



# CITY COLLEGES OF CHICAGO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2011

Daley College  
Harold Washington College  
Kennedy-King College  
Malcolm X College  
Olive-Harvey College  
Truman College  
Wright College

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District No. 508  
Cook County, State of Illinois

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## **COMMUNITY COLLEGE DISTRICT NO. 508**

Chicago, Illinois

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# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the fiscal year ended June 30, 2011

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

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Martin Cabrera Jr., Board Chairman  
Cheryl L. Hyman, Chancellor

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District No. 508  
County of Cook and  
State of Illinois**

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



## Introduction for Comprehensive Annual Financial Report:

November 15, 2011

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



I am pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the City Colleges of Chicago for the fiscal year ended June 30, 2011.

This report offers a comprehensive analysis of our financial conditions and activities. It reflects City Colleges' efforts over the last year to prudently and efficiently use taxpayer resources to ensure our students are prepared to successfully pursue their goals of higher education or a career.

This year, not only do we celebrate 100 years of improving lives through education, we also mark one year of reform. Last year, I launched a Reinvention to evaluate our programs and operations and transform our institution into a world class community college system that can serve as an economic engine for the City of Chicago.

As part of our Reinvention, we closely linked City Colleges' strategic goals and annual planning with the budgetary process to further ensure student success. The approach, outlined in this report, has been recognized by the Civic Federation's Laurence Msall for demonstrating "prudent fiscal management strategies" and "fiscal restraint."

As you will see in the following pages, at the end of fiscal year 2011, the City Colleges maintained a consistently strong financial position. We are fortunate to end the year with total net assets of \$824.2 million, an increase of \$30.3 million over fiscal year 2010.

For the second year in a row, we have frozen the property tax levy, and limited the increase in general operational spending. We are focused on cost-containment strategies such as cooperative purchasing agreements and maintaining the affordability of our quality educational offerings. Furthermore, we are developing a long-term plan to address future gaps and continue to build healthy reserve funds.

The savings we achieve through these measures is being re-invested in initiatives to drive student success. From boosting college readiness to retention, we are building a set of tools that will enable us to significantly improve student outcomes.

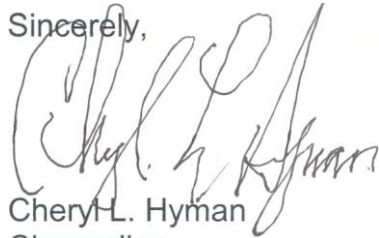
To name a few, we are working closely with industry experts and four year institutions to align our programs with workforce demands. We are offering our students a clearer path through our institution and additional support along the way. By launching wellness centers at each college, we are greatly expanding our capacity to address students' social and emotional needs, and the addition of advisors has already reduced our student to advisor ratio by 25 percent.

We also are focused on getting students college ready more quickly and earlier in their educational career. This year, we will expand our dual enrollment program to offer up to 700 Chicago Public School students per semester the opportunity to take college courses for free while they are still in high school. We are building off successful college bridge programs and creating learning communities to ensure students make the transition into credit courses. We also continue to invest in technologies and capital improvements that enhance the learning environment.

Our systems and processes are also being reviewed and reformed. With pro-bono support from KPMG, we are dramatically streamlining our procurement process. Furthermore, we are in the process of moving ahead with a performance evaluation system to enable goal setting and professional development as well as a business intelligence system to facilitate broader access to student data. Still, much more is yet to come.

The City Colleges of Chicago is committed to the judicious use of our financial resources to ensure our students are able to meet their goals and to fulfill our promise of becoming a best in class community college system for the people of Chicago.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl L. Hyman". The signature is fluid and cursive, with a large initial "C" and "H".

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, 2011**

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**City Colleges of Chicago  
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# **Introductory Section**





## **Transmittal Letter**

November 15, 2011

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), for the fiscal year ended June 30, 2011. 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 auditors' report of Deloitte & Touche 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 body politic and corporate, and a 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. City Colleges is not a home rule unit of government and operates seven colleges offering two-year Associates' degrees, occupational certificates, continuing education, customized business-specific training and adult education programs equating to more than 250 programs. City Colleges has no component units, which are legally separate organizations for which the City Colleges would be financially accountable.

Of the Board's eight members, the seven who vote are appointed by 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, comes from one of the colleges.

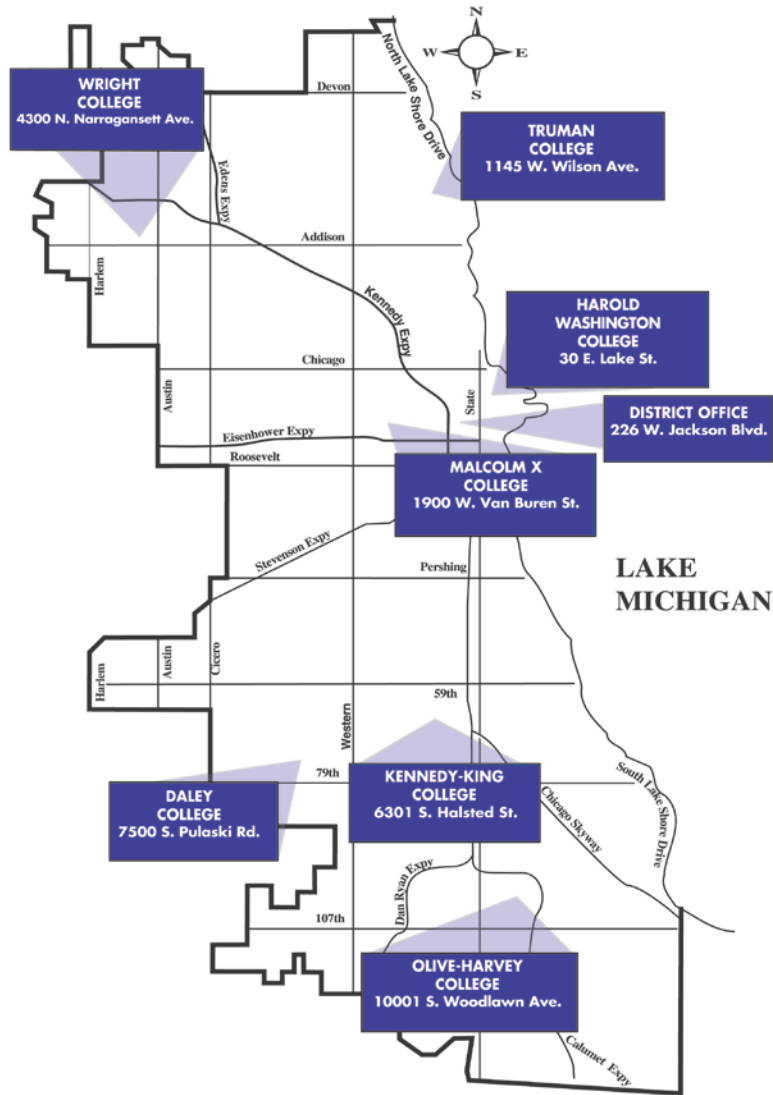
The District currently occupies a land area of approximately 228.5 square miles, and serves a population of approximately 2,695,598.

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 as noted in the map on the following page.

The year 2011 marks the City Colleges 100th anniversary. This historic milestone is a time to celebrate the City Colleges' proud history as "the People's College" and the positive impact this great institution has had on the lives of more than 1 million alumni and countless others. It is also a time to look ahead to the fundamental changes needed to elevate the City Colleges' performance and deliver on the promise of a City Colleges' education. During the last five years alone, City Colleges awarded 10,617 associate degrees and 29,279 certificates and has seen 6,408 individuals complete the General Education Diploma (GED) program. 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 to make them employable. 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.



**CITY COLLEGES**  
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<p><b>City Colleges of Chicago*</b> 226 W Jackson Boulevard (773) COLLEGE (265-5343), or(312) 553-2500 <a href="http://www.ccc.edu">www.ccc.edu</a></p>	<p><b>Richard J. Daley College</b> 7500 S Pulaski Road (773) 838-7600 <a href="http://daley.ccc.edu/">http://daley.ccc.edu/</a></p>	<p><b>Harold Washington College</b> 30 E Lake Street (312) 553-6010 <a href="http://hwashton.ccc.edu/">http://hwashton.ccc.edu/</a></p>	<p><b>Kennedy-King College</b> 6301 S Halsted Street (773) 602-5111 <a href="http://kennedyking.ccc.edu/">http://kennedyking.ccc.edu/</a></p>
<p><b>Malcolm X College</b> 1900 W Van Buren Avenue (312) 850-7055 <a href="http://malcolmx.ccc.edu/">http://malcolmx.ccc.edu/</a></p>	<p><b>Olive-Harvey College</b> 10001 S Woodlawn Avenue (773) 291-6349 <a href="http://oliveharvey.ccc.edu/">http://oliveharvey.ccc.edu/</a></p>	<p><b>Harry S Truman College</b> 1145 W Wilson Avenue (773) 907-4000 <a href="http://www.trumancollege.edu">www.trumancollege.edu</a></p>	<p><b>Wilbur Wright College</b> 4300 N Narragansett Avenue (773) 481-8233 <a href="http://wright.ccc.edu/">http://wright.ccc.edu/</a></p>

\*District Office



## VISION, MISSION, AND GOALS

City Colleges' current strategic plan, strategic goals, and tactical plans were developed by a cross-functional team from the campuses and the District Office and are reviewed and updated annually. City Colleges' strategic planning initiative, Vision 2011, calls for an assessment of all aspects of its curricula, programs, student support services, as well as its delivery. City Colleges must ensure that each of its courses and programs are appropriately mapped and aligned with leading four-year colleges and universities to enable a smooth transition for its students. Since employers are increasingly competing in a highly diverse global economy, City Colleges must ensure that its students are not only able to compete but to thrive in the global marketplace.

**City Colleges' Vision Statement:** We aspire to be a premier, first choice educational destination highly accessible to diverse student populations in Chicago and around the world and widely recognized for excellence in leadership. Through the power of education, we inspire and transform the lives of our students and those connected to them, enhance the communities we serve, and catalyze positive socio-economic change.

**City Colleges' Mission Statement:** Through our seven colleges, we deliver exceptional learning opportunities and educational services for diverse student populations in Chicago. We enhance knowledge, understanding, skills, collaboration, community services and life-long learning by providing a broad range of quality, affordable courses, programs, and services to prepare students for success in a technologically advanced and increasingly interdependent global society. We work proactively to eliminate barriers to employment and to address and overcome causal factors underlying socio-economic disparities and inequities of access and graduation in higher education.

**Strategic Direction:** By 2012, City Colleges will increase its recognition as a leader in community college education as measured by:

- Our students learning outcomes and the readiness of our graduates to be successful in the global marketplace and productive, ethical global citizens;
- The excellence and innovation of our programs and curricula offerings which are designed to meet the needs of four-year higher education institutions and employers that are based upon measurable student learning outcomes;
- Our highly diverse, world-class workforce which creates effective learning environments and provides effective teaching, excellent and innovative student support service offerings; and
- Our effectiveness in eliminating barriers to employment; as well as socio-economic disparities impacting students.

**Goals and Strategies:** City Colleges' goals and strategies are integrated and interdependent and are designed to enable the accomplishment of our mission and statement of strategic direction while upholding our values.

Goal 1: Solidify commitment to student learning/effective teaching

Goal 2: Generate awareness and access

Goal 3: Strengthen relationships with external constituents

Goal 4: Develop and retain the highest quality City Colleges workforce

Goal 5: Enhance student support services

Goal 6: Declare commitment to the key markets City Colleges serves

Goal 7: Achieve enterprise operational excellence – recognize that the accomplishment of our mission, goals and strategies depends upon a very well-run enterprise.

## **ECONOMIC CONDITION AND OUTLOOK**

While unemployment rates in Chicago and the surrounding state and region were lower than their early 2010 peak, all increased from May 2011 to June 2011. There were an estimated 378,300 residents in the 8-county Chicago Metro Division unemployed for a seasonally adjusted jobless rate of 9.3% - down nearly 1 percentage point from 10.2% a year ago, but up from 8.9% in May 2011. The growth in the civilian labor force was not enough to offset 19,500 additional unemployed persons.

Inflation, as a measure of the Consumer Price Index, is expected to rise quite a bit in 2011, to an annual rate of 2.6%, but this anticipated rise is largely due to increases in energy prices in the early part of 2011. Oil prices are predicted to peak in the second quarter of 2011, at \$104 per barrel, and then remain relatively flat. Inflation is then anticipated to fall slightly to 2.2% in 2012. Real personal consumption expenditures are forecasted to expand at a solid rate of 2.8% in 2011 and at a slightly lower rate in 2012. The housing sector is predicted to improve over the forecast horizon and the long-term interest rates are forecasted to increase 84 basis points in 2011, to 3.7%, and 50 basis points in 2012, to 4.2%. The short term interest rate (one-year Treasury rate) is expected to rise 12 basis points this year, to 0.38%, and 98 basis points next year, to 1.36%.

The Chicago Business Activity Index (CBAI) was at 93.5 in July 2011, up from 91.5 in June 2011. Prior to that, the index had been as far up as 116.3 a year ago. The increase of the index in July could be attributed mainly to the increase of private consumption and the recovery of manufacturing employment in the Chicago region. The national and regional economy presented mixed features. The Federal Reserve Board announced that industrial production advanced 0.9 percent in July. Capacity utilization for total industry climbed to 77.5 percent in July. In addition, national retail sales increased 0.35 percent in July. The number of unemployed persons (13.9 million) and the unemployment rate (9.1 percent) changed little in July. In the coming months, the national economy is likely to maintain its modest, but slowing recovery trend. The Bureau of Labor Statistics reported total nonfarm payroll employment rose by 117,000 in July. Job gains occurred in health care, retail trade, manufacturing, and mining. Government employment continued to trend down. With regard to inflation, the economic slack suggests subdued inflationary pressure from economic activity over the coming year. The risk of double-dip recession has risen. For the local economy, considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its modest improving trend over the next several months.

