 million or a 30% increase over fiscal year 2013.
- State of Illinois funding for community colleges remains one of the most difficult challenges facing City Colleges. The uncertainty of appropriated funding, planned cuts to the State budget and timing of actual cash payments have serious negative consequences for sound long-term financial planning. State funding has not kept pace with inflation and remains well below fiscal year 2005 levels. See the table on the following page.

Community College State Funding

<u>Fiscal Year</u>	<u>State Funding to All State Community Colleges</u>
2005	\$295,486,740
2006	\$296,555,599
2007	\$302,035,040
2008	\$297,698,600
2009	\$287,664,558
2010	\$308,471,029
2011	\$295,401,900
2012	\$295,521,900
2013	\$282,421,700
2014	\$284,916,500

Source: Illinois Community College Board

City Colleges' five-year \$545.6 million capital plan as shown in the fiscal year 2015 Budget includes \$77 million in system-wide academic and student-facing technology enhancements (i.e., smart classrooms, science classrooms, libraries, labs, and student support centers); a new Malcolm X College campus housing the Allied Health Academy near the heart of the Illinois Medical District; and a new Transportation, Distribution and Logistics Center at Olive-Harvey College. The latter two projects are major investments for the College to Careers initiative. City Colleges issued \$250,000,000 in alternate revenue bonds in early October 2013 to partially fund these capital projects.

ACHIEVEMENTS

An efficient use of resources and strategic investments have allowed us to make progress against the four academic goals of Reinvention:

- Overall completion, which includes all degrees and certificates awarded, was up 3 percent between fiscal year 2012 and fiscal year 2013.
- The federal IPEDS (Integrated Postsecondary Education Data System) rate of 13 percent is nearly double from when we launched our Reinvention. The IPEDS graduation rate is calculated using a formula set by the federal government that covers only first-time, full-time students who complete a degree or certificate program within 150 percent of the program's length (i.e., 3 years for a 2-year Associate's Degree and 9 months for a six-month certificate).
- GED attainment is up 20 percent. Adult education transitions to credit and bridge program enrollment have both increased as well.
- Two and a half years into the College to Careers initiative, nearly 1,300 students have found a job or internship in one of the six Colleges to Careers fields. New, more relevant programs launch each semester. More than 150 corporate and four year college partners are working with us to redesign curricula, facilities, and to offer our students access to real world learning opportunities, jobs and internships. Enrollment in College to Careers programs exceeds our targets. Employers and professional agencies are engaged and supportive of the strategy, with the Illinois Board of Nursing approving, a year before we expected, a new city-wide School of Nursing that will consolidate all four of City Colleges' health programs when it opens in the City Colleges' new Allied Health Academy in 2016.
- Rolled out a Student Guided Pathways to Success system that provides students with a clear course of study and path to goals, along with blocked scheduled student cohorts launching this fall, and whole program enrollment to follow in 2015. Integral to this system are significant investments in student supports, including a case management advising system, an early alert system, a wellness center, transfer center, career center, and a veteran center at every college along with specialists in each of these areas.

COST CONTAINMENT STRATEGIES

City Colleges has spent a significant amount of time and effort to maximize its share of state funding over the past several years. Through continuous evaluation of expenditures, management continues to look for innovative ways to contain costs through contract negotiations, performance audits, participation in energy savings and rebate programs and implementation of cost avoidance initiatives. As a result, City Colleges has focused on reducing expenses through cost containment initiatives, as follows:

- **Annual Energy Rebates:** City Colleges participated in ComEd's Voluntary Curtail Program for a sixth consecutive year. Since fiscal year 2009, participation checks are in excess of \$740,000. The curtailment test date for program participants is scheduled for June 2015, and determines City Colleges' level of participation and compensation.
- **Energy Savings Performance Contract Program:** Contracts implemented in 2004 and 2005 utilizing an external vendor continue to provide City Colleges' with annual savings and cost avoidance opportunities. Since the base year of 2003, City Colleges has managed to reduce its electrical usage by 13 million kWh even though its square footage has increased. This represents approximately one third of our electric usage.
- **Telephone System:** City Colleges is replacing the current telephone system in fiscal year 2015 by utilizing Voice Over Internet Protocol (VOIP) technology. Estimated savings in fiscal year 2015 are expected to be \$400,000.
- **Automated Time and Attendance System:** City Colleges is transitioning from a manual timekeeping system to an automated Time and Attendance system that will increase employee tracking and reporting efficiencies, while accurately capturing hours worked.
- **Employee Benefits Review:** City Colleges will be performing a strategic review of its' benefits programs, considering benchmarking of plans and evaluations of plan designs to provide City Colleges with potential cost savings and containment ideas for fiscal year 2015.
- **Fuel through City Depots:** City Colleges continues to purchase fuel for its fleet of vehicles from City of Chicago fuel depots, saving approximately two-thirds of the retail price.
- **Transition to Electronic Financial Aid Notifications:** City Colleges has implemented electronic communications for all financial aid notifications, which has saved postage and printing costs for approximately 420,000 paper letters that had been mailed in previous years.
- **Invoice Payment Costs:** City Colleges has implemented an electronic payment card for vendor and contractor invoice payments that will reduce processing, printing and reconciliation costs by issuing fewer paper checks. City Colleges received an annual rebate in excess of \$86,000 that will increase annually based on the volume of transactions. Estimated fiscal year 2015 rebate is \$90,000.

FINANCIAL INFORMATION

Internal Control: City Colleges' management is responsible for establishing and maintaining an internal control structure designed to protect its assets, to prevent loss from theft or misuse of assets, and to allow for the preparation of financial information in conformity with GAAP under GASB. Although no internal control can guarantee complete assurance that these objectives are met, strong controls provide reasonable assurance of this. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls: The fiscal year begins on July 1 and ends on June 30 with annual appropriations lapsing at the end of the fiscal year. Individual colleges submit budget requests based on the colleges' strategic and tactical plans as reviewed and approved by the Chancellor. Administrative units submit requests for the Chancellor's review. The Budget Office compiles requests and recommendations for submission to the Board of Trustees for appropriation. The appropriated budget is prepared by fund, department, account (object of expense), and program (function).

City Colleges' budgetary control objectives are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Colleges' Board of Trustees. Budgetary control is implemented by individual fund within each college. Board approval is required for all transfers between funds, accounts, or programs. In addition, an amended budget is required for increases in total appropriation in accordance with the Illinois Public Community College Act.

Board approval is required for all purchases or exchanges of goods and services over \$25,000 from a single vendor during the fiscal year. In addition, proper segregation of duties exist both operationally and technologically to ensure that purchase orders are properly authorized with appropriate checks and balances.

City Colleges maintains an encumbrance accounting system as part of its budgetary control. Encumbered amounts lapse at the end of each fiscal year.

Capital project funds are budgeted on a project-by-project basis and represent the entire project budget for projects expected to begin in that fiscal year.

City Colleges' financial resources are summarized in the following fund groups and individual funds in accordance with ICCB reporting requirements.

<u>FUND GROUP</u>	<u>INDIVIDUAL FUND</u>
Current Unrestricted	Education Operations and Maintenance Auxiliary / Enterprise
Current Restricted	Restricted Purpose Audit Liability, Protection and Settlement Working Cash Operations and Maintenance (Restricted) Bond & Interest Long-Term Debt Building Bonds Proceeds
Plant	Investment in Plant

Property Tax: Estimated assessed value of taxable property for tax year 2013 collectible in fiscal year 2014 is \$62,337,066,955. Estimated assessed value of taxable property for tax year 2012 collectible in fiscal year 2013 was \$65,221,057,665. City Colleges' average collection rate over the past five years has been over 97%.

Debt Administration: Long-term debt at June 30, 2014 totaled \$250,000,000 due to City Colleges' issuance of bonds in October 2013.

Cash Management: Cash and investments are controlled by the City Colleges' Treasurer or Vice Chancellor of Finance and Business Enterprises / CFO. Treasury is governed by provisions within the Illinois Public Community College Act (Illinois Compiled Statutes Chapter 110, Act 805) and the Illinois Public Funds Investment Act (Illinois Compiled Statutes Chapter 30, Act 235). Fiduciary responsibility for investments is entrusted to the City Colleges' Board of Trustees, which has delegated the function to the Treasurer of City Colleges as permitted by the Illinois Public Community College Act.

In keeping with existing Board policy, investments of excess funds are made in a prudent, conservative, and secure manner in accordance with guidelines detailed in the Board Rules for Management and Government section 5.4, *Investment and Depository Policies*. Designation of depositories and investment managers is authorized by the Board of Trustees.

City Colleges invests funds in various securities listed as permitted investments in the Board-approved Investment Policy. This policy is reviewed on an annual basis and any modifications require Board approval. The securities include, but are not limited to, money market funds, U.S. Treasury bonds, bills, notes and certificates of deposit. Investment income for fiscal year 2014 totaled \$1.7 million.

Risk Management: The Office of Risk Management (ORM) continuously and actively assesses and reviews potential risk and exposures the District may encounter and strives to mitigate the potential impact on the institution. ORM procures commercial insurance to address significant property and non-property losses for amounts in excess of self-insured retentions. The comprehensive Commercial Insurance Program is reviewed annually to determine policy limits and retention (deductible) levels for property assets, general liability exposures, workers' compensation injuries and educator's legal liability matters. The current deductibles equal \$25,000, \$250,000, \$550,000 and \$250,000 per claim, respectively.

City Colleges engages a third-party administrator to adjudicate and administer claims for general liability, workers' compensation, student athlete injury and student accident health claims.

OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent certified public accountants. The City Colleges of Chicago Board of Trustees selected the audit firm of McGladrey LLP as its independent certified public accountants for fiscal year 2014. The independent auditor's report of McGladrey LLP on the basic financial statements and supplementary schedules is included in the financial section of this report.

Awards: The GFOA awarded a **Certificate of Achievement for Excellence in Financial Reporting** to City Colleges for its comprehensive annual financial report for the fiscal year ended June 30, 2013. 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 government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current report continues to conform to the GFOA Certificate of Excellence program requirements, and we are submitting it to GFOA again this year.

City Colleges has also earned GFOA's **Award for Distinguished Budget Presentation** for its annual budget for the fiscal year beginning July 1, 2013. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

Acknowledgements: The preparation of the CAFR was made possible by the dedicated service of the senior leadership team and staff of City Colleges. We wish to express our sincere appreciation for the contributions they have made in preparing this report.

Respectfully submitted,

Joyce Carson
Vice Chancellor of Finance and
Business Enterprises / CFO

Daryl J. Okrzesik
Associate Vice Chancellor, Treasurer

**CITY COLLEGES OF CHICAGO
COMMUNITY COLLEGE DISTRICT NO. 508
PRINCIPAL OFFICIALS
Year Ended June 30, 2014**

BOARD OF TRUSTEES

Paula Wolff, Chair
Ellen Alberding, Vice Chair
Larry R. Rogers, Sr., Secretary
Rev. Darrell Griffin, Trustee
Marisela Lawson, Trustee
Everett Rand, Trustee
Clarisol Duque, Trustee
Jacques Sarr, Student Member
Leah Heinecke-Krumhus, Advisor to the Board of Trustees
Candace Montgomery, Assistant Board Secretary
Roberto Concepcion, Executive Director, Internal Audit
John Gasiorowski, Inspector General

ADMINISTRATIVE OFFICERS

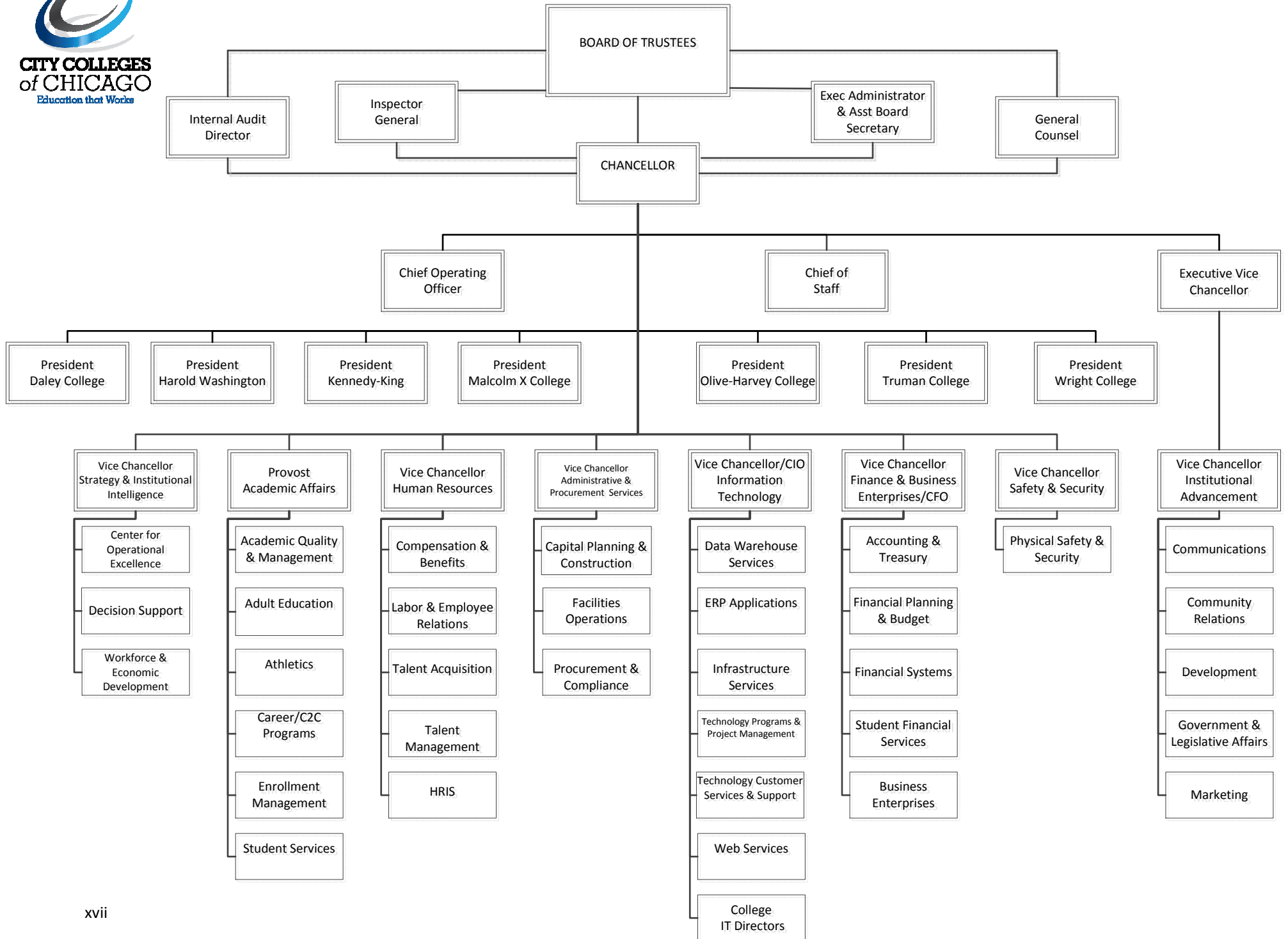
Cheryl L. Hyman, Chancellor
James T. Frankenbach, Chief Operating Officer
Craig Lynch, Chief of Staff / Enterprise Services
Dr. Vernese Edghill-Walden, Chief Academic Officer
Laurent Pernot, Executive Vice Chancellor and Senior Adviser
Joyce Carson, Vice Chancellor of Finance and Business Enterprises / CFO
Rasmus Lynnerup, Vice Chancellor, Strategy, Research & Organizational Effectiveness
Jerrold Martin, Vice Chancellor of Information Technology and Chief Information Officer
Diane Minor, Vice Chancellor, Administrative Services & Procurement
Eugene Munin, General Counsel
Beatrice O'Donnell, Vice Chancellor, Safety and Security
Stephanie Tomino, Vice Chancellor, Human Resources & Staff Development
Dr. Jose Aybar, President, Richard J. Daley College
Dr. Margaret Martyn, Interim President, Harold Washington College
Arshele Stevens, President, Kennedy-King College
Dr. Anthony E. Munroe, President, Malcolm X College
Dr. Angelia Millender, President, Olive-Harvey College
Dr. Reagan Romali, President, Harry S. Truman College
Dr. David Potash, President, Wilbur Wright College

REPORT ISSUED BY

Office of Finance



District-wide Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City Colleges of Chicago
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of City Colleges of Chicago, Community College District No. 508 (City Colleges) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City Colleges' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of City Colleges of Chicago, Community College District No. 508, as of June 30, 2014, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 9 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 financial statements that collectively comprise City Colleges' basic financial statements. The Uniform Financial Statements, as required by the Illinois Community Colleges Board, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Uniform Financial Statements, except for the Certification of Chargeback Reimbursement for Fiscal Year 2015, which is unaudited, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Uniform Financial Statements, except for the Certification of Chargeback Reimbursement for Fiscal Year 2015, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections and the Certification of Chargeback Reimbursement for Fiscal Year 2015 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2014 on our consideration of City Colleges' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Colleges' internal control over financial reporting and compliance.

 McGladrey LLP

Chicago, Illinois
October 10, 2014

Management Discussion and Analysis (MD&A)



Community College District No. 508 Management's Discussion and Analysis

The discussion and analysis of City Colleges of Chicago financial performance provides an overall review of City Colleges' financial activities for the fiscal year ended June 30, 2014. This discussion and analysis focuses on current activities, currently known facts and related changes. The management of City Colleges encourages readers to consider the information being presented herein in conjunction with the transmittal letter that precedes this section and the basic financial statements and accompanying notes (which immediately follow this section) to enhance their understanding of City Colleges' financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current and prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A"). Responsibility for the completeness and fairness of the information presented here rests with City Colleges.

Using This Annual Report

The basic financial statements focus on City Colleges as a whole. The accompanying basic financial statements are designed to emulate the presentation model of private sector business-type activities, whereby all City Colleges' activities are consolidated into one total. The Statement of Net Position combines and consolidates all financial resources with long-term capital assets and debt. The Statement of Revenues, Expenses and Changes in Net Position describe operating results, comparing revenues derived from operations such as tuition and fees with operating expenses, and non-operating results. Non-operating revenues include funding received from State apportionment, grants, and property taxes. This approach is intended to facilitate analysis of financial results of various services to students and the public.

Financial Highlights

Statement of Net Position

The total net position as of June 30, 2014 increased by \$6.0 million to \$888.3 million.

Capital assets increased by \$88.1 million over fiscal year 2013 due to a \$61.8 million increase in buildings and additions, a \$22.9 million increase in construction in progress, and a \$3.4 million increase in land and equipment.

Overview of Financial Statements

Total current assets decreased by \$76.1 million as compared to prior year. The main reason for the decrease is attributed to the decrease in short-term investments. Capital assets less accumulated depreciation increased \$70.2 million due to capital investments made in a new Malcolm X College campus building and a new Transportation, Distribution and Logistics Center at Olive-Harvey College. Other non-current assets increased by \$279.5 million due to the \$233.2 million increase of restricted cash which includes proceeds from the issuance of \$250 million in bonds, the \$38.7 million increase in long-term investments and a \$7.6 million increase in the long-term portion of other receivables.

Total current liabilities increased by \$13.5 million due primarily to an increase of \$19.9 million from accounts payable, accrued payroll and current portion of non-current liabilities offset by \$6.4 million decrease from unearned revenue, unearned grants and other liabilities.

Total non-current liabilities increased by \$253.8 million mainly due to the issuance of \$250 million in bonds with \$8.2 million in premiums and discounts, \$5.3 million increase from accrued property tax refunds and other post-employment benefits offset by a \$6.5 million decrease from compensated absences and sick leave benefits. The deferred inflows of resources are the deferred property tax revenue that has been presented separately in the financial statement to conform to GASB Statement No. 65.

Net investment in capital assets increased by \$37.4 million due to the ongoing capital projects during the year offset by annual depreciation.

Total net position increased by \$6 million over prior year because of favorable operating results.

Table 1
Condensed Statement of Net Position
(in millions of dollars)

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Current assets	\$ 289.1	\$ 365.2	\$ (76.1)
Non-current assets			
Capital assets	991.2	903.1	88.1
Less accumulated depreciation	(299.9)	(282.0)	(17.9)
Other assets	<u>364.5</u>	<u>85.0</u>	<u>279.5</u>
Total assets	<u>\$ 1,344.9</u>	<u>\$ 1,071.3</u>	<u>\$ 273.6</u>
Current liabilities	\$ 78.7	\$ 65.2	\$ 13.5
Non-current liabilities	<u>318.1</u>	<u>64.3</u>	<u>253.8</u>
Total liabilities	<u>\$ 396.8</u>	<u>\$ 129.5</u>	<u>\$ 267.3</u>
Deferred inflows of resources	<u>\$ 59.8</u>	<u>\$ 59.5</u>	<u>\$ 0.3</u>
Net position			
Net investment in capital assets	\$ 658.5	\$ 621.1	\$ 37.4
Restricted for specific purposes	8.0	6.7	1.3
Unrestricted	<u>221.8</u>	<u>254.5</u>	<u>(32.7)</u>
Total net position	<u>\$ 888.3</u>	<u>\$ 882.3</u>	<u>\$ 6.0</u>

Statement of Revenues, Expenses and Changes in Net Position

The total net position increased by \$6 million in fiscal year 2014 which is \$15.4 million less than prior year. The decrease is mainly due to a \$20.5 million decrease in capital contributions and \$9.3 million decrease in non-operating revenues offset by a \$14.4 million reduction in operating losses.