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 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:

- Many students entering the City Colleges system require additional assistance such as remedial math and English courses as well as counseling and tutoring.
- State funding for community colleges has not kept pace with inflation and remains well below fiscal year 2003 levels. See the table below.

**Community College State Funding**

<u>Fiscal Year</u>	<u>Amount</u>
2003	\$315,173,838
2004	\$289,136,198
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

- Basic infrastructure and equipment are old and inadequate, requiring high maintenance and repair costs. Due to aging building infrastructure at City Colleges, it is becoming increasingly difficult to attract students. A five year, \$1.1 billion capital improvement plan was approved by the Board of Trustees during fiscal year 2012.
- State funding for community college infrastructure has been requested in the Governor’s fiscal year 2012 budget but has not been approved by the Illinois legislature for the coming fiscal year.



## PROSPECTS FOR THE FUTURE

The following table shows the headcount and full-time equivalent for the last five years.

### STUDENT ENROLLMENT HEADCOUNT & FULL-TIME EQUIVALENT (5-YEAR TREND)

<u>Fiscal Year</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Total Headcount</b>	119,504	127,517	120,938	113,277	110,706
<b>Total Full-Time Equivalent</b>	47,577	47,774	43,366	39,788	39,988

Source: College Records

Enrollment decreased in the last fiscal year and City Colleges anticipates a decline in the next year. Preliminary enrollment data for the summer and fall terms for fiscal year 2012 indicates a decrease of approximately 2.5% for the current academic year. As the recession slowly recovers, more people may be finding employment or transferring to four-year universities. In efforts to attract more students, City Colleges is offering new programs and has enhanced its methods of delivering educational services.

For fiscal year 2012, City Colleges is building a strong leadership team that will enable us to meet our four primary goals, including

- Increasing the number of students earning college credentials of economic value;
- Increasing the rate of transfer to bachelor degree programs following City Colleges graduation;
- Drastically improving outcomes for student requiring remediation, and
- Increasing the number and share of ABE/GED/ESL students who advance to and succeed in college-level courses.

## COST CONTAINMENT STRATEGIES

City Colleges has spent a significant amount of time and effort to minimize the effects of the lack of any increase in state funding over the past several years. As a result, City Colleges has focused on reducing expenses through cost containment initiatives, as follows:

- Negotiated with bookstore vendors to provide tiered commission pricing on sales up to 9% of gross revenue with an increase of up to 4%. In addition, the agreement affords each campus library two copies of the required textbooks for each semester. A textbook rental program is being introduced for the fiscal year 2011 school year. This program could save students money they could use to help pay for their education.
- Looking at the opportunity to partner with the City Of Chicago to use their on-line auction service to sell excess equipment, furniture and other goods to recoup monies that would otherwise be a donation.
- City Colleges has increased its use of cooperative purchasing agreements and District-wide contracts of goods and services.

- The district continuously evaluates its expenditures and looks for innovative ways to contain costs through contract negotiations, audits, energy savings programs; as well as avoidance initiatives, as noted in the following examples:
  - **Energy Rebate:** District-wide participation in the “voluntary curtail program” through Commonwealth Edison for the fourth consecutive year. Anticipated savings for fiscal year 2011 are \$340,000.
  - **Energy Savings Program:** performance contracts implemented in 2002 utilizing an external vendor have continued to provide City Colleges with annual savings and cost avoidance opportunities. Total costs avoided through fiscal year 2011 equate to \$4,840,000.
  - **Utility Purchase Reductions:** City Colleges’ electricity purchases were reduced by \$0.01 per kilowatt-hour resulting in cost savings of \$150,000 and \$600,000, respectively. A three year agreement lasting until 2012 has been agreed to with the electricity service provider to not exceed the fiscal year 2010 electric rate.
  - **Locking Gas Rates:** The district has been closely tracking the decrease in gas prices and in an effort to contain costs it has locked in a gas price of \$0.499 per therm which is \$0.14 less than last year’s lock in rate.
  - **Fuel Purchase:** The district has purchased fuel for its fleet of vehicles from City of Chicago fuel depots saving approximately two thirds of the retail price.
  - **Bad Debts:** Significant reductions due to increased monitoring of accounts.

## PERFORMANCE MEASUREMENT

Developing and implementing performance measures at City Colleges of Chicago is an important part of setting up the climate for the “Agenda for Change”. The Chancellor has discussed implementing a comprehensive performance management process. Committees are to be set up, performance measures developed and outcomes reviewed.

Current measures supported by traditional management reports managed by the colleges as part of the strategic plan have improved revenue and cost efficiency. Results to date have shown improvements in enrollment, the addition and deletion of academic programs, increases in average class size and increases in collection of student receivables.

In an effort to support the Chancellor’s performance measure initiative that was implemented during the annual budget process, the budget office updated the financial performance measures at the campuses and district offices. Each campus was asked to develop eight performance measures that were unit specific and that would support a system-wide output measure. The performance measures were developed using the guidelines of being specific, measureable, attainable, relevant and time-bound.

## FINANCIAL INFORMATION

City Colleges ended fiscal year 2011 in a good financial condition, having revenues higher than expenditures. This year began with uncertainty over State funding, so the City Colleges budgeted prudently and controlled costs. At the end of the year, the City Colleges maintained a consistently strong financial position. City Colleges total net assets of \$824.2 million increased by \$30.3 million over fiscal year 2010.

**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. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. 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 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 \$10,000 from a single vendor during the fiscal year. In addition, proper segregation of duties exist both operationally and technologically.

City Colleges maintains an encumbrance accounting system as part of its budgetary control. Encumbered amounts lapse at the end of each fiscal year, rather than being recorded as a reservation of fund balance.

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. Debt service funds are established in accordance with requirements of the bondholders.

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)
Plant	Investment in Plant

Estimated assessed value of taxable property for tax year 2010 collectible in fiscal year 2011 is \$82,046,916,439. Estimated assessed value of taxable property for tax year 2009 collectible in fiscal year 2010 was \$84,545,026,609. City Colleges' average collection rate over the past five years has been approximately 97%.

**DEBT ADMINISTRATION**

At the beginning of the fiscal year, there was no outstanding long-term debt, and no new long-term debt was incurred during the fiscal year.

**Cash Management:** Cash and investments are controlled by the City Colleges' Treasurer using modern cash management techniques. 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 College's 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, 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 2011 totaled \$1.6 million, compared to \$2 million in fiscal year 2010. This reduction was a direct result of the economic downturn and a redeployment of profits to upgrade and replace old equipment.

**Risk Management:** City Colleges' Risk Manager actively assesses and reviews the types of risk and exposures the District may encounter and strives to mitigate the potential impacts on the

organization. The risk manager purchases commercial insurance to cover significant property, liability, and workers' compensation losses for amounts in excess of self-insured amounts. The City Colleges is self-insured on the property, general liability and workers' compensation for up to \$10,000, \$250,000 and \$500,000 per claim, respectively.

City Colleges maintains a comprehensive self-insurance plan through third-party administrators for some of its employees' health coverage. City Colleges maintains an adequate reserve to cover potential losses.

## **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 Deloitte & Touche LLP as its independent certified public accountants. The independent auditors' report of Deloitte & Touche 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, 2010. 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, 2010. 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 entire staff of the Office of Finance. We wish to express our sincere appreciation for the contributions they have made in preparing this report.

Respectfully submitted,

Kenneth Gotsch,  
Vice Chancellor Finance/CFO

Dolores Javier, CPA  
Associate Vice Chancellor Finance/Treasurer

J. Randall Dempsey, CPA,  
Controller



**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
PRINCIPAL OFFICIALS  
Year Ended June 30, 2011**

**BOARD OF TRUSTEES**

Martin Cabrera, Jr., Chairman  
Ellen Alberding, Vice Chairperson  
Larry R. Rogers, Secretary  
Everett Rand, Trustee  
Marisela Lawson, Trustee  
Paula Wolff, Trustee  
Pastor Charles Jenkins, Trustee  
Ashley N. Turner, Student Member  
Regina Hawkins, Assistant Secretary  
Dolores Javier, Associate Vice Chancellor Finance / Treasurer

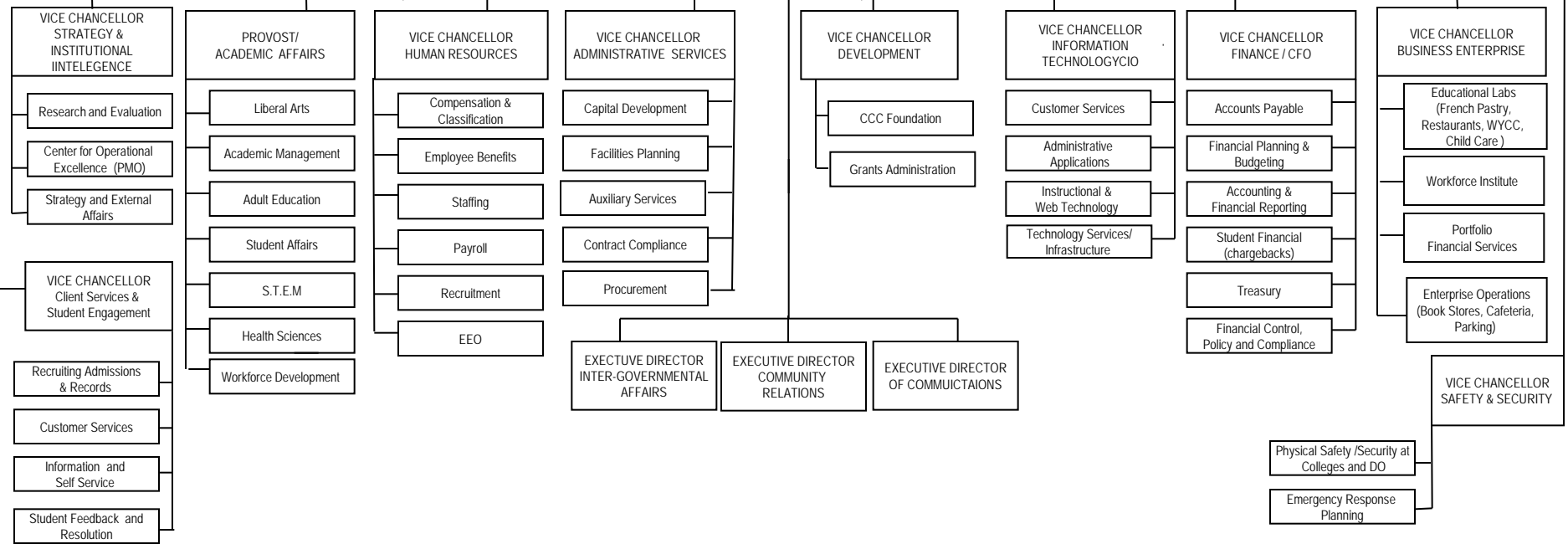
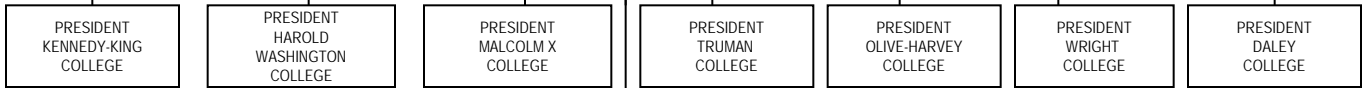
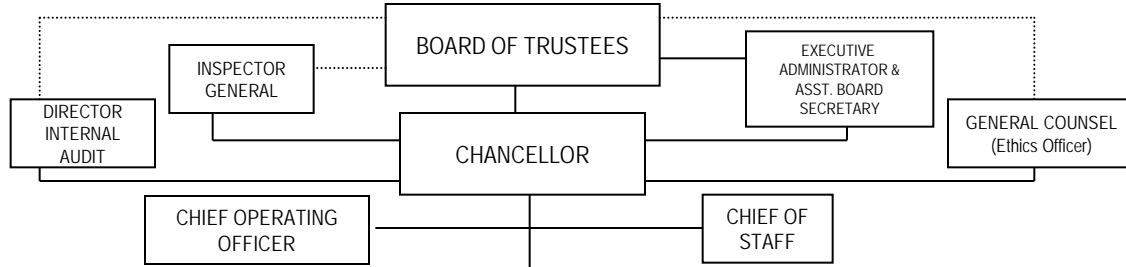
**ADMINISTRATIVE OFFICERS**

Cheryl L. Hyman, Chancellor  
Kojo A. Quartey, Provost & Chief Academic Officer  
James Frankenbach, Chief Operating Officer  
Jose Aybar, President, Richard J. Daley College  
Derrick Harden, President, Kennedy-King College  
Anthony E. Munroe, President, Malcolm X College  
Craig T. Follins, President, Olive-Harvey College  
Reagan Romali, President, Harry S. Truman College  
Donald J. Laackman, President, Harold Washington College  
Jim Palos, President, Wilbur Wright College  
James Reilly, General Counsel  
Patricia Rios, Vice Chancellor, Human Resources  
Kenneth C. Gotsch, Vice Chancellor, Finance / CFO  
Craig E. Lynch, Vice Chancellor, Information Technology / CIO  
Michael J. Daigler, Vice Chancellor, Institutional Advancement  
Diane Minor, Vice Chancellor, Administrative Services & Procurement  
Joyce Carson, Vice Chancellor, Business Services  
Michael Mutz, Vice Chancellor, Client Services & Student Engagement  
Alvin Bisayra, Vice Chancellor, Strategy & Institutional Intelligence  
Joseph De Lopez, Vice Chancellor, Safety and Security  
J. Randall Dempsey, Controller

**REPORT ISSUED BY**

Office of Finance

# City Colleges of Chicago Organizational Chart Current State\*\*



\*\*The FY2012 Organization Chart is currently being revised as part of the District Office Reinvention Initiative

# 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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, likely belonging to the President mentioned in the text below.

President

A handwritten signature in black ink, likely belonging to the Executive Director mentioned in the text below.

Executive Director

# **Financial Section**

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of City Colleges of Chicago, Community College District No. 508 ("City Colleges") as of and for the years ended June 30, 2011 and 2010, as listed in the foregoing table of contents. These basic financial statements are the responsibility of City Colleges' management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City Colleges' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of City Colleges of Chicago, Community College of District No. 508 as of June 30, 2011 and 2010, and the changes in its financial position and its cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 5-14 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of City Colleges' management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on City Colleges' basic financial statements. The Uniform Financial Statements on pages 67-71, Certification of Chargeback Reimbursement on page 72, the introductory section, and the statistical sections as listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of City Colleges' management. The Uniform Financial Statements and the Certification of Chargeback Reimbursement have been

subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical sections have not been subjected to auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

*Deloitte & Touche LLP*

November 15, 2011





# **Management Discussion and Analysis (MD&A)**



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

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The discussion and analysis of City Colleges of Chicago (City Colleges) financial performance provides an overall review of City Colleges' financial activities for the fiscal years ended June 30, 2011 and 2010. 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, which precedes this section, 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 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 Assets combines and consolidates current financial resources (short-term expendable resources) with long-term capital assets. The Statement of Revenues, Expenses, and Changes in Net Assets describes 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**

The following analysis is prepared from City Colleges' Condensed Statement of Net Assets which is presented on page 7.

**Fiscal year 2011** - Total net assets as of June 30, 2011 increased by \$30.3 to \$824.2 million.

Current assets increased by \$20 million due in part to an increase in cash of \$76.5 million and a \$7.8 million increase in accounts receivable. This was offset by a \$61.3 million decrease in short term investments and a \$3.1 million decrease in property tax receivable. The \$76.5 million increase in cash is due to transfers from the investment accounts to the cash accounts. The \$7.8 million increase in accounts receivable is primarily due to the \$6.1 million increase in other receivables and a \$2.4 million increase in grants receivable. The \$6.1 million increase in other receivables is due to a \$3.6 million increase in the State of Illinois receivable and a \$2.5 million increase in Government claims that was offset by a \$.7 decrease in student receivables. The \$61.3 million decrease in short-term investments was primarily due to a change in the maturity dates of the instruments in our investment portfolio. The \$3.1 million decrease in property tax receivable is due to the increase of collections from prior years.



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

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Other non-current assets increased by \$28.4 million due in part to an increase in long term investments of \$28.6 million which was offset by a decrease in restricted cash of \$300,000.

The investment in capital assets decreased by \$200,000 due an increase in accumulated depreciation of \$21.4 million that is offset by a \$21.2 million increase in capital assets.

Total current liabilities increased by \$14.2 million due to an increase of \$6.4 million in accounts payable, \$1.6 million increase in deferrals, \$.8 million increase in accruals and a \$7.7 million increase in other liabilities which were offset by a \$2.4 million decrease in deposits held for others and accrued property tax refunds. Total non-current liabilities increased by \$3.7 million due to an increase of \$4.4 in other post-employment benefits offset by a decrease of \$.7 in accrued compensated absences and sick leave benefits.

**Fiscal year 2010** - Total net assets as of June 30, 2010 increased by \$26.9 to \$793.9 million.

Current assets decreased by \$2.8 million due in part to a \$9.1 million decrease in short-term investments, a \$8.0 million decrease in property tax receivable, and a \$27.6 million decrease in accounts receivable. This was offset by an increase in cash of \$42.0 million. The \$9.1 million decrease in short-term investments was primarily due to a change in the maturity dates of the instruments by our investment management firm. The \$8.0 million decrease in property tax receivable is due to the increase of collections from prior years. The \$27.6 million decrease in accounts receivable is due to the \$1.3 million increase in grants receivable, \$3.8 million increase in student receivables, offset by a \$.6 million decrease in accounts receivable and interest receivable, an \$18.7 million decrease in the State of Illinois receivable, and a \$13.4 million decrease in capital projects.

The other non-current assets increased by \$12.0 million due in part to an increase in long term investments of \$14.9 million, a \$.3 million increase in restricted cash which was offset by a \$3.1 million decrease in the Funds Held by the Public Building Commission of Chicago.

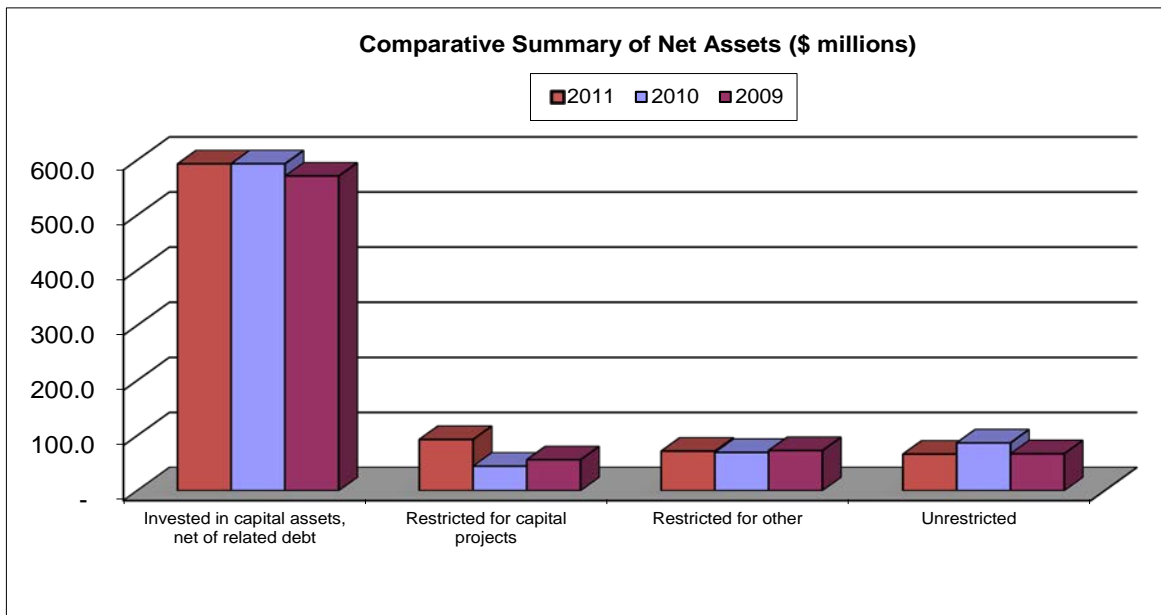
The investment in capital assets increased by \$22.2 million due to the \$14.1 million increase in construction work in progress, \$25.1 million increase in building improvements, equipment, software and vehicles, offset by an increase in accumulated depreciation of \$17.0 million.

Total current liabilities decreased slightly primarily due to an increase of \$3.2 million in accounts payable, a \$.6 million increase in deferred salaries, tuition, property tax, and grant revenues, a \$3.1 million increase in other liabilities, offset by a \$4.2 million decrease in accrued payroll, property tax refunds and other accruals. Total non-current liabilities increased by \$4.7 million due to \$.2 million increase in accrued compensated absences and a \$5.0 million increase in other post-employment benefits, offset by a \$.6 million decrease in sick leave benefits.

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

**Table 1  
Condensed Statement of Net Assets  
(in millions of dollars)**

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>2009</u>	<u>Change</u>
Current assets	\$ 304.7	\$ 284.7	\$ 20.0	\$ 287.5	\$ (2.8)
Non-current assets					
Capital assets	839.8	818.5	21.2	779.3	39.2
Less accumulated depreciation	(246.7)	(225.3)	(21.4)	(208.3)	(17.0)
Other assets	<u>109.2</u>	<u>80.8</u>	<u>28.4</u>	<u>68.8</u>	<u>12.0</u>
Total assets	<u>\$ 1,006.9</u>	<u>\$ 958.7</u>	<u>\$ 48.2</u>	<u>\$ 927.3</u>	<u>\$ 31.4</u>
Current liabilities	\$ 136.5	\$ 122.3	\$ 14.2	\$ 122.4	\$ (0.1)
Non-current liabilities	<u>46.2</u>	<u>42.5</u>	<u>3.7</u>	<u>37.8</u>	<u>4.7</u>
Total liabilities	<u>\$ 182.7</u>	<u>\$ 164.8</u>	<u>\$ 17.9</u>	<u>\$ 160.2</u>	<u>\$ 4.6</u>
Net assets					
Invested in capital assets, net of related debt	\$ 593.0	\$ 593.2	\$ (0.2)	\$ 571.0	\$ 22.2
Restricted for expendable:					
Capital projects	93.0	44.5	48.5	56.1	(11.6)
Other	71.8	69.4	2.4	72.8	(3.4)
Unrestricted	<u>66.4</u>	<u>86.8</u>	<u>(20.4)</u>	<u>67.1</u>	<u>19.7</u>
Total net assets	<u>\$ 824.2</u>	<u>\$ 793.9</u>	<u>\$ 30.3</u>	<u>\$ 767.0</u>	<u>\$ 26.9</u>



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

**Table 2**  
**Revenues, Expenses and Changes in Net Assets**  
(in millions of dollars)

<b>Operating</b>	<b>2011</b>	<b>2010</b>	<b>Change</b>	<b>2009</b>	<b>Change</b>
Revenues	\$ 54.5	\$ 55.5	\$ (1.0)	\$ 54.5	\$ 1.0
Expenses	(435.4)	(404.4)	(31.0)	(372.2)	(32.2)
Operating loss	(380.9)	(348.9)	(32.0)	(317.7)	(31.2)
<b>Non-operating</b>					
Revenues	408.6	368.5	40.1	325.7	42.8
Expenses	-	-	-	-	-
Net non-operating revenue	408.6	368.5	40.1	325.7	42.8
Income (Loss) before capital contributions	27.7	19.6	8.1	8.0	11.6
Capital contributions	2.6	7.3	(4.7)	16.0	(8.7)
Change in net assets	30.3	26.9	3.4	24.0	2.9
Net assets, beginning of year	793.9	767.0	26.9	743.0	24.0
Net assets, end of year	\$ 824.2	\$ 793.9	\$ 30.3	\$ 767.0	\$ 26.9

**Fiscal year 2011** - In fiscal year 2011, the income before capital contributions increased by \$8.1 million. Operating revenues decreased by \$1 million due to a decrease in net tuition and fees. Operating expenses increased by \$31.0 million due to a \$15.8 million increase in financial aid, \$3.5 million increase in fringe benefits, \$4.8 million increase in equipment not capitalized, and contractual services, a \$3.9 million increase in depreciation and a \$9 million increase in other expenses. This was offset by a \$4.4 million decrease in staffing costs, and a \$1.7 million decrease in supplies, travel and utility expenses.

Net non-operating revenues increased by \$40.1 million due in part to a \$10.1 million increase in state apportionment, a \$2.8 million increase in other state grants, a \$2.5 million increase in corporate personal property taxes, and a \$30 million increase in federal grants, which were offset by a \$3.8 million decrease in local property taxes, and a combined \$1.5 million decrease in local grants, litigation settlements and investment income.

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

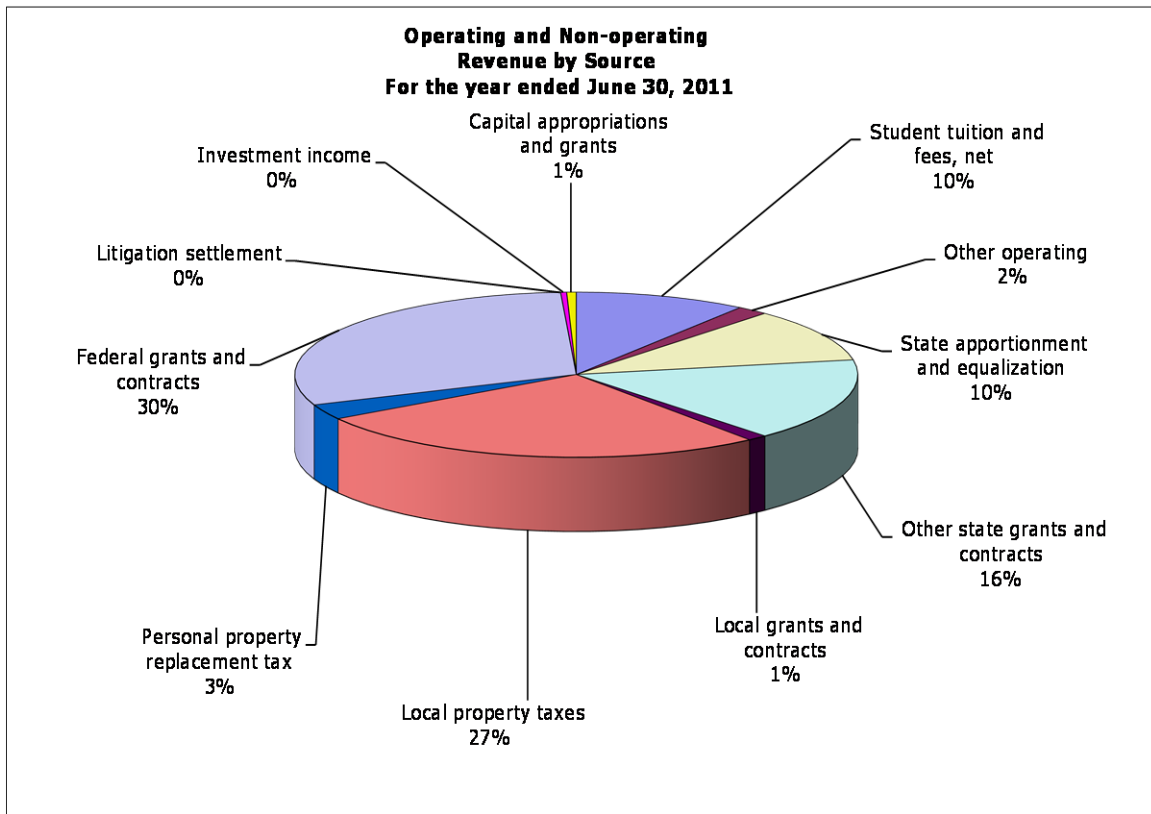
**Fiscal year 2010** - In fiscal year 2010, income before capital contributions increased by \$11.6 million for the year. Operating revenues increased by \$1.0 million due to an increase in net tuition and fees. Operating expenses increased by \$32.2 million due to a \$4.3 million increase in staffing costs, a \$12.5 million increase in fringe benefits, a \$4.8 million increase in contractual services, \$4.5 million increase in supplies, equipment not capitalized and other expenses, and a \$10.4 million increase in financial aid, which were offset by \$1.1 million decrease in utilities, \$.2 million decrease in professional development, and a \$3.0 million decrease in depreciation. These changes caused an increase in the operating loss of \$31.2 million.