Table 2
Condensed Statement of Revenues, Expenses and Changes in Net Position
(in millions of dollars)

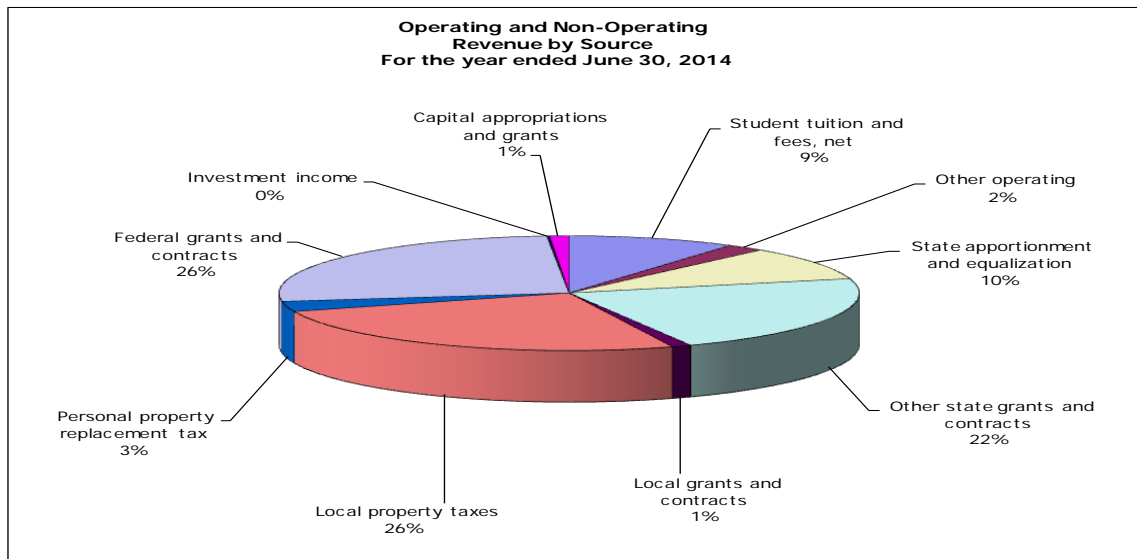
	<u>2014</u>	<u>2013</u>	<u>Change</u>
Operating			
Revenues	\$ 53.4	\$ 55.9	\$ (2.5)
Expenses	(460.4)	(477.3)	16.9
Operating loss	(407.0)	(421.4)	14.4
Non-operating			
Revenues	407.9	417.2	(9.3)
Net non-operating revenues	407.9	417.2	(9.3)
Income (loss) before capital contributions	0.9	(4.3)	5.2
Capital contributions	5.1	25.6	(20.5)
Change in net position	6.0	21.3	(15.3)
Net position, beginning of year	882.3	861.0	21.3
Net position, end of year	<u>\$ 888.3</u>	<u>\$ 882.3</u>	<u>\$ 6.0</u>

Operating revenues decreased by \$2.5 million from the previous year because of the \$2 million decrease in student tuition and fees, and \$.5 million decrease in other operating revenues.

Non-operating revenues decreased \$9.3 million in fiscal year 2014 mainly due to a decrease of \$12.5 million in state apportionment, local grants, property taxes, Pell grant and other federal grants, offset by a \$3.2 million increase in certain state grants and investment income. Other state grants and contracts increased due to a \$4.3 million increase in the on-behalf payments made by the State of Illinois to the State University Retirement System for the benefit of the City Colleges' employees. The increase was offset by a \$1.6 million decrease in the State Mandatory Award program, a \$.5 million decrease in other state financial revenue, a \$.4 million decrease in ICCB Special Appropriation, and a \$.2 million decrease in State Basic Adult Education. Property taxes decreased \$1.5 million in fiscal year 2014 due to the higher tax refunds for prior year levies. The \$9.8 million decrease in Federal grants and contracts is mainly due to the \$3.1 million decrease in Pell Grants received, a \$5.4 million reduction of Title IV, and a \$1.3 million decrease in other federal grants. The increase of \$1 million in investment income is due to earnings on the proceeds from the bond issuance. Capital contributions decreased by \$20.5 million due to less capital funding received from outside sources in fiscal year 2014.

**Table 3
Operating and Non-Operating Revenues
(in millions of dollars)**

Operating revenues	2014	2013	Change
Student tuition and fees	\$ 110.5	\$ 111.9	\$ (1.4)
Less scholarships	(66.9)	(66.4)	(0.5)
Other operating	9.8	10.4	(0.6)
Total operating revenues	53.4	55.9	(2.5)
Non-operating revenues			
State apportionment and equalization	44.1	44.2	(0.1)
Other state grants and contracts	103.0	101.4	1.6
Local grants and contracts	5.0	5.6	(0.6)
Local property taxes	118.7	120.2	(1.5)
Personal property replacement tax	13.6	14.1	(0.5)
Federal grants and contracts	121.3	131.1	(9.8)
Investment income	1.6	0.6	1.0
Other non-operating revenue	0.6	-	0.6
Total non-operating revenues	407.9	417.2	(9.3)
Capital appropriations and grants	5.1	25.6	(20.5)
Total revenues	\$466.4	\$498.7	\$ (32.3)

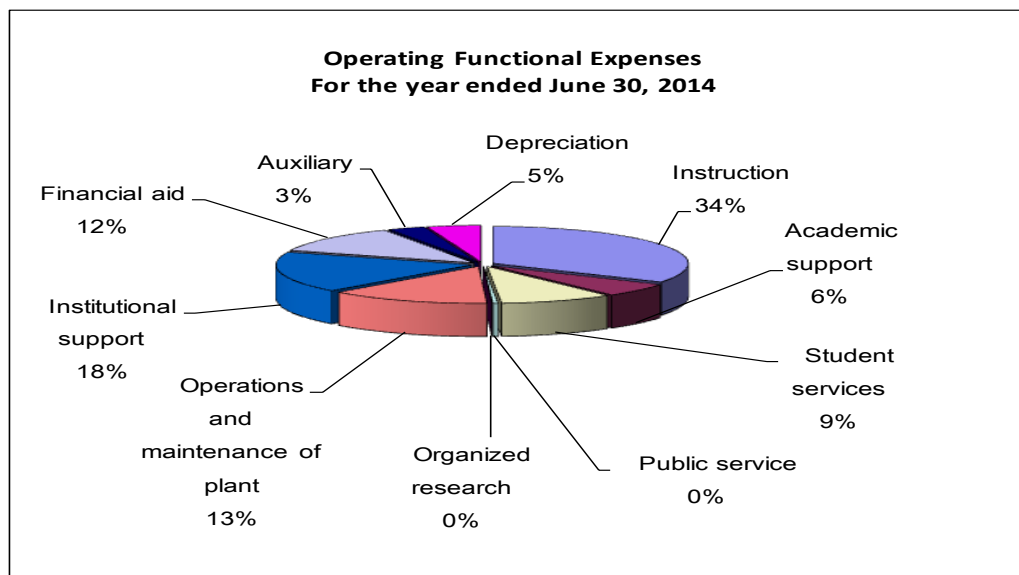


Community College District No. 508 Management's Discussion and Analysis

Total operating expenses decreased by \$16.9 million in fiscal year 2014. Instructional expenses decreased \$2.8 million and accounted for 34% of the total operating expenses. Student services expense increased \$1.5 million due to the increase in Ventra card expenses. Public services expense decreased \$1.9 million due to less consulting and non-capitalized equipment expenses. Financial aid expense decreased \$7.5 million due to less Pell grants received. Auxiliary expense increased \$2.6 million due to higher salaries and related expenses. Depreciation increased \$1 million due to additional capital assets put in service.

**Table 4
Operating Functional Expenses
(in millions of dollars)**

Operating expenses	2014	2013	Change
Instruction	\$ 154.3	\$ 157.1	\$ (2.8)
Academic support	27.4	27.4	-
Student services	43.0	41.5	1.5
Public service	2.0	3.9	(1.9)
Organized research	0.3	0.9	(0.6)
Operations and maintenance of plant	61.4	66.1	(4.7)
Institutional support	82.4	86.9	(4.5)
Financial aid	54.8	62.3	(7.5)
Auxiliary	14.2	11.6	2.6
Depreciation	<u>20.6</u>	<u>19.6</u>	<u>1.0</u>
Total operating expenses	<u>\$460.4</u>	<u>\$477.3</u>	<u>\$(16.9)</u>



Net Capital Assets and Non-Current Liabilities

As of June 30, 2014, City Colleges had \$991.2 million in capital assets and \$299.9 million in accumulated depreciation, resulting in \$691.3 million in net capital assets. This investment in net capital assets includes land, buildings and improvements, construction in progress, equipment, vehicles and software. The total increase in City Colleges' net capital assets for the current fiscal year is \$70.2 million. (See Note 5)

Major capital asset events during fiscal year 2014 included the following:

- A net increase of \$61.8 million in buildings and improvements and a net increase of \$22.9 million in construction in progress was attributable to Truman's Student Services Center and Parking Garage, the Washburne Café at the District Office, a new Malcolm X College campus housing the Allied Health Academy, a new Transportation, Distribution and Logistics Center at Olive-Harvey College, a new district wide emergency system, software upgrades, replacing and upgrading outdated infrastructure in various campuses, and the continued renovation of the District Office building.

Table 5
Capital Assets (Net of Accumulated Depreciation)
As of June 30
(in millions of dollars)

Capital Assets	<u>2014</u>	<u>2013</u>	<u>Change</u>
Land	\$ 53.6	\$ 50.6	\$ 3.0
Buildings and improvements	787.0	725.2	61.8
Construction in progress	103.1	80.2	22.9
Equipment	17.5	17.1	0.4
Software	<u>30.0</u>	<u>30.0</u>	<u>-</u>
Total	991.2	903.1	88.1
Less accumulated depreciation	<u>(299.9)</u>	<u>(282.0)</u>	<u>(17.9)</u>
Net capital assets	<u>\$ 691.3</u>	<u>\$ 621.1</u>	<u>\$ 70.2</u>

**Community College District No. 508
Management's Discussion and Analysis**

Total non-current liabilities increased by \$253.8 million to \$318.1 million, which was mainly due to the issuance of the capital bonds. Sick leave benefit liability decreased due to a decrease in the number of employees eligible for such benefits in accordance with the union contract. Other post-employment benefit liability increased due to an increase in retirees receiving benefits as well as an increase in the number of active employees eligible. Bonds payable net of premiums and discounts increased \$257.4 million because City Colleges issued \$250 million in bonds with premiums and discounts in October 2013. These bonds are rated AA-/AA by Fitch Ratings and Standard and Poor's Rating Services respectively. The payment schedule is provided in Note 12 to the financial statements.

**Table 6
Non-Current Liabilities
As of June 30
(in millions of dollars)**

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Accrued compensated absences	\$ 3.0	\$ 3.2	\$ (0.2)
Accrued property tax refunds	11.9	10.8	1.1
Sick leave benefits	11.4	17.8	(6.4)
Other post-employment benefits	39.7	35.4	4.3
Bonds payable net of premiums & discounts	<u>257.4</u>	<u>-</u>	<u>257.4</u>
Sub-total	323.4	67.2	256.2
Less current portion	<u>(5.3)</u>	<u>(2.9)</u>	<u>(2.4)</u>
Total non-current liabilities	<u>\$ 318.1</u>	<u>\$ 64.3</u>	<u>\$ 253.8</u>

Requests for Information

This financial report is designed to provide a general overview of City Colleges' finances. Questions concerning the report or requests for additional information should be addressed to the Vice Chancellor of Finance and Business Enterprises / CFO, City Colleges of Chicago, 11th Floor, 226 West Jackson Boulevard, Chicago, IL 60606.

Basic Financial Statements

**City Colleges of Chicago
Community College District No. 508
Statement of Net Position
June 30, 2014**

Assets

Current assets:

Cash and cash equivalents	\$ 39,362,166
Short-term investments	154,774,287
Property tax receivable, net	58,142,077
Personal property replacement tax receivable	2,299,858
Other accounts receivable, net	34,342,495
Prepaid items and other assets	<u>160,454</u>

Total current assets 289,081,337

Non-current assets:

Restricted cash	234,178,599
Funds held by others - restricted	58,363
Long-term investments	122,750,793
Other accounts receivable	7,634,715
Capital assets not being depreciated	156,727,542
Capital assets being depreciated, net	<u>534,545,383</u>

Total non-current assets 1,055,895,395

Total assets 1,344,976,732

Liabilities

Current liabilities:

Accounts payable	39,146,986
Accrued payroll	8,179,546
Other accruals	5,932,355
Deposits held in custody for others	1,489,337
Unearned tuition and fees revenue	5,263,535
Unearned grant revenue	894,297
Other liabilities	12,453,300
Current portion of non-current liabilities	<u>5,310,108</u>

Total current liabilities 78,669,464

Non-current liabilities:

Accrued compensated absences	3,019,110
Accrued property tax refunds	11,873,206
Sick leave benefits	11,457,018
Other post-employment benefits	39,703,812
Bonds payable, net of premiums and discounts	257,406,782
Less current portion of non-current liabilities	<u>(5,310,108)</u>

Total non-current liabilities 318,149,820

Total liabilities 396,819,284

Deferred inflows of resources

Deferred property tax revenue	<u>59,808,797</u>
-------------------------------	-------------------

Net position

Net investment in capital assets 658,505,276

Restricted for specific purposes:

Audit	194,892
Liability, protection, and settlement	7,187,039
PBC operations and maintenance	607,045
Unrestricted	<u>221,854,399</u>

Total net position \$ 888,348,651

The accompanying notes are an integral part of these basic financial statements.

City Colleges of Chicago
Community College District No. 508
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Year Ended June 30, 2014

Revenues

Operating revenues:

Student tuition and fees:

Resident tuition	\$ 81,468,816
Nonresident tuition	8,828,512
Fees	20,159,285
Less: Scholarship allowances	<u>(66,905,144)</u>
Net student tuition and fees	43,551,469
Other operating revenues	<u>9,806,723</u>
Total operating revenues	<u>53,358,192</u>

Expenses

Operating expenses:

Instructional salaries	100,033,039
Non-instructional salaries	110,941,259
Fringe benefits	101,050,332
Supplies	20,216,270
Professional development	1,487,147
Utilities	8,422,751
Contractual services	39,678,006
Depreciation	20,603,084
Financial aid, exclusive of scholarship allowances	54,757,208
Other expenses	<u>3,208,895</u>
Total operating expenses	<u>460,397,991</u>
Operating loss	<u>(407,039,799)</u>

Non-operating revenues:

State apportionment and equalization	44,091,624
Other state grants and contracts	103,024,737
Local grants and contracts	5,042,722
Local property taxes	118,738,148
Personal property replacement tax	13,548,322
Federal grants and contracts	121,249,812
Investment income	1,633,125
Other non-operating revenue	<u>573,157</u>
Total non-operating revenues	<u>407,901,647</u>
Income before capital appropriations and grants	861,848
Capital appropriations and grants	<u>5,119,782</u>
Change in net position	5,981,630
Net position, beginning of year	<u>882,367,021</u>
Net position, end of year	<u><u>\$ 888,348,651</u></u>

The accompanying notes are an integral part of these basic financial statements.

**City Colleges of Chicago
Community College District No. 508
Statement of Cash Flows
Fiscal Year Ended June 30, 2014**

Cash flows from operating activities	
Tuition and fees	\$ 37,561,395
Payments to suppliers	(122,516,501)
Payments to employees	(209,499,701)
Payments to students	(54,757,208)
Other operating receipts	9,806,723
Net cash used for operating activities	<u>(339,405,292)</u>
Cash flows from noncapital financing activities	
Local property taxes	120,520,338
State apportionment, grants and contracts	79,028,626
Personal property replacement tax	13,832,919
Grants and contracts	126,241,020
Net cash provided by noncapital financing activities	<u>339,622,903</u>
Cash flows from capital and related financing activities	
Capital appropriations and grants	21,289
Purchases of capital assets	(53,724,158)
Payment received on note receivable	1,135,659
Interest paid on bonds	(6,973,256)
Proceeds from issuance of bonds	257,406,782
Net cash provided by capital and related financing activities	<u>197,866,316</u>
Cash flows from investing activities	
Proceeds from sales and maturities of investments	296,666,710
Purchases of investments	(311,387,617)
Interest received on investments	1,253,608
Net cash used for investing activities	<u>(13,467,299)</u>
Net increase in cash and cash equivalents	184,616,628
Cash and cash equivalents at beginning of year	88,924,137
Cash and cash equivalents at end of year	<u>\$ 273,540,765</u>
Cash and cash equivalents	\$ 39,362,166
Restricted cash	234,178,599
	<u>\$ 273,540,765</u>

The accompanying notes are an integral part of these basic financial statements.

City Colleges of Chicago
Community College District No. 508
Statement of Cash Flows (Continued)
Fiscal Year Ended June 30, 2014

**Reconciliation of operating loss to net cash
used for operating activities**

Operating loss	\$ (407,039,799)
Reconciling adjustments:	
Depreciation	20,603,084
State payment for retirement obligation	68,087,735
Increase in allowance for uncollectible receivables	998,772
Changes in assets and liabilities:	
Receivables	(6,046,937)
Prepaid items and other assets	(69,763)
Accounts payable	(12,735,758)
Accrued payroll	4,740,893
Other accruals	572,109
Deposits held in custody for others	75,289
Unearned tuition and fees revenue	(1,124,894)
Other liabilities	(5,186,461)
Accrued compensated absences	(146,600)
Sick leave benefits	(6,376,975)
Other post-employment benefits	4,244,013
Net cash used for operating activities	<u>\$ (339,405,292)</u>

Non-cash Transactions

Increase in fair value of investments	\$ 1,550,538
State of Illinois contributed capital assets	5,119,782
Capital assets in accounts payable	23,840,958

The accompanying notes are an integral part of these basic financial statements.

Notes to Basic Financial Statements

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

**Notes to Basic Financial Statements
June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City Colleges of Chicago, Community College District No. 508 (City Colleges), is a separate taxing body created under the Illinois Public Community College Act of 1965 with boundaries coterminous with the City of Chicago. City Colleges delivers educational and student services through seven colleges, each of which is separately accredited by the North Central Association. The Board of Trustees, appointed by the Mayor of Chicago and ratified by the City Council, is responsible for establishing the policies and procedures by which City Colleges is governed.

A. Reporting Entity

The accompanying basic financial statements include all entities for which the Board of Trustees of City Colleges has financial accountability. In defining the financial reporting entity, City Colleges has considered whether there are any potential component units, and has concluded that there are none.

The Public Building Commission of Chicago (PBC) and the City Colleges of Chicago Foundation are organizations affiliated with City Colleges. These entities are not reflected in these basic financial statements as component units of City Colleges. The resources of PBC are not received or held entirely or almost entirely for City Colleges, nor can City Colleges access a majority of PBC's resources. The City Colleges of Chicago Foundation's resources are equivalent to less than 1% of City Colleges' Net Position and, therefore, deemed not significant.

B. Basis of Accounting

For financial reporting purposes, City Colleges is considered a special-purpose government engaged only in business-type activities. Accordingly, City Colleges' basic 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 incurred. All significant intra-agency transactions have been eliminated.

Non-exchange transactions, in which City Colleges' receives value without directly giving equal value in return, include 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 are 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 City Colleges must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to City Colleges on a reimbursement basis.

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

**Notes to Basic Financial Statements
June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounting policies of City Colleges conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities, as well as those prescribed by the Illinois Community College Board (ICCB). City Colleges' reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

C. Cash and Cash Equivalents

Cash and cash equivalents includes demand deposits and short-term investments with original maturities of three months or less from the date of purchase, except for Illinois funds, Illinois Institutional Investor Trust and money market mutual funds, which are treated as investments.

D. Investments

Investments are reported at fair value based upon quoted market prices. Changes in the carrying value of investments, resulting in realized and unrealized gains or losses, are reported as a component of investment income in the statement of revenues, expenses and changes in net position.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term that could materially affect the amounts reported in the statement of net position and in the statement of revenues, expenses and changes in net position.

E. Receivables

Accounts receivable consists of property taxes, personal property replacement taxes, tuition and fee charges to students and facilities rentals provided to third parties. Accounts receivable also includes amounts due from the federal government, as well as state and local governments, in connection with reimbursement of allowable expenditures made pursuant to City Colleges' grants and contract agreements. Receivables are recorded net of estimated uncollectible amounts. During fiscal year 2014, \$3.3 million of receivables were written off.

F. Allowance for Uncollectible Receivables

City Colleges provides allowances for uncollectible student accounts for any outstanding receivable balances less than 365 days.

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

**Notes to Basic Financial Statements
June 30, 2014**

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

G. Property Taxes

City Colleges' property taxes are levied each calendar year on all taxable real property located in City Colleges' district. Property taxes are collected by the Cook and DuPage County Collectors and are submitted to each county's respective treasurer, who remits to the units their respective shares of the collections. Cook County taxes levied in one year become generally due and payable in two installments on March 1 and typically September 1 of the following year. The first installment is an estimated bill and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment, and equalization. Any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December for the following levy year. DuPage County, which represents 1/100 of one percent of the total levy, follows a similar practice as Cook County. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

Taxes are levied on all taxable real property located in the district for educational purposes, operations and maintenance purposes, financial auditing purposes and liability protection and settlement. The tax levies for City Colleges for the educational, operations and maintenance, and financial auditing purposes are limited by Illinois statute to 0.175%, 0.05%, and 0.005%, respectively, of the equalized assessed valuation (EAV).

In accordance with City Colleges' Board resolution, 50% of property taxes extended for the 2013 tax year and collected in 2014 are recorded as revenue in fiscal year 2014. The remaining revenue related to the 2013 tax year extension is deferred and will be recorded as revenue in fiscal year 2015. Based upon collection histories, City Colleges recorded property taxes at 97% of the 2013 extended levy.

H. Personal Property Replacement Tax Revenue

Personal property replacement taxes are recognized as revenue when these amounts are collected by the State of Illinois for distribution.

I. Prepaid Items and Other Assets

Prepaid expenses and other assets represent amounts paid as of June 30 whose recognition is postponed to a future period. Prepaid expenses consist primarily of prepayments to vendors for maintenance contracts.

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

**Notes to Basic Financial Statements
June 30, 2014**

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

J. Restricted Cash

Cash held in trust for the purchase or construction of capital or other non-current assets, are classified as non-current assets in the Statement of Net Position.

K. Capital Assets

Capital assets of City Colleges consist of land, buildings, improvements, computer equipment, software and other equipment. Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation.

Major outlays for assets or improvements to assets over \$200,000 are capitalized as projects are constructed. These are categorized as construction work in progress until completed at which time they are reclassified to the appropriate asset type.

City Colleges considers a capital asset impaired when its service utility has declined significantly and the events or changes in the circumstances are unexpected or outside the normal life cycle.

City Colleges' capitalization policy for movable property includes only items with a unit cost greater than \$25,000 and an estimated useful life greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Renovations that increase the value of the structure are depreciated according to its estimated useful life. When renovations are capitalized, a portion of the original asset renovated is retired from capital assets and accumulated depreciation, using a deflated replacement cost methodology. Capital assets are depreciated beginning at the first day of the month after they were acquired using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 40
Computer equipment	4 - 5
Software	3 - 10
Other equipment	3 - 10

City Colleges of Chicago
Community College District No. 508

Notes to Basic Financial Statements
June 30, 2014

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

Capitalized Interest - City Colleges has issued unlimited tax general obligation bonds to construct, acquire, equip and renovate campuses and administrative buildings. A portion of the interest cost incurred on this borrowing, net of interest earnings on bond proceeds, can be capitalized and has been included as part of the historical cost of the assets. The portion of the interest incurred on the bonds was \$8,121,986 and the amount capitalized was \$8,051,380 (net of \$70,606 in interest earnings).

L. Unearned Revenue and Deferred Inflows of Resources

Deferred inflows of resources are defined under GASB Statement No. 65 as acquisitions of net assets that are applicable to a future reporting period, and should be reported as having a similar impact on net position as liabilities. Deferred inflows include property tax revenues restricted for the subsequent fiscal year. Amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year that are related to the subsequent fiscal year and amounts received from grant and contract sponsors that have not yet been earned are classified as unearned revenue within current liabilities.

M. Other Liabilities

Other liabilities include amounts due at year end for health care, dental, vision and workers' compensation insurance, unclaimed property and other third party vendors.

N. Non-Current Liabilities

Non-current liabilities include estimated amounts for accrued compensated absences, sick leave benefits (payments to retirees for accumulated unused sick days), other post-employment benefits, bonds payable and other liabilities net of the current portion representing the amount to be paid within the next fiscal year.

O. Premiums, Discounts, and Issuance Costs

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Long-term obligations (general obligation bonds) are reported net of the applicable bond premium and discount. Bond issuance costs are expensed at the time the debt is issued.

P. Accrued Property Tax Refunds

Accrued property tax refunds are included in non-current liabilities. These are estimates of property taxes that may be refunded to taxpayers in the future.

City Colleges of Chicago
Community College District No. 508

Notes to Basic Financial Statements
June 30, 2014

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

Q. Net Position

City Colleges' net position is classified as follows:

Net Investment in Capital Assets - Net investment in capital assets represents the City Colleges' total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisition, construction, or improvement of those capital assets plus unspent bond proceeds.

Restricted for Specific Purposes - Restricted net position includes assets that City Colleges is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or through enabling legislation. When both restricted and unrestricted resources are available for use, it is City Colleges' policy to use restricted resources first and then use unrestricted resources when they are needed. At June 30, 2014, City Colleges had a portion of its net position restricted for audit, tort liability, and operations and maintenance.

Unrestricted - Unrestricted net position represents 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 City Colleges and may be used at the discretion of the governing board to meet current expenses for any purpose.

R. Classification of Revenues and Expenses

City Colleges has classified its revenues and expenses as either operating or non-operating according to the following criteria:

Operating Revenue and Expenses - Operating revenue and expenses includes activities that have the characteristics of exchange transactions, such as: (1) student tuition and fees, net of scholarship allowances, (2) sales and services of educational departments and auxiliary enterprises, (3) salaries and benefits, and (4) materials and supplies.

Non-Operating Revenue and Expenses - Non-operating revenue and expenses 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 federal appropriations, (4) gifts and contributions, (5) income from investments, and (6) interest on debt.

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

**Notes to Basic Financial Statements
June 30, 2014**

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

S. Tuition and Fees

Tuition and fees include all such items charged to students for educational and service purposes. Tuition-related waivers, scholarships, and other financial aid (excluding direct loans) are reported as contra revenue to tuition revenue. Scholarships that are paid to students are recorded as financial aid expense under operating expenses. Tuition and fees revenue is recognized when the educational services are performed.

T. Use of Estimates

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

U. New Accounting Standards

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27* is effective for financial statements for fiscal years beginning after June 15, 2014. This standard will have a significant impact on the financial statements and note disclosures.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* has been issued to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. This standard will have a significant impact on the financial statements and note disclosures.

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

**Notes to Basic Financial Statements
June 30, 2014**

2. DEPOSITS AND INVESTMENTS

The Illinois Public Community College Act and the Illinois Investment of the Public Funds Act allow funds belonging to City Colleges to be invested. City Colleges' policy delegates this authority to the Treasurer of the Board of Trustees or the Vice Chancellor of Finance and Business Enterprises / CFO as permitted by Illinois law.

In accordance with City Colleges' investment policy, funds may be invested in the following types of securities within certain limitations: (a) securities backed by the full faith and credit of the United States, (b) United States or its agencies government securities, (c) bank certificates of deposit, (d) commercial paper, (e) money market mutual funds, when they are invested in securities noted in items (a) and (b) above, (f) obligations of agencies created by an Act of Congress, (g) savings and loan securities, (h) certain credit unions if specifically authorized by the Board of Trustees and fully secured, (i) the Illinois Funds (Money Market and Prime), and (j) repurchase agreements. It is the policy of City Colleges to invest its funds in a manner which will provide for the preservation of capital, meeting cash flow demands, providing for yields consistent with the market, and conforming to all state and local statutes governing the investment of the public funds, using the "prudent person" standard for managing the overall portfolio.

The primary objective of the policy is protection of investment principal, liquidity and yield within statutory constraints. This policy applies to all restricted and unrestricted funds, including operating funds, special funds, interest and sinking funds and other funds belonging to or in the custody of the Board.

Deposits

Custodial credit risk – with regards to deposits with financial institutions, custodial credit risk is the risk that in the event of bank failure, City Colleges' deposits may not be returned. City Colleges' investment policy requires that investments made in excess of any applicable deposit insurance be secured by a corporate surety bond written by a surety company authorized to do business in the State of Illinois that is rated at least AA by Standard and Poor's or Aa3 by Moody's, or by an undertaking from the depository supported by a pledge of securities having a market value that is at all times equal to or greater than the uninsured amount on deposit. At June 30, 2014, City Colleges had cash and cash equivalents of over \$273.4 million and was not exposed to custodial credit risk on these deposits.

City Colleges of Chicago
Community College District No. 508

Notes to Basic Financial Statements
June 30, 2014

2. DEPOSITS AND INVESTMENTS (Continued)

Investments

In accordance with its investment policy, City Colleges limits its risk tolerance based on the investment's objective. Volatility of principal is not permitted or limited in order to obtain additional income or to manage the funds available for projects. Volatility of principal is defined as "by selling an individual security that would cause a realization of an accounting loss on the security". City Colleges limits its risk tolerance by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are implicitly guaranteed by the United States Government. However, City Colleges' investment policy does not specifically limit City Colleges to these types of investments, as noted above.

Custodial credit risk – as it relates to investments, custodial credit risk is the risk that in the event of the failure of the counterparty to the investment, City Colleges will not be able to recover the value of its investments held by an outside party. All City Colleges' investment counterparties are limited to banks or trust companies authorized to do business in the State of Illinois that are member banks of the Federal Reserve System, and only to registered primary reporting dealers who are registered as broker-dealers with the Securities and Exchange Commission as required by City Colleges' investment policy. The District's investments in Federal agency bonds, notes and commercial paper were subject to custodial credit risk as of June 30, 2014.

Concentration of credit risk – Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. At June 30, 2014, City Colleges had the following investments that exceeded 5% of the investment portfolio: Federal Home Loan Bank of \$23,026,049 and Federal Home Loan Mortgage Corporation of \$22,509,432. Since these investments were issued by the U.S. government, they are excluded from the concentration of credit risk.

Prohibitions – City Colleges' investment policy specifically prohibits the use of or investment in reverse repurchase agreements, inverse floaters, and derivative products such as collateralized mortgage obligations (CMOs), interest-only securities (IOs), principal-only securities (POs) and other securities that could impart leverage to the portfolio or have highly unpredictable cash flows.

The investment portfolio will be diversified to avoid incurring undue concentration in securities of one type or securities of one financial institution or maturities.

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

**Notes to Basic Financial Statements
June 30, 2014**

2. DEPOSITS AND INVESTMENTS *(Continued)*

The State Treasurer maintains the Illinois Funds at cost (2a7 like pool) through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The fair value of City Colleges' investment in the funds is the same as the value of the pool shares. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. All funds deposited in the pool are classified as investments even though some could be withdrawn on a day's notice. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provision of the Illinois Public Investment Act, 30ILCS 235. The Illinois Funds is rated AAAM by Standard and Poor's.

The carrying amount of its investments at June 30, 2014, which approximates fair value, is \$277,525,080. City Colleges' investments are shown below:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less Than 1</u>	<u>1 - 5</u>
U.S. Treasury Bond / Note	AA+	\$ 124,914,124	\$ 43,437,569	\$ 81,476,555
Federal Agency Bond / Note	AA+	58,844,065	18,061,827	40,782,238
Illinois Trust CD Program	AAAm	24,050,000	23,558,000	492,000
Illinois Portfolio, IIIT Class	AAAm	89,861	89,861	-
Commercial Paper	A-1	52,951,682	52,951,682	-
Commercial Paper	A-1+	16,670,344	16,670,344	-
Total investments		<u>277,520,076</u>	<u>154,769,283</u>	<u>122,750,793</u>
Illinois Funds (Money Market)	AAAm	5,004	5,004	-
Total investments		<u>\$ 277,525,080</u>	<u>\$ 154,774,287</u>	<u>\$ 122,750,793</u>

3. OTHER ACCOUNTS RECEIVABLE

City Colleges' other accounts receivable consists of the following:

Student	\$ 16,260,086
Grants	7,840,087
State of Illinois	7,395,832
City of Chicago - TIF	8,343,505
Other	<u>6,825,999</u>
Gross other accounts receivable	46,665,509
Less: Allowance for uncollectibles	<u>(4,688,299)</u>
Other accounts receivable, net	41,977,210
Less: Non-current portion of City of Chicago - TIF	<u>7,634,715</u>
Current portion of other receivable, net	<u>\$ 34,342,495</u>

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

**Notes to Basic Financial Statements
June 30, 2014**

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 is summarized as follows:

	<u>July 1, 2013</u>	<u>Additions and Transfers In</u>	<u>Retirements and Transfers Out</u>	<u>June 30, 2014</u>
Capital assets not being depreciated:				
Land	\$ 50,588,046	\$ 3,028,345	\$ -	\$ 53,616,391
Construction in progress	80,178,270	89,545,193	(66,612,312)	103,111,151
Subtotal	<u>130,766,316</u>	<u>92,573,538</u>	<u>(66,612,312)</u>	<u>156,727,542</u>
Capital assets being depreciated:				
Equipment	17,064,376	461,526	-	17,525,902
Software	30,035,011	-	-	30,035,011
Buildings and improvements	725,256,411	65,584,145	(3,893,553)	786,947,003
Subtotal	<u>772,355,798</u>	<u>66,045,671</u>	<u>(3,893,553)</u>	<u>834,507,916</u>
Total capital assets	903,122,114	158,619,209	(70,505,865)	991,235,458
Accumulated depreciation:				
Equipment	13,243,235	1,012,901	-	14,256,136
Software	29,467,733	221,889	-	29,689,622
Buildings and improvements	239,271,415	19,368,294	(2,622,934)	256,016,775
Total accumulated depreciation	<u>281,982,383</u>	<u>20,603,084</u>	<u>(2,622,934)</u>	<u>299,962,533</u>
Capital assets, net	<u>\$ 621,139,731</u>	<u>\$ 138,016,125</u>	<u>\$ (67,882,931)</u>	<u>\$ 691,272,925</u>

5. NET POSITION

City Colleges' net position includes restricted and unrestricted resources. Unrestricted resources may be used at the discretion of the governing board to meet current expenses for any purpose. The Board of Trustees of City Colleges has designated \$35 million for other post-employment benefits. Net position also includes \$67 million of working cash. This qualifies as a stabilization arrangement, which is a formal arrangement set aside by the District to maintain amounts for budget stabilization or working capital needs. These funds may be spent through a transfer, an abolishment, or an abatement of amounts needed by the District. Amounts can be added to the working cash balance through replenishment, the issuance of bonds, or the levy of property taxes.

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

**Notes to Basic Financial Statements
June 30, 2014**

6. OPERATING LEASES

City Colleges leases equipment and office space under various operating lease agreements that will expire at various dates in the future. Certain leases for office space contain renewal provisions. WYCC-TV20 is a public broadcasting television station wholly owned and operated by City Colleges and is included within City Colleges' financial statements. The lease was renewed and will expire September 30, 2029. The new lease agreement will allow the continued and uninterrupted transmission of the broadcast services of WYCC-TV20.

Operating lease expense was \$2,043,615 for the year ended June 30, 2014.

Obligations under non-cancelable operating leases with initial or remaining terms in excess of one year as of June 30 are as follows:

2015	\$ 1,068,144
2016	1,071,147
2017	812,477
2018	680,205
2019	700,611
2020 - 2030	8,516,221
	<u>\$ 12,848,805</u>

7. OTHER ACCRUALS AND OTHER LIABILITIES

City Colleges' other accruals and other liabilities consist of the following as of June 30, 2014:

Other accruals	
Accrued for services	\$ 4,078,202
Accrued interest	1,078,124
Other accruals	776,029
Total other accruals	<u>\$ 5,932,355</u>
 Other liabilities	
Self insurance	\$ 5,759,833
Unclaimed property	3,077,164
Federal Government	2,039,957
Other	1,576,346
Total other liabilities	<u>\$ 12,453,300</u>

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

**Notes to Basic Financial Statements
June 30, 2014**

7. **OTHER ACCRUALS AND OTHER LIABILITIES** (Continued)

"Federal Government" refers to the U.S. Department of Education's conducted audit of compliance with Title IV federal financial aid regulations at Kennedy-King and Malcolm X Colleges in fiscal year 2011. City Colleges has reserved the final \$2 million for payment to the Department of Education.

8. **SICK LEAVE BENEFITS**

Upon the retirement, permanent disability, or death of a full-time eligible employee, it is the policy of City Colleges to pay over a 3 to 5 year period an amount equal to a percentage of the individual's accumulated unused sick days in the form of a termination benefit. Eligible employees include administrative employees and certain union-represented employees who have served continuously for 10 years or more and are eligible for an annuity under the State University Retirement System (SURS), generally at age 55. The method of calculating the estimated present value of an eligible employee's termination benefit liability uses the following assumptions: (1) estimated average annual salary increments of 2.5%, (2) future payments discounted by a 4.5% interest factor in 2013 and (3) estimated rates of retention as adopted from the *Actuary's Pension Handbook* adjusted for mortality in accordance with published mortality tables.

During fiscal year 2012, the Board amended the unused and accrued sick time policy. Effective July 1, 2012, upon retirement, administrative employees hired before January 1, 2012, are eligible to receive payment for his or her accumulated sick days pursuant to the Board's early retirement program but that payment shall be limited to either the amount of sick leave accumulated through July 1, 2012, or the amount of sick leave the employee has at the time of retirement, whichever is less. Employees hired after January 1, 2012, may accrue a maximum of 200 days but will not be eligible for payment of any unused accrued sick time. Any sick days remaining in their bank may be used for service credit in accordance with the rules of the SURS. Union represented employees hired before June 7, 2012, may accrue unlimited sick leave, but the payout is capped at the amount accrued as of July 1, 2014. For those hired after June 7, 2012, they can accrue up to 200 sick days, but no payments will be made upon retirement.

During fiscal year 2014, The Chicago Teachers Union Local 1600, approved a new contract. The union contract states that after July 1, 2014 there will be no cash payout for sick leave upon retirement. Thus, the amount previously accrued for these employees has been removed from this liability as of June 30, 2014.

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

**Notes to Basic Financial Statements
June 30, 2014**

8. SICK LEAVE BENEFITS (Continued)

At June 30, 2014, City Colleges accrued \$4,087,412 for the estimated present value of these future retiree benefits for current employees and \$7,369,606 in benefits payable to retired employees for a total of \$11,457,018. (See Note 9)

9. CHANGES IN NON-CURRENT LIABILITIES

Changes in non-current liabilities for the year ended June 30, 2014 are as follows:

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>June 30, 2014</u>	<u>Amounts due within one year</u>
Accrued compensated absences	\$ 3,165,710	\$ 1,194,062	\$ (1,340,662)	\$ 3,019,110	\$ 2,647,229
Accrued property tax refund	10,737,144	6,375,084	(5,239,022)	11,873,206	-
Sick leave benefits	17,833,993	5,944	(6,382,919)	11,457,018	2,662,879
Other post-retirement benefits	35,459,799	11,072,215	(6,828,202)	39,703,812	-
Bonds payable	-	250,000,000	-	250,000,000	-
Bonds premiums and discounts	-	8,233,226	(826,444)	7,406,782	-
	<u>\$ 67,196,646</u>	<u>\$276,880,531</u>	<u>\$(20,617,249)</u>	<u>\$ 323,459,928</u>	<u>\$ 5,310,108</u>

10. EMPLOYEE RETIREMENT PENSION PLAN

Plan Description: City Colleges contributes to the State Universities Retirement System (SURS) defined benefit and defined contribution plans. SURS is a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation, whereby the State of Illinois 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 the state universities, certain affiliated organizations, certain other state educational and scientific agencies, and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by section 5/15, Chapter 40, of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org, or calling 1-800-275-7877.

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

**Notes to Basic Financial Statements
June 30, 2014**

10. EMPLOYEE RETIREMENT PENSION PLAN *(Continued)*

Funding Policy: Plan members are required to contribute 8.0% of their annual covered salary, and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate for fiscal year 2015 is 35.80% of annual covered payroll and was 35.20% and 34.51% for fiscal years 2014 and 2013, respectively. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

The employer contributions to SURS for the year ended June 30, 2014, City Colleges' recognizes the amount appropriated by the State as additional state appropriations (non-operating) revenue and recognizes the corresponding expense as operating. While the majority of the employer contributions are made by the State, employer contributions for some positions that are federal grant funded are the responsibility of the employer.

The employer contributions to SURS made by the State of Illinois and City Colleges are as follows:

<u>Fiscal Year</u>	<u>State of Illinois</u>	<u>City Colleges</u>
2014	\$ 68,087,735	\$ 689,776
2013	63,780,346	925,533
2012	43,796,241	1,099,486

11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description: In addition to providing the pension benefits described in Note 10, City Colleges provides other post-employment health care benefits (OPEB) and life insurance to retirees and their spouses. The benefits, benefit levels, employee contributions and employer contributions are governed by City Colleges and can be amended by City Colleges through its personnel manual and union contracts. An irrevocable trust has not been established to account for the plan, so the plan is not accounted for as a trust fund and does not issue a separate report.

Benefits Provided: City Colleges pays approximately 90% of the medical and life insurance premiums for most retirees and spouses. For other retirees, City Colleges pays a portion of the medical premium. To be eligible for benefits, an employee must qualify for retirement under SURS. It is expected that all full-time active employees who retire directly from City Colleges and meet the eligibility criteria will participate.