Net non-operating revenues increased by \$42.8 million due in part to a \$.9 million increase in state apportionment, a \$9.2 million increase in local and other state grants, a \$6.3 million increase in local property taxes, a \$31.7 million increase in federal grants, and a \$.7 increase in litigation settlements, which were offset by a \$2.2 million decrease in property replacement tax, and a \$3.8 million decrease in investment income.

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

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>2009</u>	<u>Change</u>
<b>Operating revenues</b>					
Student tuition and fees	\$ 114.6	\$ 104.8	\$ 9.8	\$ 85.8	\$ 19.0
Less scholarships	(68.5)	(56.7)	(11.8)	(39.1)	(17.6)
Other operating	<u>8.4</u>	<u>7.4</u>	<u>1.0</u>	<u>7.8</u>	<u>(0.4)</u>
Total operating revenues	54.5	55.5	(1.0)	54.5	1.0
<b>Non-operating revenues</b>					
State apportionment and equalization	48.7	38.7	10.0	37.8	0.9
Other state grants and contracts	75.4	72.6	2.8	64.2	8.4
Local grants and contracts	5.3	5.6	(0.3)	4.7	0.9
Local property taxes	123.5	127.3	(3.8)	121.0	6.3
Personal property replacement tax	13.9	11.4	2.5	13.6	(2.2)
Federal grants and contracts	140.2	110.2	30.0	78.6	31.6
Litigation settlement	-	0.7	(0.7)	-	0.7
Investment income	<u>1.6</u>	<u>2.0</u>	<u>(0.4)</u>	<u>5.8</u>	<u>(3.8)</u>
Total non-operating revenues	408.6	368.5	40.1	325.7	42.8
Capital appropriations and grants	<u>2.6</u>	<u>7.3</u>	<u>(4.7)</u>	<u>16.0</u>	<u>(8.7)</u>
Total revenues	<u>\$ 465.7</u>	<u>\$ 431.3</u>	<u>\$ 34.4</u>	<u>\$ 396.2</u>	<u>\$ 35.1</u>

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

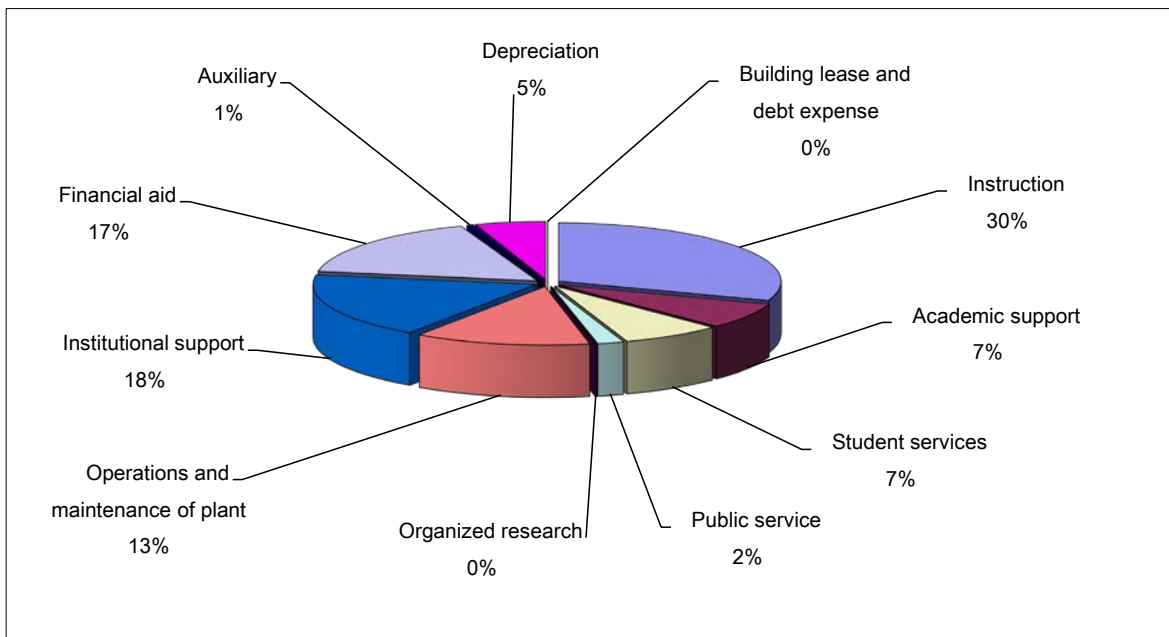




**Community College District No. 508  
Management's Discussion and Analysis**

**Table 4  
Operating and Non-operating Functional Expenses  
(in millions of dollars)**

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>2009</u>	<u>Change</u>
<b>Operating Expenses</b>					
Instruction	\$ 132.3	\$ 127.8	\$ 4.5	\$ 121.4	\$ 6.4
Academic support	31.0	33.8	(2.8)	33.5	0.3
Student services	31.5	30.3	1.2	28.1	2.2
Public service	8.3	10.0	(1.7)	9.6	0.4
Organized research	0.6	0.9	(0.3)	0.8	0.1
Operations and maintenance of plant	55.5	48.1	7.4	42.8	5.3
Institutional support	78.8	76.3	2.5	66.2	10.1
Financial aid	73.0	57.2	15.8	46.8	10.4
Auxiliary	2.1	1.7	0.4	1.7	-
Depreciation	22.2	18.3	3.9	21.3	(3.0)
<b>Total Operating Expenses</b>	<b>435.3</b>	<b>404.4</b>	<b>30.9</b>	<b>372.2</b>	<b>32.2</b>
<b>Non-operating expenses</b>					
Building lease and debt expense	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 435.3</b>	<b>\$ 404.4</b>	<b>\$ 30.9</b>	<b>\$ 372.2</b>	<b>\$ 32.2</b>



**Table 5**  
**Capital Assets** (Net of accumulated depreciation)  
**As of June 30**  
*(in millions of dollars)*

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>2009</u>	<u>Change</u>
Capital Assets					
Land	\$ 50.0	\$ 49.1	\$ 0.9	\$ 49.1	\$ -
Buildings and improvements	692.7	680.5	12.2	654.3	26.2
Construction in progress	51.8	43.0	8.8	29.0	14.0
Equipment	15.9	15.7	0.2	17.1	(1.4)
Software	29.3	29.4	(0.1)	29.0	0.4
Vehicles	-	0.8	(0.8)	0.8	-
Total	<u>839.7</u>	<u>818.5</u>	<u>21.2</u>	<u>779.3</u>	<u>39.2</u>
Less accumulated depreciation	<u>(246.7)</u>	<u>(225.3)</u>	<u>(21.4)</u>	<u>(208.3)</u>	<u>(17.0)</u>
Net capital assets	<u>\$ 593.0</u>	<u>\$ 593.2</u>	<u>\$ (0.2)</u>	<u>\$ 571.0</u>	<u>\$ 22.2</u>

**Capital Assets**

**Fiscal year 2011** - As of June 30, 2011, City Colleges had \$839.7 million in capital assets, \$246.7 million in accumulated depreciation, and \$593.0 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 decrease in City Colleges' net capital assets for the current fiscal year is \$.2 million. **(See Note 5)**

Major capital asset events during fiscal year 2011 included the following:

- A net increase of \$12.2 million in buildings and improvements was due to site upgrades at the District Office and at each of the campuses parking lots and sidewalks and renovations of various rooms at Harold Washington, Malcolm X, Olive-Harvey and Truman.
- Construction in progress costs of \$8.8 million for the renovation of the Olive-Harvey exterior facade and parking lot and the Truman student services center and parking garage.

**Capital Assets** *(Continued)*

**Fiscal year 2010** - As of June 30, 2010, City Colleges had \$818.5 million in capital assets, \$225.3 million in accumulated depreciation, and \$593.2 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 was \$22.2 million. **(See Note 5)**

Major capital asset events during fiscal year 2010 included the following:

- Construction in progress costs of \$14.0 million for the renovation of the Olive-Harvey exterior facade and the Truman student services center and parking garage.
- A net increase of \$26.2 million in buildings and improvements was due to the site upgrades at each of the campuses, parking lots and sidewalks at Malcolm X, renovations of various rooms at Kennedy-King.

**Non-current Liabilities**

**Fiscal year 2011** - As of June 30, 2011, City Colleges had total non-current liabilities of \$48.7 million before reduction of current maturities. This amount includes \$2.7 million for compensated absences, \$19.3 million of accumulated sick leave benefit liability for current employees and \$26.7 million of other post-employment benefits for retired employees.

**Fiscal year 2010** - As of June 30, 2010, City Colleges had total non-current liabilities of \$44.7 million before reduction of current maturities. This amount includes \$2.9 million for compensated absences, \$19.5 million of accumulated sick leave benefit liability for current employees and \$22.3 million of other post-employment benefits for retired employees.

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

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>2009</u>	<u>Change</u>
Accrued compensated absences	\$ 2.7	\$ 2.9	\$ (0.2)	\$ 2.7	\$ 0.2
Sick leave benefits	19.3	19.5	(0.2)	20.1	(0.6)
Other post retirement benefits	<u>26.7</u>	<u>22.3</u>	<u>4.4</u>	<u>17.3</u>	<u>5.0</u>
Sub-total	48.7	44.7	4.0	40.1	4.6
Less current portion	<u>(2.5)</u>	<u>(2.3)</u>	<u>(0.2)</u>	<u>(2.3)</u>	<u>-</u>
Total non-current liabilities	<u>\$ 46.2</u>	<u>\$ 42.4</u>	<u>\$ 3.8</u>	<u>\$ 37.8</u>	<u>\$ 4.6</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 Chief Financial Officer, City Colleges of Chicago, 11<sup>th</sup> Floor, 226 West Jackson Boulevard, Chicago, IL 60606.



# Basic Financial Statements

**City Colleges of Chicago**  
**Community College District No. 508**  
**Statements of Net Assets**  
**June 30, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 119,912,936	\$ 43,354,420
Short-term investments	91,408,206	152,669,337
Property tax receivable, net	56,673,602	59,574,942
Personal property replacement tax receivable	1,858,390	2,074,089
Other accounts receivable, net	34,759,446	26,946,708
Prepaid items and other assets	<u>46,868</u>	<u>44,024</u>
Total current assets	304,659,448	284,663,520
Non-current assets:		
Restricted cash	1,778,722	2,083,053
Funds held by Public Building Commission	2,762,337	2,734,557
Long-term investments	104,664,276	76,047,269
Capital assets	839,764,390	818,501,528
Less: Accumulated depreciation	<u>(246,743,974)</u>	<u>(225,326,563)</u>
Total non-current assets	<u>702,225,751</u>	<u>674,039,844</u>
Total assets	<u>1,006,885,199</u>	<u>958,703,364</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	21,185,009	14,952,180
Accrued payroll	7,542,753	7,240,135
Other accruals	973,972	449,962
Deferred salaries	3,726,330	3,285,805
Deposits held in custody for others	1,610,311	1,991,323
Deferred tuition and fees revenue	7,471,623	7,105,037
Deferred property tax revenue	59,161,623	58,781,511
Accrued property tax refunds	6,292,190	8,305,585
Deferred grant revenue	4,810,007	4,379,524
Other liabilities	21,196,468	13,546,085
Current portion of non-current liabilities	<u>2,530,122</u>	<u>2,308,346</u>
Total current liabilities	136,500,408	122,345,493
Non-current liabilities:		
Accrued compensated absences	2,735,949	2,904,460
Sick leave benefits	19,270,303	19,534,758
Other post-employment benefits	26,712,237	22,308,306
Less current portion of non-current liabilities	<u>(2,530,122)</u>	<u>(2,308,346)</u>
Total non-current liabilities	<u>46,188,367</u>	<u>42,439,178</u>
Total liabilities	182,688,775	164,784,671
<b>Net assets</b>		
Net assets invested in capital assets	593,020,416	593,174,965
Restricted for expendable:		
Capital projects	92,978,002	44,507,719
Working capital	71,830,566	69,361,867
Unrestricted	<u>66,367,440</u>	<u>86,874,142</u>
Total net assets	<u>\$ 824,196,424</u>	<u>\$ 793,918,693</u>