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

**Notes to Basic Financial Statements
June 30, 2014**

11. OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Membership: As of June 30, 2014, 2013, and 2012, membership consisted of:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Retirees currently receiving benefits	682	660	668
Active employees – vested	<u>1,976</u>	<u>1,700</u>	<u>1,726</u>
TOTAL	<u>2,658</u>	<u>2,360</u>	<u>2,394</u>
 Participating Employers	 <u>1</u>	 <u>1</u>	 <u>1</u>

Funding Policy: Currently, City Colleges provides subsidized coverage for the medical, dental and vision insurance for a period of 10 years from the employee’s retirement date. Retired employees are covered for life insurance for a period of six to ten years, with City Colleges paying the cost of the coverage. During the ten year subsidy period, City Colleges pays approximately 90% of the cost of the premiums and retirees pay approximately 10% of the cost of the medical, dental and vision coverage. City Colleges’ contribution is estimated and is based on premiums, retiree contributions and retirees participating in the plan in 2014. The actuarial valuation is used to determine the total actuarial liability and annual required contribution for the post-retirement medical and life insurance benefits provided for purposes of GASB Statement No. 45. For the fiscal year ended June 30, 2014, City Colleges contributed \$6,828,202.

Annual OPEB costs and the Net OPEB Obligation are based on the calculations and parameters prescribed in GASB Statement No. 45. A valuation date of July 1, 2014 and the Projected Unit Credit actuarial cost method was used. Using a closed amortization period, the annual required contribution is calculated as the normal cost plus a 30-year amortization of the unfunded actuarial liability as a level-dollar amount. The assumptions also include data regarding demographic and mortality rates, an inflation rate of 3% per year, an interest rate assumption of 4.5% per year, and a health care cost trend rate assumption that starts at 7.5% in 2014 and gradually declines to 4.0% by the year 2022. This valuation also considers projections and estimates of future retiree health care benefits based on actuarial standards issued by the Actuarial Standards Board. In performing the actuarial valuation of the OPEB programs, the actuarial assumptions for fiscal year 2014 included premium rates, payroll, data, variation of health care costs, census data regarding participants and age factors in each plan.

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

**Notes to Basic Financial Statements
June 30, 2014**

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial calculations of City Colleges' OPEB plan reflect a long-term perspective. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future.

The actuarial value of assets was not determined as City Colleges has not fully advanced-funded its obligation. However, City Colleges has \$35 million in investments designated for this obligation in 2014. Based upon the above valuations, City Colleges' annual OPEB costs and Net OPEB Obligation shown in the tables on the following page discloses the actuarial calculations of the OPEB plan and its actuarial accrued funded status for fiscal years 2014, 2013, and 2012.

Annual OPEB Costs and Net OPEB Obligation

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2014	\$ 11,072,215	\$ 6,828,202	61.7%	\$ 39,703,812
June 30, 2013	11,413,965	6,774,237	59.4%	35,459,799
June 30, 2012	11,593,396	7,485,562	64.6%	30,820,071

	<u>2014</u>
Annual Required Contribution	\$ 11,559,712
Interest on Net OPEB Obligation	1,595,691
Adjustment to Annual Required Contribution	<u>(2,083,188)</u>
Annual OPEB Cost	11,072,215
Contributions Made	<u>(6,828,202)</u>
Increase in Net OPEB Obligation	4,244,013
Net OPEB Obligation Beginning of Year	<u>35,459,799</u>
Net OPEB Obligation End of Year	<u><u>\$ 39,703,812</u></u>

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

**Notes to Basic Financial Statements
June 30, 2014**

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

The actuarially determined funded status of the plan as of June 30 is as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarial Value of Assets	\$ -	\$ -	\$ -
Actuarial Liability	<u>115,158,411</u>	<u>112,458,352</u>	<u>119,275,116</u>
Unfunded Actuarial Liability	\$ 115,158,411	\$ 112,458,352	\$ 119,275,116
Funded Ratio (actuarial value of assets/AAL)	0%	0%	0%
Covered Payroll (active plan members)	\$ 128,106,608	\$ 107,485,980	\$ 110,092,137
UAAL as a Percentage of Active Member Payroll	89.9%	104.6%	108.3%

12. LONG-TERM DEBT

On October 8, 2013, City Colleges issued \$250,000,000 in Unlimited Tax General Obligation Bonds (Series 2013) at a net premium of \$8,233,226. The Bonds were issued with interest rates ranging from 4.00% to 5.50% with payment dates of June 1 and December 1 of each year. The proceeds derived from the issuance of these bonds will be used to (i) construct, acquire and equip City Colleges' campus and administrative buildings and make site improvements and other capital expenditures related to the five year \$545.6 million capital improvement plan and (ii) pay the cost of issuance of the bonds including the underwriters' discount. The bonds are secured by the pledged revenues of tuition and fees, and state grants. Furthermore, City Colleges has levied the pledged property taxes to satisfy the debt service on the bonds if the pledged revenues are insufficient. However, based on projected receipts of pledged revenues, City Colleges anticipates that all pledged taxes will be abated on a year-by-year basis prior to such pledged taxes being extended.

Following is the future debt service requirements for the Bonds:

<u>Fiscal Year</u>	<u>Principal Payment</u>	<u>Interest</u>	<u>Total</u>
2015	\$ -	\$ 12,937,487	\$ 12,937,487
2016	4,005,000	12,857,387	16,862,387
2017	4,165,000	12,693,988	16,858,988
2018	4,335,000	12,502,313	16,837,313
2019	4,550,000	12,280,187	16,830,187
2020 - 2024	26,390,000	57,662,188	84,052,188
2025 - 2029	33,785,000	50,049,049	83,834,049
2030 - 2034	43,625,000	39,962,731	83,587,731
2035 - 2039	56,290,000	26,928,925	83,218,925
2040 - 2044	72,855,000	9,953,082	82,808,082
Total	<u>\$ 250,000,000</u>	<u>\$ 247,827,337</u>	<u>\$ 497,827,337</u>

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

**Notes to Basic Financial Statements
June 30, 2014**

13. RISK MANAGEMENT

City Colleges is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These matters are managed by the Office of Risk Management in concert with the district's Insurance Broker, Insurance Carriers and Third Party Claims Administrator.

A. General Liability - Property Policy and Educators Legal Liability Policy

General Liability includes claims of property and non-property matters. This exposure is insured under a buffer policy and an excess policy. The underlying retention is \$250,000. Property insurance is designed to provide coverage for the District's real estate assets, boilers, machinery, contents as well as its vehicles. City Colleges maintains a commercial property policy with limits equal to \$500,000,000 with various sub-limits dependent upon the nature of the loss. The retention stands at \$25,000.

The amount of liability of City Colleges is further limited by the "Local Government and Governmental Employees Tort Immunity Act." This Act gives City Colleges the authority to levy a special judgment tax or to issue bonds to pay qualifying tort related expenses.

The District procures an Educators Legal Liability Policy (ELL) to cover a broad range of non-bodily injury or non-property damage liability claims made against the District, administrators, employees and staff. Claims associated with ELL matters are managed by the Office of the General Counsel with cooperation of the Office of Risk Management. Policy limits of \$5,000,000 in the aggregate and \$5,000,000 per occurrence apply, with retention of \$250,000.

City Colleges follows the practice of recognizing the expenses for general liability claims in the year such settlements become probable and estimable. City Colleges has accrued funds for estimated future claims of \$566,720 as of June 30, 2014.

City Colleges' management believes there are no material lawsuits or claims covered by the general liability self-insurance programs that have not been adequately accrued.

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

**Notes to Basic Financial Statements
June 30, 2014**

13. RISK MANAGEMENT (Continued)

B. Workers' Compensation

City Colleges retains a portion of workers' compensation risk and maintains an excess commercial policy for individual claims exceeding \$550,000 up to the statutory limit. City Colleges estimates future claims based on a loss development factor and a specific claim reserve. City Colleges has accrued for estimated future claims of \$2,806,199 as of June 30, 2014. City Colleges' management believes that there are no material lawsuits or claims covered by the workers' compensation self-insurance program that have not been adequately covered.

C. Health Insurance

City Colleges self-insures for a portion of its health costs for eligible employees. Future claims are estimated based on historical charges and lag periods. City Colleges has accrued estimated medical expenses of \$2,386,914 as of June 30, 2014 that have been incurred, but not claimed.

The following table shows the activity within the District's self-insurance liability which is reported within other current liabilities on the statement of net position. (See Note 7)

Summary of Changes in Self-Insurance

	<u>June 30, 2013</u>	<u>Incurred Claims</u>	<u>Payment on Claims</u>	<u>June 30, 2014</u>
General liability	\$ 917,400	\$ 123,845	\$ (474,525)	\$ 566,720
Workers' compensation	3,154,158	585,976	(933,935)	2,806,199
Health insurance	3,201,286	22,110,515	(22,924,887)	2,386,914
	<u>\$ 7,272,844</u>	<u>\$ 22,820,335</u>	<u>\$ (24,333,346)</u>	<u>\$ 5,759,833</u>

	<u>June 30, 2012</u>	<u>Incurred Claims</u>	<u>Payment on Claims</u>	<u>June 30, 2013</u>
General liability	\$ 944,000	\$ 137,726	\$ (164,326)	\$ 917,400
Workers' compensation	3,629,864	468,613	(944,319)	3,154,158
Health insurance	1,246,314	29,532,384	(27,577,412)	3,201,286
	<u>\$ 5,820,178</u>	<u>\$ 30,138,723</u>	<u>\$ (28,686,057)</u>	<u>\$ 7,272,844</u>

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

**Notes to Basic Financial Statements
June 30, 2014**

14. COMMITMENTS AND CONTINGENCIES

City Colleges is a defendant in litigation under various matters (sexual harassment, discrimination, personal injury, loss of wages, unfair labor practice, breach of employment contract, etc.) arising in the ordinary course of business. In the opinion of management, this litigation will be vigorously defended and resolved without any material adverse effect upon the financial position of City Colleges.

As of June 30, 2014, City Colleges had \$73 million in commitments for its capital plan, all of which are being funded by City Colleges.

Statistical Section

This part of City Colleges of Chicago's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and notes disclosures says about the college's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how City Colleges' financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess City Colleges' most significant local revenue source, the property tax and tuition and fees revenue.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City Colleges' current levels of outstanding debt and the college's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which City Colleges' financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in City Colleges' financial report relates to the services the college provides and the activities it performs.

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

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

Table A

**Financial Trends
Components of Net Position (Unaudited)
Last Ten Fiscal Years**

	Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Position:										
Net investment in capital assets	\$ 294,687,579	\$ 352,604,264	\$ 492,006,098	\$ 569,734,877	\$ 570,962,411	\$ 593,174,965	\$ 593,020,416	\$ 600,335,077	\$ 621,139,731	\$ 658,505,276
Restricted for specific purposes										
Capital Projects	40,141,921	44,140,970	53,039,227	28,768,926	56,156,946	44,507,719	92,978,002	97,683,367	-	-
Lease Obligations	35,519,213	31,071,292	23,795,853	-	-	-	-	-	-	-
Audit	-	-	-	-	-	-	-	-	64,118	194,892
Liability, protection, and settlement	-	-	-	-	-	-	-	-	6,007,472	7,187,039
PBC operations and maintenance	-	-	-	-	-	-	-	-	607,045	607,045
Other	29,343,965	64,113,553	69,032,703	72,738,397	72,753,668	69,361,867	71,830,566	70,154,208	-	-
Unrestricted	73,393,636	63,823,389	77,358,746	71,794,664	67,104,370	86,874,142	66,367,440	92,820,212	254,548,655	221,854,399
Total Net Position	<u>\$ 473,086,314</u>	<u>\$ 555,753,468</u>	<u>\$ 715,232,627</u>	<u>\$ 743,036,864</u>	<u>\$ 766,977,395</u>	<u>\$ 793,918,693</u>	<u>\$ 824,196,424</u>	<u>\$ 860,992,864</u>	<u>\$ 882,367,021</u>	<u>\$ 888,348,651</u>

Source: City Colleges of Chicago Comprehensive Annual Financial Reports

Note: Beginning in fiscal year 2013, the District reclassified its formerly restricted net position relating to capital projects and other to unrestricted net position.

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

Table B

**Financial Trends
Changes in Net Position (Unaudited)
Last Ten Fiscal Years**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Operating revenues:										
Student tuition and fees (net of scholarship allowances)	\$ 37,807,639	\$ 39,919,583	\$ 35,352,547	\$ 37,779,085	\$ 46,719,262	\$ 48,044,246	\$ 46,100,054	\$ 44,216,800	\$ 45,524,856	\$ 43,551,469
Other operating revenues	6,245,354	8,277,517	7,130,296	6,997,724	7,773,577	7,442,333	8,370,707	7,530,445	10,407,332	9,806,723
Total operating revenues	<u>44,052,993</u>	<u>48,197,100</u>	<u>42,482,843</u>	<u>44,776,809</u>	<u>54,492,839</u>	<u>55,486,579</u>	<u>54,470,761</u>	<u>51,747,245</u>	<u>55,932,188</u>	<u>53,358,192</u>
Operating expenses:										
Instructional staff	74,456,743	77,081,414	79,978,494	81,587,686	88,799,795	90,477,097	88,565,180	88,192,744	97,927,822	100,033,039
Non-instructional staff	71,228,064	79,361,358	85,211,555	94,272,264	92,884,417	95,556,737	93,023,672	101,665,123	103,702,031	110,941,259
Fringe benefits	37,128,733	35,479,612	38,573,600	48,646,332	52,008,207	64,479,515	67,970,166	78,556,221	116,384,988	101,050,332
Supplies	13,422,448	14,115,136	18,458,080	17,756,862	13,262,646	14,646,462	13,885,552	15,409,438	22,703,765	20,216,270
Professional development	1,562,422	2,018,035	2,285,888	2,294,480	2,053,242	1,826,668	1,325,058	1,484,245	1,272,691	1,487,147
Equipment not capitalized	5,176,669	2,291,005	2,775,642	25,457,028	3,846,842	4,838,391	5,765,922	7,169,078	-	-
Utilities	9,291,553	10,373,592	10,558,453	12,565,805	11,405,723	10,299,268	9,834,789	9,833,894	9,041,755	8,422,751
Contractual services	35,254,654	37,894,971	36,639,498	45,368,250	37,549,206	42,380,663	46,303,596	37,456,245	39,843,034	39,678,006
Depreciation	16,800,331	21,810,983	20,667,118	27,231,445	21,336,035	18,367,180	22,245,912	19,844,225	19,605,043	20,603,084
Financial aid (net of scholarship allowances)	34,141,440	31,470,269	26,031,017	32,612,287	46,833,746	57,192,354	73,006,767	88,128,031	62,302,469	54,757,208
Other expenses	3,841,210	4,377,241	4,255,320	2,203,370	2,222,996	4,301,200	13,379,760	1,873,076	4,572,743	3,208,895
Total operating expenses	<u>302,304,267</u>	<u>316,273,616</u>	<u>325,434,665</u>	<u>389,995,809</u>	<u>372,202,855</u>	<u>404,365,535</u>	<u>435,306,374</u>	<u>449,612,320</u>	<u>477,356,341</u>	<u>460,397,991</u>
Operating loss	<u>(258,251,274)</u>	<u>(268,076,516)</u>	<u>(282,951,822)</u>	<u>(345,219,000)</u>	<u>(317,710,016)</u>	<u>(348,878,956)</u>	<u>(380,835,613)</u>	<u>(397,865,075)</u>	<u>(421,424,153)</u>	<u>(407,039,799)</u>
Non-operating revenues (expenses):										
State apportionment and equalization	36,692,418	38,580,616	41,498,443	39,808,436	37,759,550	38,637,438	48,683,543	48,683,543	44,243,857	44,091,624
Other state grants and contracts	52,507,309	48,190,000	54,901,471	59,444,571	64,191,417	72,578,870	75,378,306	87,343,845	101,432,160	103,024,737
Local grants and contracts	4,304,120	3,616,535	4,900,467	4,073,193	4,706,664	5,646,914	5,273,784	5,241,086	5,573,604	5,042,722
Local property taxes	90,808,565	101,823,185	107,099,097	113,234,703	121,020,792	127,316,069	123,516,103	121,811,625	120,202,490	118,738,148
Property taxes for lease obligations	35,165,454	29,592,741	30,099,651	13,912,993	-	-	-	-	-	-
Personal property replacement tax	10,499,413	13,307,576	14,518,747	15,525,950	13,581,642	11,416,700	13,924,035	12,319,744	14,076,439	13,548,322
Federal grants and contracts	65,190,589	62,483,048	57,549,889	64,170,398	78,525,778	110,203,448	140,186,492	156,278,485	131,057,829	121,249,812
Litigation settlement	-	-	-	-	-	656,745	-	-	-	-
Investment income	4,893,017	8,264,368	13,311,136	11,293,733	5,829,685	2,028,369	1,589,648	1,557,008	579,765	1,633,125
Building lease and interest payments on debt	<u>(12,531,839)</u>	<u>(12,687,374)</u>	<u>(6,873,136)</u>	<u>(2,016,881)</u>	-	-	-	-	-	<u>573,157</u>
Non-operating revenues, net	<u>287,529,046</u>	<u>293,170,695</u>	<u>317,005,765</u>	<u>319,447,096</u>	<u>325,615,528</u>	<u>368,484,553</u>	<u>408,551,911</u>	<u>433,235,336</u>	<u>417,166,144</u>	<u>407,901,647</u>
Income (loss) before capital appropriations and grants	29,277,772	25,094,179	34,053,943	(25,771,904)	7,905,512	19,605,597	27,716,298	35,370,261	(4,258,009)	861,848
Capital appropriations and grants	53,842,700	57,572,975	125,425,216	53,576,141	16,035,019	7,335,701	2,561,433	1,426,179	25,632,166	5,119,782
Change in net position	<u>\$ 83,120,472</u>	<u>\$ 82,667,154</u>	<u>\$ 159,479,159</u>	<u>\$ 27,804,237</u>	<u>\$ 23,940,531</u>	<u>\$ 26,941,298</u>	<u>\$ 30,277,731</u>	<u>\$ 36,796,440</u>	<u>\$ 21,374,157</u>	<u>\$ 5,981,630</u>

Source: City Colleges of Chicago Comprehensive Annual Financial Reports

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

Table C

**Revenue Capacity
Assessed and Estimated Value of Taxable Property (Unaudited)
Last Ten Fiscal Years**

Tax Year Levy	Class 2 Residential Property	Class 5 Commercial Property	Class 5 Industrial Property	Other Railroad Property	Total Equalized Assessed Valuation (1)	Total Equalized Assessed Valuation (2)	Total Estimated Fair Value (3)
2004	\$ 28,155,943,958	\$ 20,900,364,460	\$ 6,125,973,343	\$ 63,041,595	\$ 55,245,323,356	\$ 55,309,122,652	\$ 165,927,367,956
2005	31,195,901,972	21,662,642,248	6,345,138,874	64,612,951	59,268,296,045	59,274,592,340	177,823,777,020
2006	39,513,066,849	22,593,682,265	7,297,814,078	68,665,828	69,473,229,020	69,479,300,657	208,437,901,971
2007	43,685,644,783	22,387,633,179	7,454,940,830	77,095,720	73,605,314,512	73,611,156,177	220,833,468,531
2008	48,377,972,238	24,468,644,597	7,993,155,293	84,112,105	80,923,884,233	80,929,580,524	242,788,741,572
2009	52,169,503,706	24,491,319,005	7,785,890,009	98,313,889	84,545,026,609	84,550,505,262	253,651,515,786
2010	51,831,630,468	22,565,050,951	7,530,442,082	119,792,938	82,046,916,439	82,052,222,695	246,156,668,085
2011	47,818,408,543	19,929,694,759	7,209,360,847	125,341,819	75,082,805,968	75,087,804,739	225,263,414,217
2012	39,247,090,939	19,340,669,493	6,496,120,614	130,470,559	65,214,351,605	65,221,057,665	195,663,172,995
2013	37,165,845,442	18,664,711,059	6,359,267,977	140,913,053	62,330,737,531	62,337,066,955	187,011,200,865

Note: Assessed value is computed by the Cook County Clerk's office at one-third estimated actual value.

Sources: Cook County Clerks' Offices

- (1) Source: Cook County Clerks Office. Includes Cook County Valuation only
- (2) Source: Cook County Clerks Office. Includes Cook & DuPage County Valuation
- (3) Source: Cook County Clerks Office. Total equalized assessed valuation is computed at one-third the estimated actual fair value.