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



**City Colleges of Chicago**  
**Community College District No. 508**  
**Statements of Revenues, Expenses and Changes in Net Assets**  
**For the fiscal years ended June 30, 2011 and 2010**

<b>Revenues</b>	<b>2011</b>	<b>2010</b>
Operating revenues:		
Student tuition and fees:		
Resident tuition	\$ 83,336,784	\$ 72,890,679
Nonresident tuition	7,248,471	8,961,053
Fees	24,002,076	22,910,250
Less: Scholarship allowances	<u>(68,487,277)</u>	<u>(56,717,736)</u>
Net student tuition and fees	46,100,054	48,044,246
Other operating revenues	<u>8,370,707</u>	<u>7,442,333</u>
Total operating revenues	54,470,761	55,486,579
 <b>Expenses</b>		
Operating expenses:		
Instructional salaries	88,565,180	90,477,097
Non-instructional salaries	93,023,672	95,556,737
Fringe benefits	67,970,166	64,479,515
Supplies	13,885,552	14,646,462
Professional development	1,325,058	1,826,668
Equipment not capitalized	5,765,922	4,838,391
Utilities	9,834,789	10,299,268
Contractual services	46,303,596	42,380,663
Depreciation	22,245,912	18,367,180
Financial aid, exclusive of scholarship allowances	73,006,767	57,192,354
Other expenses	<u>13,379,760</u>	<u>4,301,200</u>
Total operating expenses	<u>435,306,374</u>	<u>404,365,535</u>
Operating loss	(380,835,613)	(348,878,956)
 Non-operating revenues (expenses):		
State apportionment and equalization	48,683,543	38,637,438
Other state grants and contracts	75,378,306	72,578,870
Local grants and contracts	5,273,784	5,646,914
Local property taxes	123,516,103	127,316,069
Personal property replacement tax	13,924,035	11,416,700
Federal grants and contracts	140,186,492	110,203,448
Litigation settlement	-	656,745
Investment income	<u>1,589,648</u>	<u>2,028,369</u>
Non-operating revenues, net	<u>408,551,911</u>	<u>368,484,553</u>
Income before capital appropriations and grants	27,716,298	19,605,597
Capital appropriations and grants	<u>2,561,433</u>	<u>7,335,701</u>
Change in net assets	30,277,731	26,941,298
Net assets, beginning of year	<u>793,918,693</u>	<u>766,977,395</u>
<b>Net assets, end of year</b>	<u><b>\$ 824,196,424</b></u>	<u><b>\$ 793,918,693</b></u>

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

**City Colleges of Chicago**  
**Community College District No. 508**  
**Statements of Cash Flows**  
**For the fiscal years ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>		
Tuition and fees	\$ 41,067,316	\$ 64,702,986
Payments to suppliers	(108,446,739)	(101,242,759)
Payments to employees	(183,360,875)	(186,739,557)
Payments to students	(73,006,767)	(57,192,354)
Other	<u>8,370,707</u>	<u>8,099,078</u>
Net cash used for operating activities	(315,376,358)	(272,372,606)
<b>Cash flows from noncapital financing activities</b>		
Local property taxes	124,784,160	130,609,083
State appropriations	91,026,421	80,928,010
Personal property replacement tax	14,139,734	11,462,142
Grants and contracts	<u>143,570,606</u>	<u>115,540,783</u>
Net cash provided by noncapital financing activities	373,520,921	338,540,018
<b>Cash flows from capital and related financing activities</b>		
Capital appropriations and grants	2,440,392	20,052,304
Purchases of capital assets	<u>(18,637,037)</u>	<u>(40,579,734)</u>
Net cash used for capital and related financing activities	(16,196,645)	(20,527,430)
<b>Cash flows from investing activities</b>		
Proceeds from sales and maturities of investments	630,406,707	603,994,975
Purchases of investments	(597,762,583)	(609,850,386)
Interest received on investments	<u>1,662,143</u>	<u>2,540,188</u>
Net cash provided by (used by) investing activities	34,306,267	(3,315,223)
Net increase in cash	76,254,185	42,324,759
Cash and cash equivalents at beginning of year	45,437,473	3,112,714
Cash and cash equivalents at end of year	<u>\$ 121,691,658</u>	<u>\$ 45,437,473</u>
Cash and cash equivalents	\$ 119,912,936	\$ 43,354,420
Restricted cash	<u>1,778,722</u>	<u>2,083,053</u>
	<u>\$ 121,691,658</u>	<u>\$ 45,437,473</u>
<b>Noncash Transactions</b>		
State payments on behalf of fringe benefits	33,035,428	30,288,298
Increase in fair market value of investments	191,365	331,610

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

**City Colleges of Chicago**  
**Community College District No. 508**  
**Statements of Cash Flows (Continued)**  
**For the fiscal years ended June 30, 2011 and 2010**

	2011	2010
<b>Reconciliation of operating loss to net cash used by operating activities</b>		
Operating loss	\$ (380,835,613)	\$ (348,878,956)
Depreciation	22,245,912	18,367,180
State payment for retirement obligation	33,035,428	30,288,298
Changes in net assets:		
Receivables, net	(5,471,819)	14,832,089
Prepaid items and other assets	(2,844)	111,654
Accounts payable	2,778,503	3,203,374
Accrued payroll	302,618	593,987
Other accruals	524,010	(809,866)
Deferred salaries	440,525	332,026
Deposits held in custody for others	(381,012)	(126,130)
Deferred tuition and fees revenue	366,586	1,314,832
Other liabilities	7,650,383	3,089,888
Accrued compensated absences	(168,511)	222,030
Sick leave benefits	(264,455)	(573,548)
Other post employment benefits	4,403,931	5,003,791
Litigation settlement	-	656,745
Net cash used for operating activities	\$ (315,376,358)	\$ (272,372,606)

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, 2011**

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**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 (PBCC) 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 PBCC are not received or held entirely or almost entirely for City Colleges, nor can City Colleges access a majority of PBCC's resources. The City Colleges of Chicago Foundation's resources are equivalent to less than 0.7% of City Colleges' net assets 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.

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

**Notes to Basic Financial Statements**  
**June 30, 2011**

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

**B. Basis of Accounting** *(Continued)*

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.

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, as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Review Boards of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**C. Cash and Cash Equivalents**

Cash includes petty cash on hand, 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 due to their maturity dates.

**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 Assets.

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 statements of financial position and in the statements of activities.

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

**Notes to Basic Financial Statements  
June 30, 2011**

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

**E. Receivables**

Accounts receivable consists of property taxes, personal property replacement taxes, tuition and fee charges to students and auxiliary facilities service provided to students, faculty and staff. 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.

**F. Allowance for Uncollectibles**

City Colleges provides allowances for uncollectible student accounts and student loans for any outstanding receivable balances greater than 150 days.

**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 county 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 (March 1 and September 1) of the following year. The first installment is an estimated bill and is one half 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, 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, liability protection and settlement, the retirement of bonded indebtedness, and lease payments to the PBCC. The tax levies for the educational, operations and maintenance, and financial auditing purposes are limited by Illinois statute to .175%, .05%, and .005%, respectively, of the equalized assessed valuation (EAV).

In accordance with City Colleges' Board resolution, 50% of property taxes extended for the 2010 tax year and collected in 2011 are recorded as revenue in fiscal year 2011. The remaining revenue related to the 2010 tax year extension was deferred and will be recorded as revenue in fiscal year 2012. Based upon collection histories, City Colleges recorded real property taxes at 97% of the 2010 extended levy.



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

**Notes to Basic Financial Statements  
June 30, 2011**

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

**H. Personal Property Replacement Tax Revenue**

Personal property replacement taxes are recognized as revenue when these amounts are deposited by the State of Illinois in its Replacement Tax Fund 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.

**J. Restricted Cash and Investments**

Cash and investments externally restricted for lease or debt service payments, or to purchase or construct capital or other non-current assets, are classified as non-current assets in the Statement of Net Assets.

**K. Capital Assets**

Capital assets of City Colleges consist of land, buildings, improvements, computer equipment 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 process until completed at which time they are reclassified to the appropriate asset type.

City Colleges implemented procedures related to impaired assets. Generally, a capital asset is considered 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 and are over \$200,000 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 and do not extend its life are depreciated over the remaining balance of the building's estimated useful life. When renovations are capitalized, a portion of the original asset renovated is retired from

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

**Notes to Basic Financial Statements  
June 30, 2011**

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

**K. Capital Assets** *(Continued)*

capital assets and accumulated depreciation, using a deflated replacement cost methodology.

Capital assets are depreciated using the straight-line method over the following useful lives:

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

**L. Deferred Revenues**

Deferred revenues include: (1) tax levies passed that are legally restricted for the subsequent fiscal year; (2) 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 (3) amounts received from grant and contract sponsors that have not yet been earned.

**M. Non-Current Liabilities**

Non-current liabilities include: (1) estimated amounts for accrued compensated absences, sick leave benefits (payments to retirees for accumulated unused sick days), other post-employment benefits and other liabilities that will not be paid within the next fiscal year; and (2) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

**N. Compensated Absences**

City Colleges records a liability for employees' vacation leave earned, but not taken up to a maximum number allowed to be carried forward from year to year.

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

**Notes to Basic Financial Statements**  
**June 30, 2011**

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

**O. Net Assets**

City Colleges' net assets are classified as follows:

*Net Assets Invested In Capital Assets*

Invested in capital assets, net of related debt 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.

*Restricted Net Assets – Expendable*

Restricted expendable net assets include resources that the City Colleges is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is City Colleges' policy to use restricted resources first and then use unrestricted resources when they are needed. It also includes resources that the City Colleges is restricted from spending by statute.

*Unrestricted Net Assets*

Unrestricted net assets represent 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.

**P. 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 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, and (5) principal and interest on debt.

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

**Notes to Basic Financial Statements**  
**June 30, 2011**

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

**Q. Tuition and Fees**

Tuition and fees include all such items charged to students for educational and service purposes. Tuition waivers and scholarships are reported as a discount to tuition revenue. Scholarship grants that are paid to students are recorded as a financial aid expense. Tuition and fees revenue is recognized when the educational services are performed.

**R. Income Taxes**

City Colleges is a governmental body that is not subject to state or federal income taxes.

**S. 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.

**T. New Accounting Standards**

GASB Statement No. 59, *Financial Instruments Omnibus*, is effective for financial statements for periods beginning after June 15, 2010. The adoption of GASB 59 had no material impact on the financial statements or note disclosures.

**U. Subsequent Events**

Management has evaluated all subsequent events through November 15, 2011, which is the date the basic financial statements were available to be issued

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

**Notes to Basic Financial Statements  
June 30, 2011**

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**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 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 while providing for yields consistent with the market and meeting the daily cash flow demands of City Colleges and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio.

The primary objective of the policy is legality, safety, and preservation of capital and protection of investment principal, liquidity and yield.

**Deposits**

*Custodial credit risk* – with regards to deposits with financial institutions, this is the risk that in the event of bank failure, City Colleges' deposits may not be returned. City Colleges' investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance.

**Investments**

In accordance with its investment policy, City Colleges limits its exposure to **interest rate risk** by maintaining substantial balances in money market funds and limiting maturities to not more than two years at the time of purchase. City Colleges limits its exposure to the **credit risk**, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly 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.

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

**Notes to Basic Financial Statements**  
**June 30, 2011**

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**2. DEPOSITS AND INVESTMENTS** (Continued)

**Investments** (Continued)

***Custodial credit risk*** – relating to investments, this 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 that are in possession of an outside party. To limit its exposure, City Colleges' investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as City Colleges' agent separate from where the investment was purchased. Illinois Funds is not subject to custodial credit risk.

***Concentration of credit risk*** – At June 30, 2011, City Colleges had none of its overall portfolio invested in the Illinois Funds. At June 30, 2010, City Colleges had less than one percent of its overall portfolio invested in the Illinois Funds also. This is in accordance with City Colleges' investment policy, which does not contain any specific guidelines on the diversification of the investment portfolio.

***Derivatives*** – City Colleges' investment policy specifically prohibits the use of or investment in derivatives.

Investments are commingled in order to maximize earnings.

The State Treasurer maintains the Illinois Funds at cost and fair value through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the Pool at less than 20 days. The Pool funds are deposits received from participating local governments within the State of Illinois. 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. The Pool maintains a Standard and Poor's AAAM rating. City Colleges' investments in the Illinois Funds are not required to be categorized because they are not securities. The relationship between City Colleges and the investment agent is direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship. All funds deposited in the Illinois Funds (Money Market) and Money Market Mutual Funds are classified as investments even though they could be withdrawn within one day. The Prime Fund requires deposits for a minimum of 30 days and a 7 day notice for withdrawals. Although not subject to direct regulatory oversight, the Illinois Fund is administered in accordance with provisions of the Illinois Public Investment Act, 30ILCS 235. The reported value of the funds is the same as the fair value.

The carrying amount of its investments at June 30, 2011, which approximates fair value, is \$196,072,482. The amount at June 30, 2010 was \$228,716,606.