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

**Table D
Revenue Capacity
Property Tax Rates - Direct and Overlapping Governments (Unaudited)
Last Ten Levy Years**

Taxing Bodies <i>(per \$100 of assessed valuation)</i>	Legal Limit	Tax Levy Year									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City Colleges of Chicago											
Audit Fund	\$ 0.005	\$ 0.001	\$ 0.001	\$ 0.002	\$ -	\$ 0.002	\$ -	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001
Tort Liability	N/A	0.009	0.005	0.005	0.009	0.007	0.004	0.007	0.010	0.008	0.009
Education Fund	0.175	0.136	0.133	0.116	0.109	0.104	0.104	0.100	0.109	0.131	0.149
Operations and Maintenance Fund	0.050	0.041	0.043	0.039	0.041	0.043	0.042	0.043	0.045	0.050	0.040
PBC Rental	N/A	0.056	0.052	0.043	-	-	-	-	-	-	-
Total City Colleges of Chicago Rate		<u>\$ 0.243</u>	<u>\$ 0.234</u>	<u>\$ 0.205</u>	<u>\$ 0.159</u>	<u>\$ 0.156</u>	<u>\$ 0.150</u>	<u>\$ 0.151</u>	<u>\$ 0.165</u>	<u>\$ 0.189</u>	<u>\$ 0.199</u>
Overlapping Rates											
Chicago Board of Education		\$ 3.104	\$ 3.026	\$ 2.697	\$ 2.583	\$ 2.472	2.366	2.581	2.875	3.422	3.671
School Finance Authority		0.177	0.127	0.118	0.091	-	-	-	-	-	-
City of Chicago		1.302	1.243	1.062	1.044	1.147	1.098	1.132	1.229	1.425	1.496
Chicago Park District		0.455	0.443	0.379	0.355	0.323	0.309	0.319	0.346	0.395	0.420
Metropolitan Water Reclamation District		0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417
Cook County		0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560
Cook County Forest Preserve		0.060	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069
South Cook County Mosquito Abatement		-	0.010	0.007	0.006	0.009	0.009	0.010	0.012	0.014	0.016
Total Overlapping Rate		<u>\$ 6.038</u>	<u>\$ 5.757</u>	<u>\$ 5.104</u>	<u>\$ 4.841</u>	<u>\$ 4.669</u>	<u>\$ 4.486</u>	<u>\$ 4.790</u>	<u>\$ 5.302</u>	<u>\$ 6.220</u>	<u>\$ 6.649</u>
Total Rate		<u>\$ 6.281</u>	<u>\$ 5.991</u>	<u>\$ 5.309</u>	<u>\$ 5.000</u>	<u>\$ 4.825</u>	<u>\$ 4.636</u>	<u>\$ 4.941</u>	<u>\$ 5.467</u>	<u>\$ 6.409</u>	<u>\$ 6.848</u>
Tax Extensions (\$ thousands)											
Audit Fund		\$ 396	\$ 600	\$ 1,567	\$ -	\$ 1,600	\$ -	\$ 650	\$ 650	\$ 650	\$ 584
Tort Liability		4,753	3,000	3,092	6,574	5,399	2,865	5,736	7,736	4,361	5,584
Education Fund		75,386	79,131	81,466	80,486	84,245	87,682	81,669	81,669	85,144	92,760
Operations and Maintenance Fund		22,427	25,160	26,799	29,972	34,997	35,694	35,186	33,186	33,186	24,912
PBC Operations & Maintenance		8,227	-	-	-	-	-	-	-	-	-
PBC Rental		22,643	30,796	29,496	-	-	-	-	-	-	-
		<u>\$ 133,832</u>	<u>\$ 138,687</u>	<u>\$ 142,420</u>	<u>\$ 117,032</u>	<u>\$ 126,241</u>	<u>\$ 126,241</u>	<u>\$ 123,241</u>	<u>\$ 123,241</u>	<u>\$ 123,341</u>	<u>\$ 123,841</u>

Source: Cook County Clerk's Office

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

**Table E
Revenue Capacity
Principal Property Taxpayers (Unaudited)
Current Year and Nine Years Ago**

Taxpayer	2013			2005		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Willis Tower (formerly Sears Tower)	\$ 370,197	1	0.59%	\$ 519,080	1	0.88%
AON Building	248,906	2	0.40%	341,767	2	0.58%
HCSC Blue Cross A Pini	201,987	3	0.32%	-	-	-
Prudential Plaza	193,495	4	0.31%	295,933	3	0.50%
Water Tower Place	190,953	5	0.31%	183,187	9	0.31%
Chase Tower	190,442	6	0.31%	259,021	5	0.44%
AT&T Corporate Center 1	183,114	7	0.29%	268,519	4	0.45%
Three First National Plaza	177,862	8	0.29%	190,340	7	0.32%
131 S. Dearborn	177,008	9	0.28%	-	-	-
300 LaSalle LLC	159,537	10	0.26%	-	-	-
Northwestern Atrium (formerly Citicorp)	-	-	-	205,727	6	0.35%
Leo Burnett Building	-	-	-	188,219	8	0.32%
Equity Office Properties	-	-	-	179,134	10	0.30%
	<u>\$ 2,093,501</u>		<u>3.36%</u>	<u>\$ 2,630,927</u>		<u>4.44%</u>

Source: Cook County Assessor's Office – 2013 is latest data available.

Cook County Clerk's Office

Taxable assessed value in thousands of dollars

NOTE:

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

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

Table F

**Revenue Capacity
Property Tax Levies and Collections (Unaudited)
Last Ten Levy Years**

Levy Year	Fiscal Year of Extension	Tax Levied	Collected within the Fiscal year of Extension (A)		Collections in Subsequent Years	Total Collections to Date (B)	
			Amount	Percentage of Tax Levy		Amount	Percentage of Levy
2004	2005	\$ 133,832,242	\$ 60,247,374	45.02%	\$ 69,995,893	\$ 130,243,267	97.32%
2005	2006	138,687,813	63,708,323	45.94%	71,715,764	135,424,087	97.65%
2006	2007	142,420,119	64,542,937	45.32%	72,359,498	136,902,435	96.13%
2007	2008	117,032,450	65,674,332	56.12%	47,686,592	113,360,924	96.86%
2008	2009	126,241,259	56,373,682	44.66%	66,203,976	122,577,658	97.10%
2009	2010	126,817,540	64,591,707	50.93%	58,112,458	122,704,165	96.76%
2010	2011	123,890,844	64,730,979	52.25%	56,267,967	120,998,946	97.67%
2011	2012	123,886,630	63,562,811	51.31%	57,738,926	121,301,737	97.91%
2012	2013	123,907,268	62,712,317	50.61%	58,945,675	121,657,992	98.18%
2013	2014	124,038,168	63,503,739	51.20%	-	63,503,739	51.20%

Notes: (A) The amount does not represent a full year's tax collection.

(B) The total amount collected to date is net of refunds.

Source: College and Cook County Treasurer's Tax Records, Office of the County Clerk

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

Table G
Revenue Capacity
Enrollment, Tuition and Fee Rates, Credit Hours, Tuition and Fee Revenues Generated (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Fall Term 8th Day Enrollment			In District Tuition & Fees per Semester Hr	Out of District Tuition & Fees per Semester Hr	Out of State Tuition & Fees per Semester Hr	Total Semester Credit Hrs Generated	Tuition & Fees Revenue	Less: Scholarships and Allowances	Tuition & Fees Revenue (Net)
	FTE Credit Courses	Headcount Credit Courses	Headcount Noncredit Courses							
2005	22,135	50,217	79,355	62.00	229.21	314.95	1,164,887	\$ 63,734,062	\$ (25,926,423)	\$ 37,807,639
2006	20,950	47,181	68,279	67.00	162.65	266.20	1,085,936	67,578,330	(27,658,747)	39,919,583
2007	20,647	47,031	63,675	72.00	180.83	291.61	1,064,630	69,513,402	(34,160,855)	35,352,547
2008	21,165	47,609	65,668	72.00	189.95	309.76	1,050,801	75,276,720	(37,497,635)	37,779,085
2009	23,218	50,500	70,438	72.00	258.99	306.89	1,136,523	85,837,178	(39,117,916)	46,719,262
2010	27,347	57,423	70,094	79.00	259.15	301.55	1,260,579	104,761,982	(56,717,736)	48,044,246
2011	29,194	60,514	58,935	87.00	171.56	228.35	1,207,136	114,587,331	(68,487,277)	46,100,054
2012	29,602	61,756	55,009	89.00	173.56	230.35	1,190,902	115,477,680	(71,260,880)	44,216,800
2013	31,044	62,391	51,864	89.00	185.38	236.59	1,209,973	111,907,384	(66,382,528)	45,524,856
2014	30,692	62,100	47,258	89.00	202.01	249.71	1,213,002	110,456,613	(66,905,144)	43,551,469

Source: City Colleges of Chicago Comprehensive Annual Financial Reports

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

Table H

**Debt Capacity
Ratios of General Debt Outstanding (Unaudited)
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Capital Leases	Total Outstanding Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2005	\$ 30,399,472	\$ 78,610,000	\$ 109,009,472	0.06%	37.91
2006	-	56,105,000	56,105,000	0.03%	20.38
2007	-	31,695,000	31,695,000	0.01%	11.65
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	250,000,000	-	250,000,000	0.13%	91.95

Note: Details of the City Colleges' outstanding bonded debt can be found in the notes to the financial statements.

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

Table I

**Debt Capacity
Direct and Overlapping Long-Term Debt (Unaudited)
(\$000s)**

	As of June 30, 2014		
	Net Direct Long-Term Debt (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Direct Debt			
City Colleges of Chicago	\$ 250,000	100.00%	\$ 250,000
Estimated General Obligation Overlapping Debt			
City of Chicago G. O. Bonds	\$ 7,670,298	100.00%	\$ 7,670,298
Chicago Board of Education	6,207,790	100.00%	6,207,790
Chicago Park District	865,665	100.00%	865,665
Metropolitan Water Reclamation District of Greater Chicago	2,481,972	48.91%	1,213,933
Cook County	3,578,905	47.92%	1,715,011
Cook County Forest Preserve District	179,655	47.92%	<u>86,091</u>
Total Estimated Overlapping Long-Term Debt			<u>\$ 17,758,788</u>
Direct and Estimated Overlapping Long-Term Debt			<u>\$ 18,008,788</u>

(1) Source: City of Chicago CAFR; Amount of Net Direct Debt was obtained from each respective taxing bodies

(2) Assessed value data used to estimate applicable percentage is provided by the Office of the Cook County Clerk. Percentages are calculated by dividing each taxing district's 2013 City of Chicago tax extension, within the City of Chicago, by the total Cook County extension for the district.

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

Table J

**Demographic and Economic Information
Demographic and Economic Statistics (Unaudited)
Last Ten Fiscal Years**

Fiscal Year	(A) Population	Personal Income (in thousands)	(B) Per Capita Personal Income	(C) Unemployment Rate
2005	2,752,523 *	\$ 112,110,262	\$ 40,730	7.00%
2006	2,720,181 *	119,122,166	43,792	5.30%
2007	2,703,991 *	125,822,109	46,532	5.60%
2008	2,697,359 *	127,145,411	47,137	7.00%
2009	2,697,006 *	120,982,295	44,858	10.90%
2010	2,695,598 ^	122,159,110	45,318	10.50%
2011	2,704,340 *	127,125,615	47,008	10.40%
2012	2,712,920 *	132,778,444 *	48,943	10.10%
2013	2,718,782 *	-----Not Available	-----	-----
2014	-----	-----Not Available	-----	-----

Sources: (A) US Census Bureau (USCB). The census is conducted decennially at the start of each decade. *Estimated. ^Official Census Count
 (B) 2005 - 2012 Data from the Bureau of Economic Analysis (BEA). These rates are for Cook County. 2013 - 2014 data is not available.
 (C) Illinois Workforce Info Center Website, prior information has been updated to reflect the most current data available.

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

Table K

**Demographic and Economic Information
Principal Employers (Unaudited)
Last Six Fiscal Years**

Employer	Fiscal Year 2014			Fiscal Year 2013			Fiscal Year 2012		
	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment
U.S. Government	1	49,860	1.83%	1	52,144	1.93%	1	55,183	2.04%
Chicago Public Schools	2	39,094	1.44%	2	40,145	1.48%	2	39,667	1.47%
City of Chicago	3	30,340	1.12%	3	30,197	1.12%	3	31,307	1.16%
Cook County	4	21,482	0.79%	4	21,057	0.78%	4	21,785	0.80%
Advocate Health Care	5	18,512	0.68%	5	16,710	0.62%	5	18,485	0.68%
JP Morgan Chase	6	16,045	0.59%	7	15,103	0.56%	-	-	-
University of Chicago	7	15,452	0.57%	8	15,029	0.56%	10	14,584	0.54%
State of Illinois	8	14,731	0.54%	6	15,400	0.57%	6	15,800	0.58%
United Continental Holdings Inc	9	14,000	-	-	-	-	-	-	-
AT&T Inc.	10	14,000	0.51%	10	14,000	0.52%	7	15,000	0.55%
Walgreen Co.	-	-	0.00%	9	14,528	0.54%	9	14,688	0.54%
Provena Health/Resurrection Health	-	-	-	-	-	-	8	14,806	0.55%
		<u>233,516</u>	<u>8.07%</u>		<u>234,313</u>	<u>8.67%</u>		<u>226,499</u>	<u>8.37%</u>

Employer	Fiscal Year 2011			Fiscal Year 2010			Fiscal Year 2009		
	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment
U.S. Government	1	49,573	1.83%	1	77,000	2.86%	1	78,000	2.73%
Chicago Public Schools	2	40,883	1.51%	2	43,740	1.62%	2	43,910	1.54%
City of Chicago	3	35,237	1.30%	3	36,242	1.34%	3	35,570	1.25%
Cook County	5	23,083	0.85%	5	23,416	0.87%	5	22,142	0.78%
Advocate Health Care	7	14,873	0.55%	7	14,784	0.55%	7	15,660	0.55%
State of Illinois	4	25,700	0.95%	4	26,000	0.96%	6	18,124	0.64%
JP Morgan Chase	8	13,639	0.50%	9	13,142	0.49%	-	-	-
University of Chicago	-	-	-	-	-	-	8	14,287	0.50%
Walgreen Co.	9	13,122	0.48%	8	13,281	0.49%	9	14,254	0.50%
AT&T Inc.	-	-	-	10	13,000	0.48%	10	14,000	0.49%
Abbott Laboratories	10	13,000	0.48%	-	-	-	-	-	-
Walmart Stores, Inc.	6	21,329	0.79%	6	19,990	0.74%	4	23,453	0.82%
		<u>250,439</u>	<u>9.26%</u>		<u>280,595</u>	<u>10.40%</u>		<u>279,400</u>	<u>9.80%</u>

Source: Crain's Chicago's Business, Largest Employers, published January 20, 2014

Note: Beginning with the fiscal year 2009, City Colleges of Chicago will accumulate data to arrive at data for the current year and the nine years prior.

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

Table L

**Demographic and Economic Information
Employee Data (Unaudited)
Last Four Fiscal Years**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Full-Time Faculty	628	604	591	549
Part-Time Faculty	2,180	2,180	2,133	2,140
Custodial/Maintenance	762	748	778	780
Professional/Technical Staff	489	545	673	639
Academic Support	396	464	516	600
Clerical	634	631	601	601
Administrators*	310	342	368	365
Student Workers	163	163	194	241
Supervisors & Others	<u>77</u>	<u>80</u>	<u>83</u>	<u>68</u>
TOTAL	5,639	5,757	5,937	5,983

Data Source: College records / Budget book full-time and part-time headcount by position

Note: These amounts represent filled positions.

* Includes administrators for academic programs including College to Careers staffing.

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

Table M

**Demographic and Economic Information
Student Enrollment Demographic Statistics
Student Enrollment Credit Hours by Category (Unaudited)
Last Ten fiscal years**

Fiscal Year	Total	Baccalaureate	Occupational			Remedial Development	Adult Basic Secondary Education
			Business	Technical	Health		
2014	1,213,002	554,903	53,085	82,072	46,188	126,712	350,042
2013	1,209,973	532,810	53,069	71,637	47,413	132,728	372,316
2012	1,190,902	518,328	55,799	69,998	51,460	139,422	355,895
2011	1,207,136	505,897	54,590	72,682	51,648	136,247	386,072
2010	1,260,579	476,794	47,756	82,551	54,920	144,347	454,211
2009	1,136,523	408,681	41,510	77,907	48,517	122,788	437,120
2008	1,050,801	375,014	42,368	75,633	43,777	105,781	408,228
2007	1,064,630	364,616	42,264	68,539	49,603	107,499	432,109
2006	1,085,936	364,953	46,687	63,597	50,544	105,785	454,370
2005	1,164,887	380,301	46,941	60,499	49,154	113,057	514,935

Data Source: College records

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

Table N

**Operating Information
Capital Assets Statistics (Unaudited)
Last Ten Fiscal Years**

Capital Asset Type	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Land	\$ 17,388,173	\$ 17,388,173	\$ 19,574,040	\$ 48,988,547	\$ 49,094,047	\$ 49,094,047	\$ 49,959,334	\$ 49,959,334	\$ 50,588,046	\$ 53,616,391
Construction in progress	87,031,126	70,201,658	182,702,679	18,421,821	28,955,476	43,035,306	51,832,430	58,677,994	80,178,270	103,111,151
Equipment	13,830,775	8,756,202	9,909,704	17,574,611	17,919,630	16,548,010	15,901,476	16,930,530	17,064,376	17,525,902
Buildings and improvements	439,645,567	478,350,538	488,896,308	642,987,012	654,292,589	680,481,594	692,728,579	711,320,407	725,256,411	786,947,003
Software	28,639,679	28,639,679	28,694,279	28,734,268	29,008,086	29,342,571	29,342,571	30,035,011	30,035,011	30,035,011
Total Capital Assets	586,535,320	603,336,250	729,777,010	756,706,259	779,269,828	818,501,528	839,764,390	866,923,276	903,122,114	991,235,458
Less: Accumulated Depreciation	(213,237,741)	(194,626,987)	(206,074,196)	(186,971,382)	(208,307,417)	(225,326,563)	(246,743,974)	(266,588,199)	(281,982,383)	(299,962,533)
Net Capital Assets	<u>\$ 373,297,579</u>	<u>\$ 408,709,263</u>	<u>\$ 523,702,814</u>	<u>\$ 569,734,877</u>	<u>\$ 570,962,411</u>	<u>\$ 593,174,965</u>	<u>\$ 593,020,416</u>	<u>\$ 600,335,077</u>	<u>\$ 621,139,731</u>	<u>\$ 691,272,925</u>
Capital Lease & Bond Obligations	<u>\$ 78,610,000</u>	<u>\$ 56,105,000</u>	<u>\$ 31,695,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000,000</u>

**Data Sources: Summary of Capital Assets Schedule, (See Note 5)
and prior year comprehensive annual financial reports**

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

Table O

**Operating Information
Miscellaneous Statistics (*Unaudited*)**

<i>Founded</i>	<i>1911</i>	
Accreditation by North Central Association of Colleges and Schools	<u>Most Recent Accreditation</u>	<u>Next Review</u>
Daley	2011-12	2021-22
Harold Washington	2008-09	2018-19
Kennedy-King	2005-06	2015-16
Malcolm X	2007-08	2017-18
Olive-Harvey	2010-11	2020-21
Truman	2009-10	2019-20
Wright	2001-02	2015-16
Current gross square footage		4,397,099
Size of district		228.5 square miles
Counties served		Cook and DuPage
Population of district		2,718,782
Number of full-time faculty		549
Number of part-time faculty		2,140
Number of custodial / maintenance staff		780
Number of professional / technical staff		639
Number of academic support staff		600
Number of clerical staff		601
Number of administrators		365
Number of student/workstudy staff		241
Number of supervisors		68
Degrees and certificates awarded (Fiscal year 2013)		11,891

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

Table P

**Community College State Funding
Last Ten Fiscal Years**

Fiscal Year	State Funding to All State Community Colleges	ICCB Funding to the District
2005	\$295,486,740	\$52,688,641
2006	\$296,555,599	\$54,645,516
2007	\$302,035,040	\$58,595,337
2008	\$297,698,600	\$55,892,006
2009	\$287,664,558	\$53,244,610
2010	\$308,471,029	\$57,321,939
2011	\$295,401,900	\$64,548,437
2012	\$295,521,900	\$64,549,023
2013	\$282,421,700	\$58,314,908
2014	\$284,916,500	\$58,700,515

Source: Illinois Community College Board

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

**Table Q
Operating Information
Revenues and Expenditures by Campus (Unaudited)
Fiscal Year Ended June 30, 2014**

	<u>Daley</u>	<u>Harold Washington</u>	<u>Kennedy-King</u>	<u>Malcolm X</u>	<u>Olive-Harvey</u>	<u>Truman</u>	<u>Wright</u>	<u>District Office</u>	<u>Total</u>
Revenues:									
Local Tax Revenue	\$ 6,732,450	\$ 5,121,934	\$ 11,699,073	\$ 9,003,837	\$ 11,037,296	\$ 7,111,578	\$ 6,676,908	\$ 74,903,395	\$ 132,286,471
All Other Local Revenue	143,000	1,756	183,000	68,855	1,563,544	1,582,203	6,601	1,433,133	4,982,092
ICCB Grants	12,827,531	6,337,823	5,725,081	8,647,605	4,204,238	15,215,702	11,141,693	4,890	64,104,563
All Other State Revenue	1,469,482	2,868,535	1,779,666	1,869,014	1,757,023	1,916,402	2,069,338	1,194,603	14,924,063
Federal Revenue	12,951,655	25,021,974	19,964,207	17,429,259	11,714,738	13,865,646	19,010,586	1,291,747	121,249,812
Student Tuition and Fees	11,699,630	24,370,396	14,042,821	12,692,337	8,827,369	14,710,621	21,036,827	3,076,613	110,456,614
All Other Revenue	566,184	1,265,620	4,804,466	524,358	214,457	363,485	1,038,831	3,713,132	12,490,533
Total Revenue before Capital Appropriations	46,389,932	64,988,038	58,198,314	50,235,265	39,318,665	54,765,637	60,980,784	85,617,513	460,494,148
Capital Appropriations	-	-	-	-	5,110,782	9,000	-	-	5,119,782
Total Revenue	<u>\$ 46,389,932</u>	<u>\$ 64,988,038</u>	<u>\$ 58,198,314</u>	<u>\$ 50,235,265</u>	<u>\$ 44,429,447</u>	<u>\$ 54,774,637</u>	<u>\$ 60,980,784</u>	<u>\$ 85,617,513</u>	<u>\$ 465,613,930</u>
Expenditures by program									
Instruction	\$ 13,836,528	\$ 17,692,728	\$ 17,969,410	\$ 15,883,078	\$ 13,214,972	\$ 21,940,922	\$ 20,321,431	\$ 1,044,633	\$ 121,903,702
Academic Support	1,251,466	2,925,015	3,027,024	2,176,073	1,741,331	3,195,358	3,148,679	4,962,026	22,426,972
Student Services	4,601,381	5,711,722	3,800,277	5,217,754	3,939,996	5,645,593	5,836,339	513,051	35,266,113
Public Service/Continuing Education	179,900	24,314	574,674	383,065	106,169	96,237	145,145	200,245	1,709,749
Organized Research	-	29,543	-	13,355	12,900	2,992	6,601	225,086	290,477
Auxiliary Services	412,668	718,246	2,026,838	810,690	393,257	454,633	163,083	6,928,969	11,908,384
Operations and Maintenance	8,446,228	5,504,727	13,908,967	7,813,816	7,353,302	7,963,267	9,436,297	13,372,467	73,799,071
Institutional Support	3,104,600	4,083,008	4,215,249	3,438,577	3,844,511	4,703,651	4,282,035	41,506,954	69,178,585
Scholarships, Grants, Waivers	13,424,647	27,111,134	20,021,508	17,633,620	11,523,242	13,793,282	19,503,501	138,313	123,149,247
Total Expenditures	<u>\$ 45,257,418</u>	<u>\$ 63,800,437</u>	<u>\$ 65,543,947</u>	<u>\$ 53,370,028</u>	<u>\$ 42,129,680</u>	<u>\$ 57,795,935</u>	<u>\$ 62,843,111</u>	<u>\$ 68,891,744</u>	<u>\$ 459,632,300</u>

Excludes SURS contribution of \$68,087,735

Statement of Purpose: The City Colleges of Chicago Revenues and Expenditures by College for the year ended June 30, 2014, is required by the terms of a Memorandum of Understanding (MOU) between City Colleges and the North Central Association of Colleges and Schools Commission on Institutions of Higher Education (NCA). The MOU outlines an appropriate pattern of evidence to be made available by City Colleges for purposes of meeting certain NCA Criteria for Accreditation related to financial resources/uses and other assurances. This schedule presents revenues and expenditures for each college and the district office.