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

**Notes to Basic Financial Statements  
June 30, 2011**

**2. DEPOSITS AND INVESTMENTS** *(Continued)*

**Investments** *(Continued)*

City Colleges' investments are shown in the following tables:

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>June 30, 2011</u>	<u>Investment Maturities (in years)</u>	
		<u>Fair Value</u>	<u>Less Than 1</u>	<u>Greater Than 1</u>
US Treasury Obligations	AAA	\$ 44,769,553	\$ 28,840,218	\$ 15,929,335
Federal National Mortgage Assoc.	AAA	72,939,010	27,373,961	45,565,049
IL Institutional Investor Trust	AAA	28,856,344	28,856,344	-
Commercial Paper	A-1+	49,507,575	49,507,575	-
Total investments		<u>\$ 196,072,482</u>	<u>\$ 134,578,098</u>	<u>\$ 61,494,384</u>

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>June 30, 2010</u>	<u>Investment Maturities (in years)</u>	
		<u>Fair Value</u>	<u>Less Than 1</u>	<u>Greater Than 1</u>
US Treasury Obligations	AAA	\$ 35,776,907	\$ 22,082,131	\$ 13,694,776
Federal National Mortgage Assoc.	AAA	132,878,666	101,274,956	31,603,710
Illinois Funds (Money Market)	AAA	119,083	119,083	-
IL Institutional Investor Trust	AAA	28,353,360	28,353,360	-
Commercial Paper	A-1+	31,588,590	31,588,590	-
Total investments		<u>\$ 228,716,606</u>	<u>\$ 183,418,120</u>	<u>\$ 45,298,486</u>

Per Statement of Net Assets:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Investments:		
Short-term investments	\$ 91,408,206	\$ 152,669,337
Long-term investments	<u>104,664,276</u>	<u>76,047,269</u>
Total Investments	<u>\$ 196,072,482</u>	<u>\$ 228,716,606</u>

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**3. OTHER ACCOUNTS RECEIVABLE**

City Colleges' other accounts receivable consist of the following:

	<b>June 30</b>	
	<b>2011</b>	<b>2010</b>
Student	\$ 11,338,226	\$ 11,963,573
Grants	10,947,707	8,534,293
State of Illinois	12,461,551	8,832,906
Other	3,261,947	817,994
Gross other accounts receivable	38,009,431	30,148,766
Less: Allowance for uncollectibles	(3,249,985)	(3,202,058)
Net other accounts receivable	\$ 34,759,446	\$ 26,946,708

**4. RESTRICTED ASSETS**

City Colleges' restricted assets consist of the following:

	<b>June 30</b>	
	<b>2011</b>	<b>2010</b>
(A) Cash	\$ 1,778,722	\$ 2,083,053
(B) Funds held by PBCC	2,762,337	2,734,557
Total restricted assets	\$ 4,541,059	\$ 4,817,610

Restricted for:

- (A) Funds held in trust, and grant funds
- (B) Capital construction



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**5. CAPITAL ASSETS**

In fiscal year 2011, the renovations district-wide were completed which had a life-to-date cost of \$12.5 million. In fiscal year 2010, the renovations district-wide were completed which had a life-to-date cost of \$26.9 million. Please see Capital Assets table below.

**City Colleges of Chicago  
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**5. CAPITAL ASSETS** *(Continued)*

	<b>July 1, 2010</b>	<b>Additions and Transfers In</b>	<b>Retirements and Transfers Out</b>	<b>June 30, 2011</b>
Capital assets not being depreciated:				
Land	\$ 49,094,047	\$ 865,287	\$ -	\$ 49,959,334
Construction work in progress	<u>43,035,306</u>	<u>31,530,393</u>	<u>(22,733,269)</u>	<u>51,832,430</u>
Subtotal	92,129,353	32,395,680	(22,733,269)	101,791,764
Capital assets being depreciated:				
Vehicles	825,036	-	(825,036)	-
Equipment	15,722,974	278,303	(99,801)	15,901,476
Software	29,342,571	-	-	29,342,571
Buildings and improvements	<u>680,481,594</u>	<u>12,246,985</u>	<u>-</u>	<u>692,728,579</u>
Subtotal	<u>726,372,175</u>	<u>12,525,288</u>	<u>(924,837)</u>	<u>737,972,626</u>
Total capital assets	818,501,528	44,920,968	(23,658,106)	839,764,390
Accumulated depreciation:				
Vehicles	510,598	-	(510,598)	-
Equipment	9,810,547	1,523,423	(317,903)	11,016,067
Software	28,826,737	162,073	-	28,988,810
Buildings and improvements	<u>186,178,681</u>	<u>20,560,416</u>	<u>-</u>	<u>206,739,097</u>
Total accumulated depreciation	<u>225,326,563</u>	<u>22,245,912</u>	<u>(828,501)</u>	<u>246,743,974</u>
Capital assets, net	<u>\$ 593,174,965</u>	<u>\$ 22,675,056</u>	<u>\$ (22,829,605)</u>	<u>\$ 593,020,416</u>
Cost of buildings and improvements acquired under capital leases (included in total capital assets above)	<u>\$ 391,825,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,825,192</u>
	<b>July 1, 2009</b>	<b>Additions and Transfers In</b>	<b>Retirements and Transfers Out</b>	<b>June 30, 2010</b>
Capital assets not being depreciated:				
Land	\$ 49,094,047	\$ -	\$ -	\$ 49,094,047
Construction work in progress	<u>28,955,476</u>	<u>44,502,124</u>	<u>(30,422,294)</u>	<u>43,035,306</u>
Subtotal	78,049,523	44,502,124	(30,422,294)	92,129,353
Capital assets being depreciated:				
Vehicles	795,093	29,943	-	825,036
Equipment	17,124,537	380,371	(1,781,934)	15,722,974
Software	29,008,086	334,485	-	29,342,571
Buildings and improvements	<u>654,292,589</u>	<u>26,189,005</u>	<u>-</u>	<u>680,481,594</u>
Subtotal	<u>701,220,305</u>	<u>26,933,804</u>	<u>(1,781,934)</u>	<u>726,372,175</u>
Total capital assets	779,269,828	71,435,928	(32,204,228)	818,501,528
Accumulated depreciation:				
Vehicles	350,819	159,779	-	510,598
Equipment	9,656,564	1,502,020	(1,348,037)	9,810,547
Software	28,709,231	117,506	-	28,826,737
Buildings and improvements	<u>169,590,803</u>	<u>16,587,878</u>	<u>-</u>	<u>186,178,681</u>
Total accumulated depreciation	<u>208,307,417</u>	<u>18,367,183</u>	<u>(1,348,037)</u>	<u>225,326,563</u>
Capital assets, net	<u>\$ 570,962,411</u>	<u>\$ 53,068,745</u>	<u>\$ (30,856,191)</u>	<u>\$ 593,174,965</u>
Cost of buildings and improvements acquired under capital leases (included in total capital assets above)	<u>\$ 391,825,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,825,192</u>

**City Colleges of Chicago  
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**6. NET ASSETS**

The Board of Trustees of City Colleges has designated certain unrestricted net assets for capital projects. In fiscal year 2011, \$13.9 million was designated from current personal property taxes. In fiscal year 2010, \$11.4 million was designated from current personal property taxes, \$19.2 million from the bond fund, and \$.7 million for miscellaneous projects.

**7. LEASES**

**A. Capital Leases**

City Colleges had capital lease agreements with the PBCC covering various facilities. For each lease, the amounts necessary to meet the lease payments were accumulated for the Colleges. These amounts included principal and interest for PBCC debt service requirements and other payments required by the leases. Upon payment of all obligations under each lease, all rights and title pertaining to the facilities have been transferred to City Colleges.

Total costs of buildings and improvements acquired under capital leases amounted to \$391,825,192 as of June 30, 2011 and 2010. (See Note 5)

Other estimated payments consist principally of administrative charges assessed by the PBCC and amounts to be used for future repair and maintenance related to the leased facilities. Administrative charges by the PBCC are recognized in the period assessed, while repair and maintenance expenses are recognized in the period in which they are incurred.

Funds held by the PBCC at June 30, 2011 and 2010 primarily represent unused construction proceeds from lease transactions, amounts for renewal and replacement of current leased facilities, amounts held for financed construction, and other estimated administrative expenses. These funds are recorded as restricted accounts by City Colleges.

At June 30, 2011 and 2010, there were no outstanding capital leases.

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**7. LEASES** *(Continued)*

**B. 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.

Operating lease expense was \$2,296,499 for the year ended June 30, 2011 compared to \$2,109,526 for the year ended June 30, 2010.

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

	<b><u>June 30, 2011</u></b>
2012	604,922
2013	623,069
2014	641,761
2015	161,979
2016	-
	<u>\$ 2,031,731</u>

	<b><u>June 30, 2010</u></b>
2011	587,303
2012	604,922
2013	623,069
2014	641,761
2015	161,979
	<u>\$ 2,619,034</u>

**City Colleges of Chicago  
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**8. OTHER ACCRUALS AND OTHER LIABILITIES**

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

	<b>2011</b>	<b>2010</b>
<b>Other accruals</b>		
Accrued for services	\$ 973,972	\$ 432,962
Accrued for goods	-	17,000
Total other accruals	\$ 973,972	\$ 449,962
 <b>Other liabilities</b>		
Self insurance	\$ 5,154,274	\$ 7,517,039
Unclaimed property	3,611,391	3,981,179
*Federal Government	10,787,316	-
Other	1,643,487	2,047,867
Total other liabilities	\$21,196,468	\$13,546,085

\*This liability related to an investigation performed by the U.S. Department of Education over the Title IV Program. The results of the investigation are pending and as such, City Colleges has recorded the entire amount being investigated.

**9. PROPERTY TAXES**

The taxes levied for education, operations and maintenance liability protection and settlement, audit, retirement of bonded indebtedness, and lease payments to the PBCC are based on the estimated requirements for such purposes. Recent EAV's for tax levies are as follows:

<b>December</b>	<b>Cook County</b>	<b>DuPage County</b>
2010	\$82,046,916,439	\$5,306,256
2009	84,545,026,609	5,478,653
2008	80,923,884,233	5,696,291
2007	73,605,314,512	5,841,665
2006	69,473,229,020	6,071,637
2005	59,268,296,045	6,296,295
2004	55,302,579,309	6,543,343
2003	53,137,728,356	6,732,347

Accrued property tax refunds in 2011 are \$6,292,190. Accrued property tax refunds in 2010 were \$8,305,585. Accrued property tax refunds are estimated using a ten-year historical trend analysis of back taxes paid to determine how much will be refunded in the future.

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**Notes to Basic Financial Statements  
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**10. ACCRUED COMPENSATED ABSENCES**

At June 30, 2011, City Colleges had recorded a liability of \$2,735,949 for compensated absences, and estimated that \$191,571 of these liabilities are current and due within one year. At June 30, 2010, the liability was \$2,904,460 for which City Colleges estimated that \$161,948 of these liabilities were current and due within one year. (See Note 12)

**11. SICK LEAVE BENEFITS**

**Unused Sick Pay**

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. City Colleges has recorded a liability for the estimated present value of such benefits earned to date based upon an actuarial study. 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 4.0%, (2) future payments discounted by a 4.5% interest factor in 2010, and (3) estimated rates of retention as adopted from the *Actuary's Pension Handbook* adjusted for mortality in accordance with published mortality tables.

At June 30, 2011, City Colleges accrued \$15,873,355 for the estimated present value of these future retiree benefits for current employees and \$3,396,948 in benefits payable to retired employees for a total of \$19,270,303.

At June 30, 2010, City Colleges accrued \$16,537,672 for the estimated present value of these future retiree benefits for current employees and \$2,997,086 in benefits payable to retired employees for a total of \$19,534,758. (See Note 12)

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**Notes to Basic Financial Statements  
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**12. CHANGES IN NON-CURRENT LIABILITIES**

Changes in non-current liabilities for the years ended June 30, 2011 and 2010 are summarized in the table below:

	<u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>June 30, 2011</u>	<u>Amounts due within one year</u>
Accrued compensated absences	\$ 2,904,460	\$ 3,115,000	\$ (3,283,511)	\$ 2,735,949	\$ 191,571
Sick leave benefits	19,534,758	1,471,857	(1,736,312)	19,270,303	2,338,551
Other post-retirement benefits	22,308,306	11,029,375	(6,625,444)	26,712,237	-
	<u>\$ 44,747,524</u>	<u>\$ 15,616,232</u>	<u>\$ (11,645,267)</u>	<u>\$ 48,718,489</u>	<u>\$ 2,530,122</u>

	<u>July 1, 2009</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>June 30, 2010</u>	<u>Amounts due within one year</u>
Accrued compensated absences	\$ 2,682,430	\$ 3,778,659	\$ (3,556,629)	\$ 2,904,460	\$ 161,948
Sick leave benefits	20,108,306	1,058,188	(1,631,736)	19,534,758	2,146,398
Other post-retirement benefits	17,304,515	11,294,194	(6,290,403)	22,308,306	-
	<u>\$ 40,095,251</u>	<u>\$ 16,131,041</u>	<u>\$ (11,478,768)</u>	<u>\$ 44,747,524</u>	<u>\$ 2,308,346</u>

**13. EMPLOYEE RETIREMENT PENSION PLAN**

**Plan Description:** City Colleges contributes to the SURS defined benefit and defined contribution plans. SURS is a cost-sharing, multiple-employer defined 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 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 writing to SURS, 1901 Fox Drive, Champaign, IL 61820 or by calling 1-800-275-7877.

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**13. 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 rate is 21.27% 18.61% and 12.88% of annual covered payroll for fiscal year 2011, 2010 and 2009, respectively. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Employer contributions to SURS directly appropriated by the state for the years ended June 30 are as follows:

<b>Fiscal Year</b>	<b>Amount</b>
2011	\$ 33,035,428
2010	30,288,298
2009	19,370,047

City Colleges recognizes the amount appropriated by the State as additional state appropriations (non-operating) revenue and recognizes 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. City Colleges contributed 100% of the annual required contributions as shown for the years ended June 30:

<b>Fiscal Year</b>	<b>Amount</b>
2011	\$ 25,165
2010	69,266
2009	414,766



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**14. OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description:** In addition to providing the pension benefits described in Note 13, City Colleges provides 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. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan 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 the State University Retirement System. It is expected that all full-time active employees who retire directly from City Colleges and meet the eligibility criteria will participate.