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

Table R

**Statement of Revenues, Expenses and Changes in Net Position by Campus (Unaudited)
Fiscal year ended June 30, 2014**

	Daley	Harold Washington	Kennedy-King	Malcolm X	Olive-Harvey	Truman	Wright	District	Total
Revenues									
Operating revenues:									
Student tuition and fees:									
Resident	\$ 9,151,823	18,023,685	\$ 9,611,105	\$ 9,791,716	\$ 5,781,850	\$ 10,955,139	\$ 16,332,276	\$ 1,821,222	\$ 81,468,816
Nonresident	1,654,457	2,780,559	1,204,133	690,196	396,623	948,427	1,154,117	-	8,828,512
Other	893,350	3,566,152	3,227,583	2,210,425	2,648,895	2,807,056	3,550,434	1,255,390	20,159,285
Less: Scholarship allowances	<u>(7,511,704)</u>	<u>(14,760,438)</u>	<u>(10,881,891)</u>	<u>(9,451,922)</u>	<u>(6,085,269)</u>	<u>(7,535,814)</u>	<u>(10,669,564)</u>	<u>(8,542)</u>	<u>(66,905,144)</u>
Net student tuition and fees	4,187,926	9,609,958	3,160,930	3,240,415	2,742,099	7,174,808	10,367,263	3,068,070	43,551,469
Other operating revenues	<u>566,184</u>	<u>1,265,620</u>	<u>4,800,966</u>	<u>524,359</u>	<u>214,457</u>	<u>353,940</u>	<u>1,038,831</u>	<u>1,042,366</u>	<u>9,806,723</u>
Total operating revenues	<u>4,754,110</u>	<u>10,875,578</u>	<u>7,961,896</u>	<u>3,764,774</u>	<u>2,956,556</u>	<u>7,528,748</u>	<u>11,406,094</u>	<u>4,110,436</u>	<u>53,358,192</u>
Expenses									
Operating expenses:									
Instructional salaries	12,066,702	15,170,507	12,752,453	13,652,750	10,474,550	18,341,321	17,200,027	374,729	100,033,039
Non-instructional salaries	9,990,060	10,753,043	13,209,403	11,280,112	9,199,447	12,856,402	12,205,251	31,447,542	110,941,259
Fringe benefits	9,976,124	12,078,737	11,803,537	11,601,606	9,644,275	14,483,354	13,654,245	17,808,454	101,050,332
Supplies	1,549,876	1,874,355	2,643,813	1,413,401	1,880,884	2,603,274	2,292,983	5,957,684	20,216,270
Professional development	147,721	116,014	154,339	254,718	266,670	114,849	153,766	279,070	1,487,147
Utilities	897,282	669,086	1,715,294	1,272,569	785,601	1,169,972	1,105,726	807,221	8,422,751
Contractual services	2,132,580	2,492,009	5,268,897	2,620,060	3,251,211	2,127,587	2,072,569	19,713,093	39,678,006
Depreciation	2,177,579	1,407,595	5,745,249	1,543,813	1,115,346	1,998,371	3,823,111	2,792,020	20,603,084
Financial aid, exclusive of scholarship allowances	5,724,175	12,155,996	8,833,638	7,865,531	5,232,783	5,952,384	8,651,765	340,936	54,757,208
Other expenses	<u>177,968</u>	<u>682,028</u>	<u>861,604</u>	<u>391,267</u>	<u>527,620</u>	<u>645,549</u>	<u>526,855</u>	<u>(603,996)</u>	<u>3,208,895</u>
Total operating expenses	<u>44,840,067</u>	<u>57,399,370</u>	<u>62,988,227</u>	<u>51,895,827</u>	<u>42,378,387</u>	<u>60,293,063</u>	<u>61,686,298</u>	<u>78,916,753</u>	<u>460,397,991</u>
Operating loss	<u>(40,085,957)</u>	<u>(46,523,792)</u>	<u>(55,026,331)</u>	<u>(48,131,053)</u>	<u>(39,421,831)</u>	<u>(52,764,315)</u>	<u>(50,280,204)</u>	<u>(74,806,317)</u>	<u>(407,039,799)</u>
Non-operating revenues (expenses):									
State apportionment and equalization	8,595,240	4,687,949	3,998,255	6,015,018	2,873,321	10,317,159	7,604,682	-	44,091,624
Other state grants and contracts	12,796,128	12,877,779	11,832,663	12,479,322	9,421,915	16,847,889	15,119,096	11,649,945	103,024,737
Local grants and contracts	143,000	1,756	186,500	68,855	1,563,544	1,591,748	6,601	1,480,718	5,042,722
Local property taxes	6,732,450	5,121,934	11,699,073	9,003,837	11,037,296	7,111,578	6,676,908	61,355,072	118,738,148
Personal property replacement tax	-	-	-	-	-	-	-	13,548,322	13,548,322
Federal grants and contracts	12,951,655	25,021,974	19,964,207	17,429,259	11,714,738	13,865,646	19,010,586	1,291,747	121,249,812
Investment income	-	-	-	-	-	-	-	1,633,125	1,633,125
Other non-operating revenue	-	-	-	-	-	-	-	573,157	573,157
Non-operating revenues, net	<u>41,218,473</u>	<u>47,711,392</u>	<u>47,680,698</u>	<u>44,996,291</u>	<u>36,610,814</u>	<u>49,734,020</u>	<u>48,417,873</u>	<u>91,532,086</u>	<u>407,901,647</u>
Income (loss) before capital appropriations and grants	1,132,516	1,187,600	(7,345,633)	(3,134,762)	(2,811,017)	(3,030,295)	(1,862,331)	16,725,769	861,848
Capital appropriations and grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,110,782</u>	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>5,119,782</u>
Change in net position	<u>\$ 1,132,516</u>	<u>\$ 1,187,600</u>	<u>\$ (7,345,633)</u>	<u>\$ (3,134,762)</u>	<u>\$ 2,299,765</u>	<u>\$ (3,021,295)</u>	<u>\$ (1,862,331)</u>	<u>\$ 16,725,769</u>	<u>\$ 5,981,630</u>

SPECIAL REPORTS SECTION

State Required Reports Section

City Colleges of Chicago
Community College District No. 508
All Funds Summary
Uniform Financial Statement #1
Fiscal Year Ended June 30, 2014

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund **	Working Cash Fund	Investment in Plant Fund	Long-Term Debt Fund	Audit Fund	Liability, Protection Settlement Fund	Building Bonds Proceeds Fund	PBC * Operations and Maintenance Fund	Total
	current	current			current	current				current	current		current	
Fund Balance: July 1, 2013	\$ 8,863,748	\$ -	\$ 180,239,374	\$ -	\$(1,305,110)	\$ -	\$ 66,750,643	\$ 621,139,731	\$ -	\$ 64,118	\$ 6,007,472	\$ -	\$ 607,045	\$ 882,367,021
Revenues:														
Local Tax Revenue	84,667,772	27,598,465	6,792,711	7,867,699	-	-	-	-	-	590,850	4,768,974	-	-	132,286,471
All Other Local Revenue	30,892	-	5,119,782	-	419,715	4,531,485	-	-	-	-	-	-	-	10,101,874
ICCB Grants	59,614,092	-	-	-	-	4,490,471	-	-	-	-	-	-	-	64,104,563
All Other State Revenue	-	-	-	-	-	14,924,063	-	-	-	-	-	-	-	14,924,063
Federal Revenue	408,352	-	-	-	-	120,841,460	-	-	-	-	-	-	-	121,249,812
Student Tuition and Fees	110,456,614	-	-	-	-	-	-	-	-	-	-	-	-	110,456,614
All Other Revenue	3,047,656	2,355,244	894,815	2,606	5,744,163	112,554	262,889	-	(258,233,226)	-	-	258,303,832	-	12,490,533
Total Revenues	258,225,378	29,953,709	12,807,308	7,870,305	6,163,878	144,900,033	262,889	-	(258,233,226)	590,850	4,768,974	258,303,832	-	465,613,930
Expenses														
Instruction	109,140,014	-	-	-	3,446,540	9,317,148	-	-	-	-	-	-	-	121,903,702
Academic Support	14,133,505	-	-	-	87,367	8,206,100	-	-	-	-	-	-	-	22,426,972
Student Services	31,894,115	74,507	-	-	18,836	3,278,655	-	-	-	-	-	-	-	35,266,113
Public Service/Continuing Education	201,028	-	-	-	42,484	1,466,237	-	-	-	-	-	-	-	1,709,749
Organized Research	225,085	-	-	-	-	65,392	-	-	-	-	-	-	-	290,477
Auxiliary Services	5,316,927	79,988	-	-	5,188,089	1,323,380	-	-	-	-	-	-	-	11,908,384
Operations and Maintenance	13,540,592	26,725,881	51,631,970	7,870,305	-	123,316	-	(59,942,514)	251,681	-	1,011,265	32,586,575	-	73,799,071
Institutional Support	56,895,103	1,430,856	17,355,551	-	67,473	582,064	-	(10,190,680)	-	460,076	2,578,142	-	-	69,178,585
Scholarships, Grants, Waivers	5,289,720	-	-	-	-	117,859,527	-	-	-	-	-	-	-	123,149,247
Total Expenses	236,636,089	28,311,232	68,987,521	7,870,305	8,850,789	142,221,819	-	(70,133,194)	251,681	460,076	3,589,407	32,586,575	-	459,632,300
Net Transfers	(24,608,612)	(1,642,477)	28,929,303	-	-	(2,678,214)	-	-	-	-	-	-	-	-
Fund Balance: June 30, 2014	\$ 5,844,425	\$ -	\$ 152,988,464	\$ -	\$(3,992,021)	\$ -	\$ 67,013,532	\$ 691,272,925	\$(258,484,907)	\$ 194,892	\$ 7,187,039	\$ 225,717,257	\$ 607,045	\$ 888,348,651

* Public Building Commission

** excludes SURS contribution \$ 68,087,735

**City Colleges of Chicago
Community College District No. 508
Summary of Fixed Assets and Debt
Uniform Financial Statement #2**

Fiscal Year Ended June 30, 2014

	Capital Assets / Long-Term Debt July 1, 2013	Additions	Deletions and Transfers	Capital Assets / Long-Term Debt June 30, 2014
Fixed Assets				
Land	\$ 50,588,046	\$ 3,028,345	\$ -	\$ 53,616,391
Construction in progress	80,178,270	89,545,193	(66,612,312)	103,111,151
Buildings and improvements	725,256,411	65,584,145	(3,893,553)	786,947,003
Equipment	17,064,376	461,526	-	17,525,902
Software	30,035,011	-	-	30,035,011
Accumulated depreciation	(281,982,383)	(20,603,084)	2,622,934	(299,962,533)
Net Fixed Assets	\$ 621,139,731	\$ 138,016,125	\$ (67,882,931)	\$ 691,272,925
Fixed Debt				
Bonds payable	\$ -	\$ 250,000,000	\$ -	\$ 250,000,000
Total Fixed Debt	\$ -	\$ 250,000,000	\$ -	\$ 250,000,000

City Colleges of Chicago
Community College District No. 508
Operating Funds Revenues and Expenditures**
Uniform Financial Statement #3
Fiscal Year Ended June 30, 2014

OPERATING REVENUES BY SOURCE	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Local Government Revenue:			
Local Taxes	\$ 84,667,772	\$ 27,598,465	\$ 112,266,237
Other	30,892	-	30,892
TOTAL LOCAL GOVERNMENT	<u>84,698,664</u>	<u>27,598,465</u>	<u>112,297,129</u>
State Government:			
ICCB Base Operating Grant	44,091,624	-	44,091,624
Other ICCB Grants	15,522,468	-	15,522,468
TOTAL STATE GOVERNMENT	<u>59,614,092</u>	<u>-</u>	<u>59,614,092</u>
Federal Government:			
Dept. of Education	408,352	-	408,352
TOTAL FEDERAL GOVERNMENT	<u>408,352</u>	<u>-</u>	<u>408,352</u>
Student Tuition and Fees			
Tuition	86,925,196	-	86,925,196
Fees	23,531,418	-	23,531,418
TOTAL TUITION AND FEES	<u>110,456,614</u>	<u>-</u>	<u>110,456,614</u>
Other Sources			
Sales and Service Fees	472,804	-	472,804
Facilities Revenue	4,800	2,355,244	2,360,044
Investment Revenue	1,045,972	-	1,045,972
Non-Governmental Grants	1,524,080	-	1,524,080
TOTAL OTHER REVENUE	<u>3,047,656</u>	<u>2,355,244</u>	<u>5,402,900</u>
TOTAL REVENUE	<u>\$ 258,225,378</u>	<u>\$ 29,953,709</u>	<u>\$ 288,179,087</u>
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	\$ 109,140,014	\$ -	\$ 109,140,014
Academic Support	14,133,505	-	14,133,505
Student Services	31,894,115	74,507	31,968,622
Public Service/Continuing Education	201,028	-	201,028
Organized Research	225,085	-	225,085
Auxiliary Services	5,316,927	79,988	5,396,915
Operations and Maintenance	13,540,592	26,725,881	40,266,473
Institutional Support	56,895,103	1,430,856	58,325,959
Scholarships, Grants, Waivers	5,289,720	-	5,289,720
TOTAL EXPENDITURES	<u>236,636,089</u>	<u>28,311,232</u>	<u>264,947,321</u>
Less Non-Operating Items*			
Tuition Chargeback	(265,554)		(265,554)
Transfers to Non-Operating Funds	(24,608,612)	(1,642,477)	(26,251,089)
ADJUSTED EXPENDITURES	<u>\$ 211,761,923</u>	<u>\$ 26,668,755</u>	<u>\$ 238,430,678</u>
BY OBJECT			
Salaries	\$ 174,729,313	\$ 14,740,995	\$ 189,470,308
Employee Benefits	26,008,572	2,730,560	28,739,132
Contractual Services	14,533,269	2,526,458	17,059,727
General Materials and Supplies	10,149,849	890,768	11,040,617
Professional Development	971,447	2,516	973,963
Fixed Charges	1,365,936	653,998	2,019,934
Utilities	1,656,714	6,765,937	8,422,651
Other	2,118,957	-	2,118,957
Student Grants & Scholarships**	5,102,032	-	5,102,032
TOTAL EXPENDITURES	<u>236,636,089</u>	<u>28,311,232</u>	<u>264,947,321</u>
Less Non-Operating Items*			
Tuition Chargeback	(265,554)	-	(265,554)
Transfers to Non-Operating Funds	(24,608,612)	(1,642,477)	(26,251,089)
ADJUSTED EXPENDITURES	<u>\$ 211,761,923</u>	<u>\$ 26,668,755</u>	<u>\$ 238,430,678</u>

* Enter as negative.

** Operating Funds include the Education and the Operations and Maintenance funds.

**City Colleges of Chicago
Community College District No. 508
Restricted Purposes Fund Revenues and Expenditures*
Uniform Financial Statement #4
Fiscal Year Ended June 30, 2014**

REVENUE BY SOURCE:

TOTAL LOCAL GOVERNMENT	\$ 4,531,485
State Government	
ICCB - Adult Education	4,490,471
Other	<u>14,924,063</u>
TOTAL STATE GOVERNMENT	<u>19,414,534</u>
Federal Government	
Dept. of Education	107,759,290
Other	<u>13,082,170</u>
TOTAL FEDERAL GOVERNMENT	<u>120,841,460</u>
Other Sources	
Other	<u>112,554</u>
TOTAL OTHER SOURCES	<u>112,554</u>
TOTAL RESTRICTED PURPOSES FUND REVENUES	<u><u>\$ 144,900,033</u></u>

EXPENDITURES BY PROGRAM

Instruction	\$ 9,317,148
Academic Support	8,206,100
Student Services	3,278,655
Public Service/Continuing Education	1,466,237
Organized Research	65,392
Auxiliary Services	1,323,380
Operations and Maintenance	123,316
Institutional Support	582,064
Scholarships, Grants and Waivers	117,859,527

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES **\$ 142,221,819**

EXPENDITURES BY OBJECT

Salaries	\$ 16,612,732
Employee Benefits	3,477,312
Contractual Services	2,285,478
General Materials and Supplies	2,775,014
Professional Development	502,047
Fixed Charges	22,411
Utilities	100
Capital Outlay	60,225
Other	211,329
Scholarships, Grants, Waivers	116,275,171

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES **\$ 142,221,819**

* Excludes SURS contribution of \$68,087,735.

City Colleges of Chicago
 Community College District No. 508
 Current Funds * Expenditures** by Activity
 Uniform Financial Statement #5
 Fiscal Year Ended June 30, 2014

INSTRUCTION	
Instructional Programs	\$ 121,903,702
Total Instruction	<u>121,903,702</u>
ACADEMIC SUPPORT	
Library Center	715,247
Instructional Materials Center	231,493
Educational Media Services	301,319
Academic Computing Support	30,657
Academic Administration and Planning	15,630,296
Other	<u>5,517,960</u>
Total Academic Support	<u>22,426,972</u>
STUDENT SERVICES SUPPORT	
Admissions and Records	5,699,815
Counseling and Career Services	10,142,915
Financial Aid Administration	4,625,711
Other	<u>14,797,672</u>
Total Student Services Support	<u>35,266,113</u>
PUBLIC SERVICE/CONTINUING EDUCATION	
Community Education	79,795
Customized Training (Instructional)	68,900
Community Services	858,677
Other	<u>702,377</u>
Total Public Service/Continuing Education	<u>1,709,749</u>
ORGANIZED RESEARCH	<u>290,477</u>
AUXILIARY SERVICES	<u>11,908,384</u>
OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	11,604,856
Custodial Services	6,894,022
Grounds	33,739
Campus Security	11,053,670
Transportation	2,169
Utilities	6,898,080
Administration	2,490,871
Other	<u>2,423,647</u>
Total Operations and Maintenance of Plant	<u>41,401,054</u>
INSTITUTIONAL SUPPORT	
Executive Management	9,384,643
Fiscal Operations	10,146,518
Community Relations	4,247,862
Administrative Support Services	6,011,353
Board of Trustees	247,183
General Institutional	9,704,707
Institutional Research	2,410,523
Administrative Data Processing	8,342,370
Other	<u>11,518,555</u>
Total Institutional Support	<u>62,013,714</u>
SCHOLARSHIPS, STUDENTS GRANTS, & WAIVERS	<u>123,149,247</u>
TOTAL CURRENT FUNDS EXPENDITURES	<u>\$ 420,069,412</u>

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

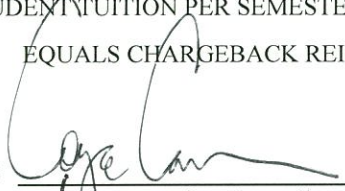
** Excludes SURS Contribution of \$68,087,735

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

Certification of Chargeback Reimbursement for Fiscal Year 2015 (Unaudited)

All fiscal year 2014 non-capital operating expenses from the following funds:

Education Fund	\$ 236,636,089
Operations and Maintenance Fund	28,311,232
Restricted Purposes Fund	142,221,819
Audit Fund	460,076
Liability, Protection and Settlement Fund	<u>3,589,407</u>
TOTAL NON-CAPITAL EXPENDITURES	\$ 411,218,623
 PLUS DEPRECIATION FOR EQUIPMENT PAID FROM NONSTATE AND NONFEDERAL MONIES	 1,404,758
 PLUS DEPRECIATION ON BUILDINGS AND FIXED EQUIPMENT PAID FROM NONSTATE AND NONFEDERAL MONIES	 <u>15,353,979</u>
 EQUALS TOTAL QUALIFIED EXPENDITURES	 \$ 427,977,360
 LESS ALL FISCAL YEAR 2014 STATE AND FEDERAL OPERATING GRANTS FOR NON-CAPITAL EXPENDITURES, EXCEPT ICCB GRANTS	 <u>136,173,875</u>
 EQUALS ADJUSTED QUALIFIED EXPENDITURES	 \$ 291,803,485
 DIVIDED BY TOTAL CREDIT HOURS FOR FISCAL YEAR 2014	 <u>1,184,165.0</u>
 EQUALS COST PER SEMESTER CREDIT HOUR	 <u>\$ 246.42</u>
 LESS DISTRICT'S AVERAGE GRANT RATE FOR FISCAL YEAR 2014	 \$ 46.25
 LESS STUDENT TUITION PER SEMESTER CREDIT HOUR FOR FISCAL YEAR 2015	 <u>89.00</u>
 EQUALS CHARGEBACK REIMBURSEMENT RATE PER SEMESTER CREDIT HOUR	 <u>\$ 111.17</u>

Approved: 
Joyce Carson, Vice Chancellor of Finance and Business Enterprises / CFO

Approved: 
Cheryl L. Hyman, Chancellor



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

To the 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 District No. 508 (City Colleges) for the year ended June 30, 2014. City Colleges' management is responsible for the Schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the guidelines of the Illinois Community College Board's *Fiscal Management Manual* and, accordingly, included examining, on a test basis, evidence supporting the Schedule and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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

McGladrey LLP

Chicago, Illinois
October 10, 2014

**City Colleges of Chicago
Schedule of Enrollment Data and
Other Bases On Which Claims are Filed
Year ended June 30, 2014**

**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	57,605.0	-	241,148.0	-	237,480.0	-	536,233.0	-
Business Occupational	4,141.0	-	24,227.0	-	22,863.0	-	51,231.0	-
Technical Occupational	10,001.0	16.0	34,485.5	48.0	34,662.5	7.0	79,149.0	71.0
Health Occupational	6,107.5	110.0	20,050.0	-	19,288.5	110.0	45,446.0	220.0
Remedial/Developmental	8,727.0	-	64,388.0	-	50,224.0	-	123,339.0	-
Adult Basic/Secondary Education	79,216.0	13,802.0	108,749.0	22,666.0	117,601.0	6,442.0	305,566.0	42,910.0
Total	165,797.5	13,928.0	493,047.5	22,714.0	482,119.0	6,559.0	1,140,964.0	43,201.0

Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2014

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	536,233.0	536,233.0	-	-	-	-
Business Occupational	51,231.0	51,231.0	-	-	-	-
Technical Occupational	79,149.0	79,149.0	-	71.0	71.0	-
Health Occupational	45,446.0	45,446.0	-	220.0	220.0	-
Remedial/Developmental	123,339.0	123,339.0	-	-	-	-
Adult Basic/Secondary Education	305,566.0	305,566.0	-	42,910.0	42,910.0	-
Total	1,140,964.0	1,140,964.0	-	43,201.0	43,201.0	-

Summary of Certified Dual Credit and Dual Enrollment Hours

	<u>Dual Credit</u>	<u>Dual Enrollment</u>
Reimbursable Semester Credit Hours (All Terms)	4,050.0	4,257.5

City Colleges of Chicago
Schedule of Enrollment Data and
Other Bases On Which Claims are Filed *(Continued)*
Year ended June 30, 2014

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

	Attending In-District	Attending Out-of-District on Chargeback or Cooperative/ Contractual Agreement	Total
Unrestricted in-district resident hours	1,090,270.0		
Restricted in-district residents hours	40,287.0		
Semester credit hours (all terms)	1,130,557.0	1,414.5	1,131,971.5
 District prior year equalized assessed evaluation		 \$62,337,066,955	

	Total Credit Hours	<u>Total Credit Hours</u> Certified by ICCB	Difference
In-district residents	1,130,557.0	1,130,557.0	-
Out-of-district (chargeback/contractual agreement)	1,414.5	1,414.5	-
Total	1,131,971.5	1,131,971.5	-

Schedule 9

Student Residency Verification Process

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)

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

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>
2013	\$62,337,066,955
2012	65,221,057,665
2011	75,087,804,739
2010	82,052,222,695
2009	84,550,505,262
2008	80,929,580,524
2007	73,611,156,177
2006	69,479,300,657
2005	59,274,592,340
2004	55,309,122,652

State Grant Compliance Section



Independent Auditor's Report on the Grant Program Financial Statements

To the Board of Trustees
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, Early School Leavers Grant Program, Career and Technical Education - Program Improvement, Accelerating Opportunities Implementation Grant Program, Adult Education Bridge Program and Dual Credit Enhancement Grant Program (the Grant Programs) of City Colleges of Chicago, Community District No. 508 (City Colleges) as of and for the year ended June 30, 2014 and the related notes to the financial statements – grant programs, which collectively comprise City Colleges' grant program 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 program 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 the 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. 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, Early School Leavers Grant Program, Career and Technical Education - Program Improvement, Accelerating Opportunities Implementation Grant Program, Adult Education Bridge Program and Dual Credit Enhancement Grant Program as of June 30, 2014, 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

The grant program 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, 2014, 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 opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the grant program financial statements of City Colleges. The ICCB Compliance Statement on page 69 is presented for purposes of additional analysis and is not a required part of the grant program financial statements.

The ICCB Compliance Statement on page 69 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the grant program financial statements. Such information has been subjected to the auditing procedures applied in the audits of the grant program 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 program financial statements or to the grant program 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 on page 69 is fairly stated, in all material respects, in relation to the grant program 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 October 10, 2014 on our consideration of City Colleges' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Colleges' internal control over financial reporting and compliance.

McGladrey LLP

Chicago, Illinois
October 10, 2014



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

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

We have audited, 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, the financial statements of the State Adult Education and Family Literacy Grant Program, Early School Leavers Grant Program, Career and Technical Education - Program Improvement, Accelerating Opportunities Implementation Grant Program, Adult Education Bridge Program and Dual Credit Enhancement Grant Program (the Grant Programs) of City Colleges of Chicago, Community College District No. 508 (City Colleges) as of and for the year ended June 30, 2014, and the related notes to the financial statements – grant programs, and have issued our report thereon dated October 10, 2014. The grant program 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, 2014, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the grant program financial statements, we considered City Colleges' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the grant program 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 of 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 program financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of grant program financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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 City Colleges' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Colleges' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGladrey LLP

Chicago, Illinois
October 10, 2014

Grant Program Financial Statements

City Colleges of Chicago
Community College District No. 508
State Adult Education and Family Literacy Grant Program
Combined Balance Sheet
As of June 30, 2014

	<u>State Basic</u>	<u>Public Aid</u>	<u>State Performance</u>	<u>Total</u>
Assets				
Accounts Receivable	\$ 153,141	\$ 132,670	\$ 88,395	\$ 374,206
Total assets	<u>\$ 153,141</u>	<u>\$ 132,670</u>	<u>\$ 88,395</u>	<u>\$ 374,206</u>
Liabilities and Fund balance				
Accounts payable	\$ 58,051	\$ 69,527	\$ 69,554	\$ 197,132
Accrued expenditures	10,371	12,874	16,211	39,456
Due to City Colleges of Chicago	84,719	50,269	2,630	137,618
Total Liabilities	<u>\$ 153,141</u>	<u>\$ 132,670</u>	<u>\$ 88,395</u>	<u>\$ 374,206</u>
Fund balance	-	-	-	-
Total Liabilities and Fund Balance	<u>\$ 153,141</u>	<u>\$ 132,670</u>	<u>\$ 88,395</u>	<u>\$ 374,206</u>

Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
Year ended June 30, 2014

	<u>State Basic</u>	<u>Public Aid</u>	<u>State Performance</u>	<u>Total</u>
Revenue				
State sources	\$ 1,837,690	\$ 1,592,037	\$ 1,060,744	\$ 4,490,471
Expenditures by program				
Instruction	\$ 1,158,270	\$ 995,184	\$ 313,624	\$ 2,467,078
Social Work Services	345,950	294,206	57,337	697,493
Guidance Services	69,103	18,488	91,188	178,779
Assessment and Testing	153,722	125,061	42,946	321,729
Student Transportation Services	-	-	56,146	56,146
Subtotal Instructional and Student Services	<u>1,727,045</u>	<u>1,432,939</u>	<u>561,241</u>	<u>3,721,225</u>
Program support				
Improvement of Instructional Services	-	-	216,215	216,215
General Administration	53,095	85,646	146,825	285,566
Data and Information Services	57,550	73,452	136,463	267,465
Subtotal Program Support	<u>110,645</u>	<u>159,098</u>	<u>499,503</u>	<u>769,246</u>
Total Expenditures	<u>\$ 1,837,690</u>	<u>\$ 1,592,037</u>	<u>\$ 1,060,744</u>	<u>\$ 4,490,471</u>
Excess of Revenue over Expenditures	\$ -	\$ -	\$ -	\$ -
Fund Balance - July 1, 2013	-	-	-	-
Fund Balance - June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<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
Expenditure Amounts and Percentages for ICCB Grant Funds Only
Year ended June 30, 2014**

	<u>Expenditure Amount</u>	<u>Allowed Expenditure Percentage</u>	<u>Actual Expenditure Percentage</u>
State Basic			
Instruction	\$ 1,158,270	Minimum 45%	63%
General Administration	\$ 53,095	Maximum 9%	3%
State Public Assistance			
Instruction	\$ 995,184	Minimum 45%	63%
General Administration	\$ 85,646	Maximum 9%	5%
State Performance			
General Administration	\$ 146,825	N/A	14%

See accompanying notes to grant program financial statements.

**City Colleges of Chicago
Community College District No. 508
Early School Leavers Grant Program
Balance Sheet
As of June 30, 2014**

Assets	
Cash	\$ <u>5,803</u>
 Liabilities and fund balance	
Accounts payable	\$ 4,655
Accrued payroll	<u>1,148</u>
Total liabilities	5,803
 Total Fund Balance	 <u>-</u>
Total Liabilities and Fund Balance	<u>\$ 5,803</u>

**Statement of Revenues, Expenditures
and Changes in Fund Balance
Year ended June 30, 2014**

Revenue	
State sources	\$ <u>80,000</u>
 Expenditures	
Salaries	\$ 44,774
Employee Benefits	10,988
Materials and supplies	11,214
Student Support Services	7,938
Travel and professional development	4,574
Purchased services	<u>512</u>
Total expenditures	\$ <u>80,000</u>
 Excess of Revenue over Expenditures	 \$ -
Fund Balance - July 1, 2013	<u>-</u>
Fund Balance - June 30, 2014	<u>\$ -</u>

See accompanying notes to grant program financial statements.

**City Colleges of Chicago
Community College District No. 508
Career and Technical Education - Program Improvement
Balance Sheet
As of June 30, 2014**

Assets	
Cash	<u>\$ 45,387</u>
Liabilities and Fund Balance	
Accounts payable	\$ 44,663
Accrued payroll	574
Deferred Revenue	150
Total liabilities	<u>45,387</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 45,387</u>

**Statement of Revenues, Expenditures
and Changes in Fund Balance
Year ended June 30, 2014**

Revenue	
State sources	<u>\$ 106,018</u>
Expenditures	
Salaries	\$ 27,709
Instructional equipment	25,450
Materials and supplies	17,745
Curriculum Development	24,959
Staff development	<u>10,155</u>
Total Expenditures	<u>\$ 106,018</u>
Excess of Revenue Over (Under) Expenditures	\$ -
Fund Balance - July 1, 2013	<u>-</u>
Fund Balance - June 30, 2014	<u><u>\$ -</u></u>

See accompanying notes to grant program financial statements.

**City Colleges of Chicago
Community College District No. 508
Accelerating Opportunities Implementation Grant Program
Balance Sheet
As of June 30, 2014**

Assets	
Accounts Receivable	\$ <u>20,800</u>
Liabilities and Fund Balance	
Accounts payable	\$ 4,062
Due to City Colleges of Chicago	<u>16,738</u>
Total liabilities	20,800
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 20,800</u>

**Statement of Revenues, Expenditures
and Changes in Fund Balance
Year ended June 30, 2014**

Revenue	
State sources	\$ <u>62,500</u>
Expenditures	
Salaries	\$ 6,731
Student support	28,232
Materials and supplies	20,203
Travel and meeting	4,209
Indirect cost	<u>3,125</u>
Total Expenditures	<u>\$ 62,500</u>
Excess of Revenue Over (Under) Expenditures	\$ -
Fund Balance - June 30, 2013	<u>-</u>
Fund Balance - June 30, 2014	<u>\$ -</u>

See accompanying notes to grant program financial statements.

**City Colleges of Chicago
Community College District No. 508
Adult Education Bridge Grant Program
Balance Sheet
As of June 30, 2014**

Assets	
Cash	\$ <u>6,894</u>
 Liabilities and Fund Balance	
Accounts payable	\$ <u>6,894</u>
Total liabilities	6,894
 Total Fund Balance	 <u>-</u>
Total Liabilities and Fund Balance	<u>\$ 6,894</u>

**Statement of Revenues, Expenditures
and Changes in Fund Balance
Year ended June 30, 2014**

Revenue	
State sources	\$ <u>525,000</u>
 Expenditures	
Salaries	\$ 458,857
Services	16,620
Materials and supplies	<u>49,523</u>
Total Expenditures	<u>\$ 525,000</u>
 Excess of Revenue Over (Under) Expenditures	 \$ -
 Fund Balance - June 30, 2013	 <u>-</u>
Fund Balance - June 30, 2014	<u>\$ -</u>

See accompanying notes to grant program financial statements.

**City Colleges of Chicago
Community College District No. 508
Dual Credit Enhancement Grant Program
Balance Sheet
As of June 30, 2014**

Assets	
Cash	\$ <u>7,806</u>
 Liabilities and Fund Balance	
Accounts payable	\$ <u>7,806</u>
Total liabilities	7,806
 Total Fund Balance	 <u>-</u>
Total Liabilities and Fund Balance	<u>\$ 7,806</u>

**Statement of Revenues, Expenditures
and Changes in Fund Balance
Year ended June 30, 2014**

Revenue	
State sources	\$ <u>20,000</u>
 Expenditures	
Salaries	
Student support	5,040
Materials and supplies	10,045
Travel and meeting	2,665
Contractual services	<u>2,250</u>
Total Expenditures	<u>\$ 20,000</u>
 Excess of Revenue Over (Under) Expenditures	 \$ -
 Fund Balance - June 30, 2013	 <u>-</u>
Fund Balance - June 30, 2014	<u>\$ -</u>

See accompanying notes to grant program financial statements.

Notes to Grant Program Financial Statements

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

**Notes to Grant Program Financial Statements
June 30, 2014**

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 Grant Programs

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. State funds include three categories: (1) State Basic, (2) State Public Assistance, and (3) State Performance. Federal funds include two categories: (1) Federal Basic and (2) Federal EL/Civics. 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 Program

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. Career and Technical Education – Program Improvement

Grant funding recognizes that keeping career and technical education programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

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

**Notes to Grant Program Financial Statements
June 30, 2014**

1. PROGRAM DESCRIPTIONS *(Continued)*

D. Accelerating Opportunities Implementation Grant Program

The Accelerating Opportunities Grant program primary focus is to increase the number and share of ABE/GED/ESL students who advance to and succeed in college level courses in the Manufacturing and Health Sciences pathways with a District goal of achieving a minimum of 316 credentials by September 30, 2014.

E. Adult Education Bridge Grant Program

The Adult Education Bridge Grant Program allows adult students with language arts and math skills between a 6th and 8th grade level to rapidly build their basic skills through instruction tailored specifically to a high-growth career field in Healthcare, Manufacturing, Culinary/Hospitality or Transportation, Distribution and Logistics.

F. Dual Credit Enhancement Grant Program

The Dual Credit Enhancement Grant primary purpose is to support the development, enhanced delivery and evaluation of local dual credit programs and to expand student access to higher education while maintaining high academic standards.

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. Expenditures are reported when services are rendered, or when goods are received.

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

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

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

**Notes to Grant Program Financial Statements
June 30, 2014**

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

October 15 following the end of the fiscal year. The State Adult Education and Family Literacy programs, the Early School Leavers program, the Career and Technical Education program, the Accelerating Opportunities program, Adult Bridge Program and the Dual Credit Enhancement grant program were fully expended within the grant period.

These grant program financial statements cover only the State Adult Education and Family Literacy program, Early School Leavers, Career and Technical Education, Accelerated Opportunities, Adult Bridge and the Dual Credit Enhancement programs. It is not intended to, and does not, present 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, Early School Leavers, Career and Technical Education Program Improvement, Accelerating Opportunities, Adult Education Bridge and Dual Credit Enhancement programs are pooled with City Colleges.

C. Capital Outlay

Acquisitions of fixed assets with grant funds are reported as capital outlay expenditures in these grant program financial statements. Fixed assets acquired with grant funds are not reported on grant balance sheets.

D. 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.

**Single Audit Act Supplementary
Financial and Compliance
Report Section**



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

Independent Auditor's Report

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

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, the financial statements of City Colleges of Chicago, Community College District No. 508 (City Colleges) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City Colleges' basic financial statements, and have issued our report thereon dated October 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City Colleges' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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 of 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' 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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.

McGladrey LLP

Chicago, Illinois
October 10, 2014



**Report on Compliance for Each Major Federal
Program; Report on Internal Control Over Compliance; and Report on Schedule of
Expenditures of Federal Awards Required by OMB Circular A-133**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited City Colleges of Chicago, Community College District No. 508's (City Colleges) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City Colleges' major federal programs for the year ended June 30, 2014. City Colleges' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management of City Colleges is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City Colleges' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City Colleges' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City Colleges' compliance.

Opinion on Each Major Federal Program

In our opinion, City Colleges complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002, and 2014-003. Our opinion on each major federal program is not modified with respect to these matters.

City Colleges' responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. City Colleges' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of City Colleges is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City Colleges' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City Colleges' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002 and 2014-003 that we consider to be significant deficiencies.