**Membership:** As of June 30, 2011, 2010 and 2009, membership consisted of:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Retirees and beneficiaries currently receiving benefits	654	614	703
Active employees – vested	<u>1,594</u>	<u>1,668</u>	<u>1,686</u>
<b>TOTAL</b>	<u>2,248</u>	<u>2,282</u>	<u>2,389</u>
 Participating Employers	 <u>1</u>	 <u>1</u>	 <u>1</u>

**Funding Policy:** The contribution percentages are negotiated between City Colleges and the retirees. Currently, City Colleges contributes approximately 90% of the premium. For the fiscal years ended June 30, 2011 and 2010, City Colleges contributed \$6,625,444 and \$6,290,403, respectively.

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**Notes to Basic Financial Statements  
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**14. OTHER POST-EMPLOYMENT BENEFITS** *(Continued)*

*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>Increase in Net OPEB Obligation</u>
June 30, 2011	\$ 11,029,375	\$ 6,625,444	60.1%	\$ 4,403,931
June 30, 2010	11,294,194	6,290,403	55.7%	5,003,791
June 30, 2009	10,361,000	6,175,497	59.6%	4,185,503
June 30, 2008	9,958,539	6,498,620	65.3%	3,459,919
June 30, 2007	12,792,179	7,562,710	59.1%	5,229,469
June 30, 2006	12,851,308	8,421,684	65.5%	<u>4,429,624</u>
<b>Total Net OPEB Obligation</b>				<u><u>\$26,712,237</u></u>

Annual OPEB Costs and Net OPEB Obligation – City Colleges’ annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2011, 2010 and 2009 were as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual Required Contribution	\$ 11,362,668	\$ 11,552,729	\$ 10,557,002
Interest on Net OPEB Obligation	1,003,874	778,703	590,356
Adjustment to Annual Required Contribution	<u>(1,337,167)</u>	<u>(1,037,238)</u>	<u>(786,358)</u>
Annual OPEB Cost	11,029,375	11,294,194	10,361,000
Contributions Made	<u>(6,625,444)</u>	<u>(6,290,403)</u>	<u>(6,175,497)</u>
Increase in Net OPEB Obligation	4,403,931	5,003,791	4,185,503
Net OPEB Obligation Beginning of Year	<u>22,308,306</u>	<u>17,304,515</u>	<u>13,119,012</u>
<b>Net OPEB Obligation End of Year</b>	<u><u>\$ 26,712,237</u></u>	<u><u>\$ 22,308,306</u></u>	<u><u>\$ 17,304,515</u></u>

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

The funded status of the plan as of June 30, 2011 and 2010 was as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarial Value of Assets	\$ -	\$ -	\$ -
Actuarial Accrued Liability (AAL)	<u>124,498,937</u>	<u>117,079,887</u>	<u>121,654,154</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$124,498,937</u>	<u>\$117,079,887</u>	<u>\$121,654,154</u>
Funded Ratio (actuarial value of assets/AAL)	-	-	-
Covered Payroll (active plan members)	\$ 99,595,638	\$ 102,896,841	\$ 101,030,184
UAAL as a Percentage of Covered Payroll (AAL less Actuarial Value of Assets / UAAL)	125.0%	113.8%	120.4%

For the fiscal years ending June 30, 2010 and 2011, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions for fiscal years 2010 and 2011 included an annual healthcare cost trend rate of 8.5% and 9.0%, respectively, which gradually declines to 5.0% by the year 2018. The assumptions for both fiscal years include an inflation rate of 3.0% per year and an investment return rate of 4.5% per year. Using an open amortization period, the annual required contribution is calculated to include the normal cost plus a 30-year amortization of the unfunded actuarial liability using a level-dollar amount. The actuarial value of assets was not determined as City Colleges has not fully advance-funded its obligation. However, City Colleges has \$18.3 million in investments designated for this obligation in 2011, and had \$18.1 million designated in 2010.

**15. 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. City Colleges self-insures some of the risk and purchases commercial insurance for others. City Colleges purchased property insurance for losses of real and personal property, boilers, machinery, and motor vehicles with varying degrees of terms, coverage and limitations. There have been no significant reductions in insurance coverage from the prior year and claims have not exceeded coverage in any of the past three fiscal years.

**A. General Liability – Self-Insurance**

City Colleges self-insures for a portion of general liability exposure and has coverage by an independent insurer for claims exceeding \$250,000 up to a ceiling of \$3,000,000. City Colleges has supplemental coverage by an independent insurer for claims exceeding \$3,000,000 up to a ceiling of \$15,000,000. Claims based on occurrences prior to June 15, 1977, remain insured under previous insurance policies. The “Local

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**15. RISK MANAGEMENT (Continued)**

Government and Governmental Employees Tort Immunity Act” limits the amount of liability of City Colleges. This act gives City Colleges the authority to levy a special judgment tax or to issue bonds to pay any tort liability judgment.

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 for estimated future claims of \$764,100 and \$2,396,000 as of June 30, 2011 and 2010, respectively.

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

**B. Workers’ Compensation – Self-Insurance**

City Colleges self-insures for a portion of workers’ compensation claims and has coverage by an independent insurer for individual claims exceeding \$500,000 up to the statutory limit. 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 any workers’ compensation awards.

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 \$3,510,705 and \$3,941,205 as of June 30, 2011 and 2010, respectively. This amount is reported with “Other liabilities – Self-insurance reserves”. Management of City Colleges 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 – Self-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 \$879,469 and \$1,179,834, as of June 30, 2011 and 2010, respectively that have been incurred, but not claimed.

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**15. RISK MANAGEMENT** *(Continued)*

**Summary of Changes in Self-Insurance**

	<u>June 30, 2010</u>	<u>Incurred Claims</u>	<u>Payment on Claims</u>	<u>June 30, 2011</u>	<u>Amounts due within one year</u>
General liability	\$ 2,396,000	\$ (1,482,500)	\$ (149,400)	\$ 764,100	\$ 764,100
Workers' compensation	3,941,205	168,834	(599,334)	3,510,705	3,510,705
Health insurance	<u>1,179,834</u>	<u>22,779,740</u>	<u>(23,080,105)</u>	<u>879,469</u>	<u>879,469</u>
	<u>\$ 7,517,039</u>	<u>\$ 21,466,074</u>	<u>\$ (23,828,839)</u>	<u>\$ 5,154,274</u>	<u>\$ 5,154,274</u>

	<u>June 30, 2009</u>	<u>Incurred Claims</u>	<u>Payment on Claims</u>	<u>June 30, 2010</u>	<u>Amounts due within one year</u>
General liability	\$ 947,676	\$ 2,079,474	\$ (631,150)	\$ 2,396,000	\$ 2,396,000
Workers' compensation	3,300,573	1,414,722	(774,090)	3,941,205	3,941,205
Health insurance	<u>1,293,626</u>	<u>22,653,498</u>	<u>(22,767,290)</u>	<u>1,179,834</u>	<u>1,179,834</u>
	<u>\$ 5,541,875</u>	<u>\$ 26,147,694</u>	<u>\$ (24,172,530)</u>	<u>\$ 7,517,039</u>	<u>\$ 7,517,039</u>

These amounts are recorded on the Statement of Net Assets as Current Liabilities – Other liabilities. (See Note 8)

**16. 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, 2011, City Colleges had \$23.5 million in purchase commitments for its capital plan, of which all is being funded by the City Colleges.

As of June 30, 2010, City Colleges had \$73.5 million in purchase commitments for its capital plan, of which \$14.8 million is being funded by the State of Illinois, \$10.0 million by the City of Chicago Tax Increment Funding, and \$48.7 million by the 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 the college's financial performance and well-being have changed over time.

## **Revenue Capacity**

These schedules contain information to help the reader assess the college's 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 college's 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 the college's financial activities take place.

## **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the college's 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. The college implemented GASB Statement No. 34 in 2002; schedules presenting college - wide information include information beginning in that year.

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

**Table A**

**Financial Trends  
Net Assets by Component (Unaudited)  
Last Nine Fiscal Years**

	Fiscal Year Ended June 30								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net Assets:</b>									
Invested in Capital Assets- Net of Related Debt	\$ 177,343,175	\$ 236,347,069	\$ 294,687,579	\$ 352,604,264	\$ 492,006,098	569,734,877	570,962,411	593,174,965	593,020,416
Restricted for expendable:									
Capital Projects	39,582,014	42,869,202	40,141,921	44,140,970	53,039,227	28,768,926	56,156,946	44,507,719	92,978,002
Lease Obligations	46,428,742	40,948,750	35,519,213	31,071,292	23,795,853	-	-	-	-
Other	25,492,094	29,270,135	29,343,965	64,113,553	69,032,703	72,738,397	72,753,668	69,361,867	71,830,566
Unrestricted	32,103,031	40,530,686	73,393,636	63,823,389	77,358,746	71,794,664	67,104,370	86,874,142	66,367,440
<b>Total Net Assets</b>	<u>\$ 320,949,056</u>	<u>\$ 389,965,842</u>	<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>

**Source:** City Colleges of Chicago Comprehensive Annual Financial Reports

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

**Table B**

**Financial Trends  
Changes in Net Assets (Unaudited)  
Last Nine Fiscal Years**

	Fiscal Year Ended June 30								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Operating Revenues:</b>									
Student tuition and fees (net of scholarship allowances)	\$ 26,486,436	\$ 35,409,540	\$ 37,807,639	\$ 39,919,583	\$ 35,352,547	\$ 37,779,085	\$ 46,719,262	\$ 48,044,246	\$ 46,100,054
Other operating revenues	11,385,809	5,276,250	6,245,354	8,277,517	7,130,296	6,997,724	7,773,577	7,442,333	8,370,707
Total operating revenues	37,872,245	40,685,790	44,052,993	48,197,100	42,482,843	44,776,809	54,492,839	55,486,579	54,470,761
<b>Operating Expenses:</b>									
Instructional staff	66,589,968	70,192,004	74,456,743	77,081,414	79,978,494	81,587,686	88,799,795	90,477,097	88,565,180
Non-instructional staff	77,245,757	76,221,015	71,228,064	79,361,358	85,211,555	94,272,264	92,884,417	95,556,737	93,023,672
Fringe benefits*	43,406,839	108,456,188	37,128,733	35,479,612	38,573,600	48,646,332	52,008,207	64,479,515	67,970,166
Supplies	14,499,572	10,733,666	13,422,448	14,115,136	18,458,080	17,756,862	13,262,646	14,646,462	13,885,552
Professional development	2,069,087	2,749,023	1,562,422	2,018,035	2,285,888	2,294,480	2,053,242	1,826,668	1,325,058
Equipment not capitalized	833,329	2,846,325	5,176,669	2,291,005	2,775,642	25,457,028	3,846,842	4,838,391	5,765,922
Utilities	9,948,583	9,269,574	9,291,553	10,373,592	10,558,453	12,565,805	11,405,723	10,299,268	9,834,789
Contractual services	45,409,468	29,040,151	35,254,654	37,894,971	36,639,498	45,368,250	37,549,206	42,380,663	46,303,596
Depreciation	15,726,785	16,378,082	16,800,331	21,810,983	20,667,118	27,231,445	21,336,035	18,367,180	22,245,912
Financial aid (net of scholarship allowances)	22,395,492	34,270,087	34,141,440	31,470,269	26,031,017	32,612,287	46,833,746	57,192,354	73,006,767
Other expenses	2,087,540	6,021,302	3,841,210	4,377,241	4,255,320	2,203,370	2,222,996	4,301,200	13,379,760
Total operating expenses	300,212,420	366,177,417	302,304,267	316,273,616	325,434,665	389,995,809	372,202,855	404,365,535	435,306,374
Operating loss	(262,340,175)	(325,491,627)	(258,251,274)	(268,076,516)	(282,951,822)	(345,219,000)	(317,710,016)	(348,878,956)	(380,835,613)
<b>Non-operating revenues (expenses):</b>									
State apportionment and equalization	45,831,544	38,700,335	36,692,418	38,580,616	41,498,443	39,808,436	37,759,550	38,637,438	48,683,543
Other state grants and contracts*	53,927,508	104,710,804	52,507,309	48,190,000	54,901,471	59,444,571	64,191,417	72,578,870	75,378,306
Local grants and contracts	2,470,598	4,102,542	4,304,120	3,616,535	4,900,467	4,073,193	4,706,664	5,646,914	5,273,784
Local property taxes	78,370,096	77,538,041	90,808,565	101,823,185	107,099,097	113,234,703	121,020,792	127,316,069	123,516,103
Property taxes for lease obligations	36,169,927	39,537,136	35,165,454	29,592,741	30,099,651	13,912,993	-	-	-
Personal property replacement tax	7,634,382	8,676,779	10,499,413	13,307,576	14,518,747	15,525,950	13,581,642	11,416,700	13,924,035
Federal grants and contracts	58,775,669	63,091,461	65,190,589	62,483,048	57,549,889	64,170,398	78,525,778	110,203,448	140,186,492
Litigation settlement	-	10,302,934	-	-	-	-	-	656,745	-
Investment income	5,136,446	2,778,234	4,893,017	8,264,368	13,311,136	11,293,733	5,829,685	2,028,369	1,589,648
Building lease and interest payments on debt	(15,962,262)	(14,226,778)	(12,531,839)	(12,687,374)	(6,873,136)	(2,016,881)	-	-	-
Non-operating revenues, net	272,353,908	335,211,488	287,529,046	293,170,695	317,005,765	319,447,096	325,615,528	368,484,553	408,551,911
Income before capital appropriations and grants	10,013,733	9,719,861	29,277,772	25,094,179	34,053,943	(25,771,904)	7,905,512	19,605,597	27,716,298
Capital appropriations and grants	36,541,105	58,790,925	53,842,700	57,572,975	125,425,216	53,576,141	16,035,019	7,335,701	2,561,433
Change in net assets	\$ 46,554,838	\$ 68,510,786	\$ 83,120,472	\$ 82,667,154	\$ 159,479,159	\$ 27,804,237	\$ 23,940,531	\$ 26,941,298	\$ 30,277,731