City Colleges' responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. City Colleges' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of City Colleges as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City Colleges' basic financial statements. We issued our report thereon dated October 10, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

McGladrey LLP

Chicago, Illinois
October 10, 2014

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Project or Pass-Through Grantor's Number	Total Expenditures
U.S. Department of Education -			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	84.063	P063P111341	\$102,247,909
Federal Work-Study Program	84.033	P033A111123	1,382,088
Federal Supplemental Educational Opportunity Grants Program	84.007	P007A111123	<u>1,987,732</u>
Total Student Financial Assistance			<u>105,617,729</u>
Federal Direct Student Loans			
Kennedy King College	84.268	P268K146807	9,655,046
Olive Harvey College	84.268	P268K146999	5,203,985
Harold Washington College	84.268	P268K146870	5,572,922
Truman College	84.268	P268K146996	4,594,206
Malcolm X College	84.268	P268K146907	4,391,186
Wright College	84.268	P268K146997	2,485,253
Daley College	84.268	P268K146878	<u>1,888,880</u>
Total Federal Direct Student Loans			<u>33,791,478</u>
Total Student Financial Assistance Cluster:			<u>139,409,207</u>
TRIO Cluster:			
TRIO- Student Support Services			
Student Support Services Program	84.042A	P042A100449-12	23,059
Student Support Services Program	84.042A	P042A100449-13	213,209
Student Support Services Program	84.042A	P042A100110-12	13,750
Student Support Services Program	84.042A	P042A100110-13	<u>199,764</u>
			<u>449,782</u>
TRIO - Talent Search Program			
Talent Search Grant	84.044A	P044A110877-12	87,466
Talent Search Grant	84.044A	P044A110877-13	212,841
Talent Search Grant	84.044A	P044A110382-12	28,630
Talent Search Grant	84.044A	P044A110382-13	<u>287,424</u>
			<u>616,361</u>
TRIO - Upward Bound Program			
Upward Bound Grant	84.047A	P047A121219	90,868
Upward Bound Grant	84.047A	P047A121219-13A	<u>175,559</u>
			<u>266,427</u>
TRIO - Educational Opportunity Centers			
Educational Opportunity Centers Program	84.066A	P066A110111-12	21,036
Educational Opportunity Centers Program	84.066A	P066A110111-13	<u>170,962</u>
			<u>191,998</u>
Total TRIO Cluster			<u>1,524,568</u>

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Project or Pass-Through Grantor's Number	Total Expenditures
U.S. Department of Education (Continued)			
Adult Education - Basic Grants to States			
Passed through the Illinois Community College Board			
Adult Education Grant - Basic	84.002A	50800	\$ 1,646,873
Adult Education Grant - Civic	84.002A	50800	256,313
			<u>1,903,186</u>
Higher Education Institutional Aid			
Strengthening Institutions Programs (SIP)	84.031A	P031A090185-12	88,328
Strengthening Institutions Programs (SIP)	84.031A	P031A090185-13	338,329
			<u>426,657</u>
Higher Education Institutional Aid			
Predominantly Black Institutions Program - Formula Grant	84.031P	P031P110013-12	49,845
Predominantly Black Institutions Program - Formula Grant	84.031P	P031P110013-13	164,689
Predominantly Black Institutions Program - Formula Grant	84.031P	P031P110014-12	38,929
Predominantly Black Institutions Program - Formula Grant	84.031P	P031P110014-13	203,881
Predominantly Black Institutions Program - Formula Grant	84.031P	P031P110015-12	23,558
Predominantly Black Institutions Program - Formula Grant	84.031P	P031P110015-13	199,632
			<u>680,534</u>
Higher Education Institutional Aid			
Wright Start: Increasing Hispanic Student Success in the First Year of College	84.031S	P031S120098	195,193
Wright Start: Increasing Hispanic Student Success in the First Year of College	84.031S	P031S120098-13	504,298
			<u>699,491</u>
Career and Technical Education - Basic Grants to States			
Passed through the Illinois Community College Board			
Perkins III Grant	84.048	CTE50814	<u>2,965,378</u>
Career and Technical Education - Basic Grants to States			
Passed through the Illinois Community College Board			
Passed through Illinois State University			
Professional Development and Technical Assistance Project	84.048	18890	<u>4,000</u>
Career and Technical Education			
CCC Programs of Study (POS) Implementation Grant			
Pathway to Results	84.048	14CTE POSI 508	<u>50,000</u>
Minority Science Improvement	84.120A	P120A120077	80,072
Minority Science Improvement	84.120A	P120A120077-13	227,391
			<u>307,463</u>

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Project or Pass-Through Grantor's Number	Total Expenditures
U.S. Department of Education (Continued)			
Gaining Early Awareness and Readiness for Undergraduate Programs			
Passed through Northeastern University			
Chicago Gear Up Alliance	84.334	P334A110082-13	\$ 48,000
Curriculum Alignment			
Passed through Illinois Community College Board			
Common Core State Standards Implementation	84.367A	13 CA508	6,497
Strengthening Minority-Serving Institutions			
Project GEMS	84.382A	P382A110034-12	112,382
Project GEMS	84.382A	P382A110034-13	429,452
			<u>541,834</u>
Strengthening Minority-Serving Institutions			
Learning Communities for STEM	84.382A	P382A110046-11	3,125
Learning Communities for STEM	84.382A	P382A110046-12	115,212
Learning Communities for STEM	84.382A	P382A110046-13	513,866
			<u>632,203</u>
Race to the Top			
Passed through Illinois Community College Board			
STEM College and Career Readiness	84.413A	14 RTTT508	134,888
Total Expenditures - U.S. Department of Education			<u>149,333,906</u>
U.S. Department of Health and Human Services -			
Head Start			
Passed through the City of Chicago Department of Family and Support Services:			
Head Start Program	93.600	25062-3	122,770
Head Start Program	93.600	25062-4	233,043
Head Start Support Services Program	93.600	28838-1	440,097
Head Start Support Services Program	93.600	26005-2	153,927
Head Start Support Services Program	93.600	29794-1	189,804
			<u>1,139,641</u>
Child Care			
Passed through the City of Chicago Department of Family and Support Services:			
Child Care Services Program	93.596	28412-1	263,437
Biomedical Research			
Passed through University of Illinois			
UIC Behavioral and Biomedical Sciences Bridges to Baccalaureate Program	93.859	1R25GM107692-01	25,364
Total Expenditures - U.S. Department of Health and Human Services			<u>1,428,442</u>

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Project or Pass-Through Grantor's Number</u>	<u>Total Expenditures</u>
U.S. Department of Agriculture -			
Passed through the Illinois State Board of Education Child and Adult Care Food Program	10.558	15016508051	\$ 148,206
Higher Education - Institution Challenge Grants Program			
Passed through Chicago State University Chicago South Side Urban Agricultural Initiative	10.217	2011-38411-30640	14,487
Total Expenditures - U.S. Department of Agriculture			162,693
U.S. Department of Labor -			
Green Jobs Innovation Fund Grants			
Passed through Jobs For The Future Green Jobs Innovation Fund	17.279	IF-21926-11-60-A-25	26,708
Green Jobs Innovation Fund Grants			
Passed through Opportunity Advancement Innovation Calumet Green Manufacturing Partnership	17.279	A2012-00340	10,485
Trade Adjustment Assistance Community College and Career Training Grants			
Passed through Cincinnati State Technical and Community College Health Professionals Pathways Consortium (H2P)	17.282	TC-22486-11-60-A-39	399,692
Trade Adjustment Assistance			
Passed through William Rainey Harper College Illinois Network for Advanced Manufacturing (INAM)	17.245	TC-23795-12-60-A-17	20,600
Total Expenditures - U.S. Department of Labor			457,485
National Science Foundation -			
Research and Development Cluster			
Engineering Grants			
Passed through Thermal Conservation Technologies Supplemental Opportunity for Small Business Innovation Research and Small Business Technology Transfer Community College Research Teams (SBIR/STTR)	47.041	IIP-1230294	25,749
Mathematical and Physical Sciences			
Exploring New Models for Authentic Undergraduate Research with Two-Year College Students	47.049	CHE-0629174	2,413

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Project or Pass-Through Grantor's Number	Total Expenditures
National Science Foundation (continued) -			
Research and Development Cluster (continued)			
Education and Human Resources			
Passed through DePaul University			
Building a STEM Pipeline in Chicago	47.076	DUE-0653198	\$ 13,396
Education and Human Resources			
Passed through Chicago State University			
Illinois Louis Stokes Alliance for Minority Participation	47.076	HRD-0904024	9,199
Education and Human Resources			
Passed through Roosevelt University			
RU-HWC Partnership for STEM Education			
Mathematics Talent Expansion Program (USTEP)	47.076	DUE-0757053	20,509
Education and Human Resources			
Passed through Northwestern University			
Enhance Critical Thinking in STEM Disciplines	47.076	DUE-0942404	8,569
Education and Human Resources			
Passed through University of Massachusetts Boston			
Broadening Advanced Technological Education			
Connections	47.076	DUE-1104145	15,446
Education and Human Resources			
STEM Scholars Program	47.076	DUE-1259809	54,371
Total Research and Development Cluster			149,652
Total Expenditures - National Science Foundation			149,652

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Project or Pass-Through Grantor's Number	Total Expenditures
U.S. Department of Commerce Special Projects Passed through Public Broadcasting Service (PBS) Warning, Alert, and Response Network Act (WARN)	11.553	51-51-W10606	\$ 68,330
Office of Naval Research - Midwest Association for Science and Services (Critical Mass)	12.300	N00014-12-1-0738	161,840
U.S. Department of Transportation Federal Highway Administration Highway Planning and Construction Passed through the Illinois Community College Board Highway Construction Careers Training Program	20.205	HCCTP508 14	283,584
National Aeronautics and Space Administration - Education Passed Through Jobs for the Future Building a Diverse Green Workforce: Integrating Climate Change Science Into Community College Green Career Education and Training	43.008	NNX11AM95G	1,300
ARRA/Recovery Act Programs			
U.S. Department of Energy - Weatherization Assistance for Low-Income Persons Weatherization Assistance Program Training Centers and Programs	81.042	DE-EE0003859	200,253
Total Expenditures - Other Federal Agencies			715,307
Total All Programs			\$ 152,247,485

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Scope of Entity

City Colleges of Chicago, Community College District No. 508 (City Colleges) is a separate taxing body created under the Illinois Public Community College Act of 1965, with boundaries coterminous with the City of Chicago. City Colleges delivers educational and student services through seven colleges, each of which is separately accredited by the North Central Association. The seven colleges are Richard J. Daley College, Harold Washington College, Kennedy-King College, Malcolm X College, Olive-Harvey College, Harry S. Truman College, and Wilbur Wright College. The Board of Trustees, appointed by the Mayor of the City of Chicago and ratified by the City Council of Chicago, is responsible for establishing the policies and procedures by which City Colleges is governed. The U.S. Department of Education has been designated as the City Colleges' cognizant agency for the Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit).

Fiscal period audited: Single Audit testing procedures were performed for program transactions that occurred during the fiscal year ended June 30, 2014.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The accompanying schedule of expenditures of federal awards includes the federal grant activity of City Colleges and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The amounts presented in this schedule have been reconciled to City Colleges' basic financial statements.

Cost allocation: City Colleges has a plan for allocation of common and indirect costs related to grant programs in accordance with OMB Circular A-21, *Cost Principles for Educational Institutions*. The amounts allocated to grant programs during the fiscal year ended June 30, 2014, are primarily based on a federally negotiated higher education rate agreement.

Note 3. Student Loan Programs

Loans made under the Federal Direct Student Loan program issued to eligible students of City Colleges during the fiscal year ended June 30, 2014, are summarized as follows:

Guaranteed loan programs:	
Subsidized	\$ 23,824,800
Unsubsidized	9,635,393
Parent Plus	<u>331,285</u>
Total federal student loan programs	<u>\$ 33,791,478</u>

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)*

There was no federal capital contributions received for the year ended June 30, 2014 under the Federal Perkins Loan Program (Perkins). There were no new Perkins loans issued to students during the year ended June 30, 2014. Total Perkins loan balances outstanding at June 30, 2014 were \$817,673.

Note 4. Other Noncash Assistance

City Colleges did not receive federal noncash assistance during the fiscal year ended June 30, 2014.

Note 5. Findings and Noncompliance

The findings and noncompliance identified in connection with the 2014 Single Audit are disclosed in the schedule of findings and questioned costs.

Note 6. Subrecipients

City Colleges did not provide federal awards to subrecipients during the fiscal year ended June 30, 2014.

Note 7. Amount of Federal Insurance in Effect During the Year

No federal insurance was received by City Colleges during the year ended June 30, 2014.

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness (es) identified?	___ Yes	_X_ No
Significant deficiency(ies) identified?	___ Yes	_X_ None Reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	___ Yes	_X_ No
Significant deficiency(ies)?	_X_ Yes	___ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _X_ Yes ___ No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.063, 84.033, 84.038, 84.007, 84.268	Student Financial Assistance Cluster
84.002A	Adult Education-Basic Grants to States
17.282	Trade Adjustment Assistance Community College and Career Training Grants
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs: \$385,148

Auditee qualified as low-risk auditee? ___ Yes _X_ No

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2014-001: Noncompliance with Federal Perkins Loan Program Requirements

Federal Agency: U.S. Department of Education (ED)

Federal Program Title: Federal Perkins Loan Program

Pass-Through Entity: Not applicable.

CFDA Number: 84.038

Questioned Costs: None.

Criteria:

The Department of Education requires the District to maintain a Federal Perkins Loan Program fund (Fund) in a separate interest-bearing bank account or investment account consisting predominately of low-risk, income-producing securities, such as obligations issued or guaranteed by the United States. Interest on Fund proceeds are retained by the institution as part of the Fund. Additionally, the Department of Education requires that principal repayments and reimbursements for canceled loans are reinvested in the FPL revolving fund (34 CFR §668.163 and §674.8).

Additionally, the Department of Education requires institutions to exercise due care and diligence in the collection of loans. For the Federal Perkins Loan Program, such due diligence procedures include, but are not limited to the following:

1. Specific billing procedures to notify borrowers of overdue payments and to demand overdue amounts (34 CFR §674.43).
2. Specific collection procedures to recover amounts from defaulted borrowers who do not respond satisfactorily to demands routinely made as part of the institution's billing procedures, including litigation procedures (34 CFR §674.45).

Condition:

The District did not maintain a Federal Perkins Loan Program fund in a separate interest-bearing bank account.

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Additionally, the District did not maintain documentation to support that it complied with the due care and diligence requirements of the Department of Education regarding the collection of loans.

Context:

The District has not received any new Federal Perkins Loan capital contributions or made any new Federal Perkins Loans in the past 15 or more years. Total outstanding loan balance as of June 30, 2014 is \$817,673, which includes accrued interest.

Finding 2014-001: Noncompliance with Federal Perkins Loan Program Requirements (Continued)

The District is engaged with the Department of Education in liquidating its Perkins loan portfolio so that the District can be relieved of its responsibility to comply with the compliance requirements applicable to the Federal Perkins Loan Program. The District has completed and submitted the Independent Perkins Liquidation Audit to the Department of Education.

Cause:

City Colleges of Chicago has not been actively administering its Federal Perkins Loan program since it ended its servicer agreement in 2009. CCC did have a segregated account for the program; however, it was closed because no students were paying on their loans at the time of its closure. CCC's lack of stringent controls for this program is due to the age of the loan accounts and management turnover.

Effect:

Failure to properly administer and report the District's Perkins Loan program results in violations of Department of Education requirements for the Perkins Loan program.

Recommendation:

We recommend the District continue following the Department of Education's liquidation guidance so that the District can be relieved of its responsibility to comply with the compliance requirements applicable to the Federal Perkins Loan Program.

Management Response:

See Corrective Action Plan.

Finding 2014-002: Cost of Attendance

Federal Agency: U.S. Department of Education (ED)

Federal Program Title: Student Financial Assistance Cluster

Pass-Through Entity: Not applicable.

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

CFDA Number: 84.007, 84.033, 84.063, 84.268, 84.375

Questioned Costs: \$1,334

Criteria:

Awards for each of the Federal Student Aid (FSA) programs are based on some form of financial need, beginning with cost of attendance (COA), which is an estimate of that student's educational expenses for the period of enrollment. The cost of attendance is determined by law (Higher Education Act, Sec. 472) which specifies the types of costs that are included in the cost of attendance.

(OMB Circular A-110) also requires nonfederal entities receiving federal awards to establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Finding 2014-002: Cost of Attendance (continued)

Condition:

For six out of sixty students selected for testing, the District inaccurately calculated the student's cost of attendance. In five instances, there was no effect on the award of FSA. In one instance, this resulted in a \$1,334 over-award of FSA.

Context:

The errors are the result of a systemic error in the student financial aid software purchased and implemented by the District in fiscal year 2014. The District identified the error and subsequently reported the issue to the vendor to be corrected. Additionally, in order to mitigate the effect of the system issue, the District recalculated the costs of attendance for students they determined were at risk for over-award. In instances where erroneous calculations resulted in over-awards, the District corrected the COA and revised the award packaging that was completed. In instances where the erroneous calculations did not result in an over-award, the District did not correct the COA or revise the award packaging that was completed.

Cause:

The errors are the result of a systemic error in the student financial aid software purchased and implemented by the District in fiscal year 2014. The District believes the vendor has subsequently corrected the system error.

Effect:

\$1,334 over-award of FSA. Additionally, the testing results indicate a potential 10% error rate in calculating cost of attendance.

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Recommendation:

We recommend the District verify the software vendor has satisfactorily corrected the system error that caused the calculation errors.

Management Response:

See Corrective Action Plan.

Finding 2014-003: Allowable Activities and Allowable Costs/Cost Principles

Federal Agency: U.S. Department of Education (ED)

Pass through Entity: Illinois Community College Board

Federal Program Title (CFDA Number): Adult Education - Basic Grants to States (84.002)

Questioned Costs:

\$4,747

Finding 2014-003: Allowable Activities and Allowable Costs/Cost Principles (continued)

Criteria:

Allowable Costs/Cost Principles for local governments are located in OMB Circular A-21. Section J.I0 (b) (c) describes the acceptable methods for distributing salaries. At least annually a statement must be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed, stating that salaries and wages charged to sponsored **City** agreements as direct charges and to residual, facilities and administrative costs or other categories are reasonable in relation to work performed. For professorial and professional staff, the reports must be prepared each academic term, but no less frequently than every six months. For other employees, unless alternate arrangements are agreed to, the reports will be prepared no less frequently than monthly and will coincide with one or more pay periods.

Condition:

As part of our compliance review over expenditures, we selected a sample of employees charged to the program to ascertain they were allowable per program requirements and appropriately supported in accordance with OMB Circular A-21.

For 8 of the 36 payroll transactions selected for testing, we noted the salary distribution was in excess of the allowable amount evidenced in the time and effort certifications for the period.

Context:

Total exceptions amounted to \$4,747 of the \$22,208 sampled from the total salaries the District was reimbursed for during fiscal year ended June 30, 2014.

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Cause:

Payroll charges processed through the HR/payroll system may not reconcile to time and effort reports completed by staff in each pay period because the chartfield information loaded into the HR system is not altered pay period by pay period throughout the year based on the reported distribution of effort.

Effect:

The lack of timely submission of time and effort can lead to unsupported, inaccurate, or incomplete charges to sponsored awards due to either the passage of time or inappropriate oversight.

Recommendation:

We recommend the District continue to emphasize the importance of time and effort reporting through training and communication and clarify its policy to indicate that completion of the time and effort certification process includes receipt and review by management knowledgeable of the grant requirements.

Management Response:

See Corrective Action Plan.

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

**Schedule of Expenditures of Federal Awards
June 30, 2014**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2013-002: Pension Costs Charged to Federal Programs

Student Financial Assistance Cluster – CFDA 84.007, 84.033, 84.063, 84.268, 84.375

Federal Agency - U.S. Department of Education

Condition - City Colleges charged the federal grants using an actuarially determined rate that is based on the annual required employer contribution instead of a rate based on the actuarially determined normal cost. As a result, City Colleges overcharged the grants for pension costs.

Corrective Action Plan – City Colleges of Chicago has implemented a new process to calculate and distribute the correct employer pension benefit expenses. Controls are in place to ensure proper rates are used in computing amounts for eligible employees. Furthermore, City Colleges of Chicago is implementing the auditor’s recommendation. CCC has contracted external auditors to perform a reconciliation of amounts due to reimburse federal grants for overcharges and will contact the funding agencies to resolve the overcharges.

Current Status – No exceptions noted in fiscal year 2014.

Finding 2013-003: Noncompliance with Federal Perkins Loan Program Requirements

Federal Perkins Loan Program – CFDA 84.038

Federal Agency - U.S. Department of Education

Condition - The District did not maintain a Federal Perkins Loan Program fund (Fund) in a separate interest-bearing bank account.

Additionally, the District did not maintain documentation to support that it complied with the due care and diligence requirements of the U.S. Department of Education regarding the collection of loans.

The District has not reported the outstanding loan balance on the Schedule of Expenditures of Federal Awards and the Data Collection Form as required by OMB Circular A-133 since at least fiscal year ended June 30, 2006.

Corrective Action Plan – City Colleges of Chicago is implementing the auditor’s recommendation. CCC is currently in the process of liquidating its Federal Perkins Loan portfolio. CCC will be contracting with a firm to conduct an independent audit so that the amount it must return in order to end its affiliation with this program can be determined.

Current Status – See finding 2014-001.

October 10, 2014

McGladrey LLP
1 South Wacker Drive, Suite 800
Chicago, IL 60606

City Colleges of Chicago's Corrective Action Plan for the findings identified in the June 30, 2014 Single Audit is identified below. The findings are titled and numbered consistently with the titles and numbers assigned in the schedule of findings and questioned costs.

Finding 2014-001: Noncompliance with Federal Perkins Loan Program Requirements

Management Response:

City Colleges of Chicago engaged the auditing firm of Clifton Larson Allen to perform an independent Perkins Liquidation Audit. The audit was completed in late June 2014, and was submitted to the U.S. Department of Education on July 17, 2014. We are currently awaiting a response from the U.S. Department of Education so that we may proceed with the liquidation process. Additionally, in response to the U.S. Department of Education's Final Audit Determination letter regarding the 12/13 A133 Perkins Loan-related finding, City Colleges of Chicago revised the 12/13 FISAP so that the reported Perkins Loan data would be in alignment with the data that was validated by Clifton Larson Allen.

Contact person: Cynthia Grunden, Associate Vice Chancellor of Student Financial Services

Anticipated completion date: June 30, 2015

Finding 2014-002: Cost of Attendance

Management Response:

The District referred the issue to the vendor early in the 2013 fall term. The District believes the error has been resolved. In addition, in order to mitigate any overpayments that would stem from such an issue, the District performed cost of attendance recalculations for the affected students and corrected any over-awards identified.

Contact person: Cynthia Grunden, Associate Vice Chancellor of Student Financial Services

Anticipated completion date: October 31, 2014

Finding 2014-003: Allowable Activities and Allowable Costs/Cost Principles

Management Response:

The time and effort report for a given pay period may not reconcile to the payroll entry for that particular period, but total annual payroll distribution should reflect the aggregate time and effort for the year. The Office of Finance will develop a reconciliation process to ensure that by the end-of-year close total annual payroll charges accurately reflect the time and effort as certified by each employee

Contact person: JR Dempsey, Associate Vice Chancellor Finance

Anticipated completion date: January 31, 2015

Please contact us if you would like additional copies of the Comprehensive Annual Financial Report for the year ended June 30, 2014: <http://www.ccc.edu/departments/Pages/Annual-Finance-and-Budget-Reports/CAFR>.

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

Office of Finance
226 W. Jackson Blvd., 11th Fl.
Chicago, IL 60606
(312) 553-2500 Phone
(312) 553-2785 Fax