**Source:** City Colleges of Chicago Comprehensive Annual Financial Reports

**Note:** The College implemented GASB Statements No. 34 and 35 for the year ended June 30, 2002

\*2004 total includes \$62.5 million one-time payment for SURS



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

**Table C**

**Revenue Capacity  
Assessed and Estimated Actual Value of Taxable Property (Unaudited)**

<b>Year of Levy</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Railroad Property</b>	<b>DuPage County Unallocated</b>	<b>Assessed Valuation</b>	<b>Total Direct Rate</b>	<b>Estimated Actual Value</b>
2010	-----Not Available-----				\$ 5,306,256	\$ 82,052,222,695	0.151	\$ 246,156,668,085
2009	\$ 52,169,503,706	\$ 24,491,319,005	\$ 7,785,890,009	\$ 98,313,889	5,478,653	84,550,505,262	0.150	253,651,515,786
2008	48,377,972,238	24,468,644,597	7,993,155,293	84,112,105	5,696,291	80,929,580,524	0.156	242,788,741,572
2007	43,685,644,783	22,387,633,179	7,454,940,830	77,095,720	5,841,665	73,611,156,177	0.159	220,833,468,531
2006	39,513,066,849	22,593,682,265	7,297,814,078	68,665,828	6,071,637	69,479,300,657	0.205	208,437,901,971
2005	31,195,901,972	21,662,642,248	6,345,138,874	64,612,951	6,296,295	59,274,592,340	0.234	177,823,777,020
2004	28,155,943,958	20,900,364,460	6,125,973,343	63,041,595	6,543,343	55,309,122,652	0.243	165,927,367,956
2003	26,150,073,225	20,928,519,965	5,997,262,932	61,877,234	6,732,347	53,144,460,703	0.246	159,433,382,109
2002	20,880,556,309	18,485,102,889	5,581,902,610	355,091,267	6,871,030	45,309,524,105	0.280	135,928,572,315
2001	18,697,129,966	17,647,815,572	5,279,901,861	333,824,267	6,946,706	41,965,618,372	0.308	125,896,855,116

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

**Sources:** Cook and DuPage County Clerks' Offices

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

**Table D**

**Revenue Capacity  
Property Tax Rates - Direct and Overlapping Governments (Unaudited)**

Taxing Bodies <i>(per \$100 of assessed valuation)</i>	Legal Limit	Ten years for tax levy year									
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>City Colleges of Chicago</b>											
Audit Fund	\$ 0.005	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.002	\$ -	\$ 0.002	\$ -	\$ 0.001
Tort Liability	N/A	0.011	0.013	0.009	0.009	0.005	0.005	0.009	0.007	0.004	0.007
Education Fund	0.175	0.156	0.144	0.130	0.136	0.133	0.116	0.109	0.104	0.104	0.100
Operations and Maintenance Fund	0.050	0.042	0.026	0.023	0.041	0.043	0.039	0.041	0.043	0.042	0.043
PBCC Operations & Maintenance	N/A	0.013	0.028	0.025	-	-	-	-	-	-	-
PBCC Rental	N/A	0.085	0.068	0.058	0.056	0.052	0.043	-	-	-	-
Total City Colleges of Chicago Rate		<u>\$ 0.308</u>	<u>\$ 0.280</u>	<u>\$ 0.246</u>	<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>
<b>Overlapping Rates</b>											
Chicago Board of Education		\$ 3.744	\$ 3.562	\$ 3.142	\$ 3.104	\$ 3.026	\$ 2.697	\$ 2.583	\$ 2.472	2.366	2.581
School Finance Authority		0.223	0.177	0.151	0.177	0.127	0.118	0.091	-	-	-
City of Chicago		1.637	1.591	1.380	1.302	1.243	1.062	1.044	1.147	1.098	1.132
Chicago Park District		0.567	0.545	0.464	0.455	0.443	0.379	0.355	0.323	0.309	0.319
Metropolitan Water Reclamation District		0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274
Cook County		0.746	0.690	0.630	0.593	0.533	0.500	0.446	0.415	0.394	0.423
Cook County Forest Preserve		0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051
South Cook County Mosquito Abatement		-	-	-	-	0.010	0.007	0.006	0.009	0.009	0.010
Total Overlapping Rate		<u>\$ 7.385</u>	<u>\$ 6.997</u>	<u>\$ 6.187</u>	<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>
Total Rate		<u>\$ 7.693</u>	<u>\$ 7.277</u>	<u>\$ 6.433</u>	<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>
<b>Tax Extensions (\$ thousands)</b>											
Audit Fund		\$ 330	\$ 548	\$ 384	\$ 396	\$ 600	\$ 1,567	\$ -	\$ 1,600	\$ -	\$ 650
Tort Liability		4,408	6,042	4,973	4,753	3,000	3,092	6,574	5,399	2,865	5,736
Education Fund		65,580	65,098	69,169	75,386	79,131	81,466	80,486	84,245	87,682	81,669
Operations and Maintenance Fund		17,437	11,770	12,233	22,427	25,160	26,799	29,972	34,997	35,694	35,186
PBCC Operations & Maintenance		5,549	12,584	13,078	8,227	-	-	-	-	-	-
PBCC Rental		35,507	30,801	30,800	22,643	30,796	29,496	-	-	-	-
		<u>\$ 128,811</u>	<u>\$ 126,843</u>	<u>\$ 130,637</u>	<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>

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

**Table E**

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

<b>Taxpayer</b>	<b>2010</b>			<b>2002</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Willis Tower (formerly Sears Tower)	\$ 495,000	1	0.60%	\$ 417,723	1	0.92%
AON Building	335,454	2	0.41%	283,923	2	0.63%
Prudential Plaza	305,026	3	0.37%	230,946	3	0.51%
Water Tower Place	231,000	4	0.28%	145,665	10	0.32%
Chase Tower	226,875	5	0.28%	230,071	4	0.51%
Three First National Plaza	226,222	6	0.28%	150,438	8	0.33%
131 S. Dearborn	210,502	7	0.26%			
AT&T Corporate Center 1	209,723	8	0.26%	196,455	5	0.43%
Hines - One North Wacker	207,127	9	0.25%			
Northwestern Atrium	191,070	10	0.23%	155,794	7	0.34%
Leo Burnett Building	-			148,240	9	0.33%
Lakeside Tech Ct.	-			160,564	6	0.35%
	<u>\$ 2,637,999</u>		<u>3.22%</u>	<u>\$ 2,119,819</u>		<u>4.67%</u>

**Source:** Cook County Assessor's Office – 2010 is latest data available.

Cook County Clerk's Office – Year is year of extension

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	Tax Levied	Collections/(Refunds) within the fiscal year ended June 30,											Total Collections to Date	
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Amount	Percentage of Levy
2001	128,811,006	-	58,939,995	69,785,407	(458,092)	(528,865)	(262,454)	(245,214)	(129,015)	(84,808)	(44,324)	(890,596)	126,082,034	97.88%
2002	126,843,090	-	-	59,801,580	64,333,957	590,991	(73,577)	(251,166)	(230,596)	(137,703)	(20,352)	(10,038)	124,003,096	97.76%
2003	130,637,356	-	-	-	59,482,691	69,313,832	604,954	(987,368)	(747,650)	(434,675)	(142,523)	(60,863)	127,028,398	97.24%
2004	133,832,242	-	-	-	-	60,247,374	71,345,425	868,392	(869,747)	(741,595)	(238,414)	(129,410)	130,482,025	97.50%
2005	138,687,813	-	-	-	-	-	63,708,323	72,945,995	604,348	(957,405)	(587,441)	(182,150)	135,531,670	97.72%
2006	142,420,119	-	-	-	-	-	-	64,542,937	73,327,832	1,824,713	(1,169,788)	(863,437)	137,662,257	96.66%
2007	117,032,450	-	-	-	-	-	-	-	65,674,332	48,119,233	1,544,269	(895,898)	114,441,936	97.79%
2008	126,241,259	-	-	-	-	-	-	-	-	56,373,682	66,097,096	1,780,735	124,251,513	98.42%
2009	126,817,540	-	-	-	-	-	-	-	-	-	64,591,707	58,496,204	123,087,911	97.06%
2010	<u>123,890,844</u>	-	-	-	-	-	-	-	-	-	-	64,730,979	<u>64,730,979</u>	<u>52.25%</u>
	\$ 1,295,213,719												\$ 1,207,301,819	93.21%

Source: College and Cook County Treasurer's Tax Records

**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							
2002	19,649	47,240	110,506	50.00	166.24	243.06	1,233,097	54,958,668	(32,136,031)	22,822,637
2003	21,403	49,484	104,349	52.00	174.50	254.29	1,266,802	55,782,322	(29,295,886)	26,486,436
2004	22,007	49,908	90,383	52.00	174.50	254.29	1,070,621	56,243,960	(20,834,420)	35,409,540
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	58,990	87.00	171.56	228.35	1,207,136	114,587,331	(68,487,277)	46,100,054

Source: City Colleges of Chicago Comprehensive Annual Financial Reports

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

**Table H**

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

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Capital Leases</b>	<b>Total Outstanding Debt</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2002	33,922,663	136,661,521	170,584,184	0.13%	58.86
2003	32,739,132	118,545,000	151,284,132	0.09%	52.36
2004	32,218,928	99,375,000	131,593,928	0.08%	45.76
2005	30,399,472	78,610,000	109,009,472	0.06%	38.11
2006	-	56,105,000	56,105,000	0.03%	19.80
2007	-	31,695,000	31,695,000	0.01%	11.17
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-

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

**Table I**

**Debt Capacity  
Computation of Direct and Overlapping Debt (Unaudited)**

(Thousands \$)	As of June 30, 2011		
	Net Direct Long-term Debt (1)	% Applicable to District	Amount Applicable to District
Overlapping Debt			
City of Chicago	\$ 7,328,452	100.00%	\$ 7,328,452
Chicago Board of Education	5,596,922	100.00%	5,596,922
Chicago Park District	944,565	100.00%	944,565
Metropolitan Water Reclamation District of Greater Chicago	1,961,974	48.48%	951,165
Cook County	3,499,615	46.21%	1,617,172
Cook County Forest Preserve District	101,935	47.50%	48,419
	\$ 19,433,463		\$ 16,486,695
<b>Direct Debt</b>			
City Colleges of Chicago	-		-
Net Direct and Overlapping Long-Term Debt			\$ 16,486,695

(1) Source: Amount of Net Direct Debt was obtained from the City of Chicago

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

**Table J**

**Debt Capacity  
Legal Debt Margin Information (Unaudited)  
Last Ten Fiscal Years**

<b>Fiscal year ended June 30,</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Legal debt limit	\$ 1,206,511,528	\$ 1,302,648,818	\$ 1,527,903,245	\$ 1,590,137,276	\$ 1,704,144,530	\$ 1,997,529,894	\$ 2,116,320,740	\$ 2,326,725,440	\$ 2,430,827,026	\$ 2,359,001,402
Total net debt applicable to limit	(33,922,663)	(32,739,132)	(32,218,928)	(30,399,472)	-	-	-	-	-	-
Legal debt margin	<u>\$ 1,172,588,865</u>	<u>\$ 1,269,909,686</u>	<u>\$ 1,495,684,317</u>	<u>\$ 1,559,737,804</u>	<u>\$ 1,704,144,530</u>	<u>\$ 1,997,529,894</u>	<u>\$ 2,116,320,740</u>	<u>\$ 2,326,725,440</u>	<u>\$ 2,430,827,026</u>	<u>\$ 2,359,001,402</u>
Total net debt applicable to the limit as a percentage of debt limit	3%	3%	2%	2%	0%	0%	0%	0%	0%	0%

**Legal Debt Margin Calculation for Fiscal 2011**

Assessed Value	\$ 82,052,222,695
Legal debt margin	<u>2.875%</u>
Debt limit	\$ 2,359,001,402
Debt applicable to limit General obligation bonds	<u>-</u>
Legal debt margin	<u>\$ 2,359,001,402</u>



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

**Table K**

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

<b>Fiscal Year</b>	<b>(A) Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income (B) (in thousands)</b>	<b>Unemployment Rate (C)</b>
2011	2,695,598 *	-----Not Available-----		
2010	2,695,598	\$ 123,881,697	\$ 45,957 *	10.50%
2009	2,851,268	131,617,382	46,161	10.90%
2008	2,853,114	132,598,473	46,475	7.00%
2007	2,836,658	128,302,041	45,230	5.60%
2006	2,833,321	118,979,649	41,993	5.30%
2005	2,860,646	113,799,359	39,781	7.00%
2004	2,875,842	108,442,250	37,708	7.50%
2003	2,889,446	103,364,152	35,773	8.10%
2002	2,898,075	102,081,794	35,224	8.30%

**Sources:** (A) US Census Bureau. The census is conducted decennially at the start of each decade. \*Estimated.

(B) Bureau of Economic Analysis. These rates are for Cook County.

\*2010 Advance estimates of per capital income by metropolitan area.

(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 L**

**Demographic and Economic Information  
Principal Employers (Unaudited)**

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	1.84%	1	77,000	2.86%	1	78,000	2.73%
Chicago Public Schools	2	40,883	1.52%	2	43,740	1.62%	2	43,910	1.54%
City of Chicago	3	35,237	1.31%	3	36,242	1.34%	3	35,570	1.25%
State of Illinois	4	25,700	0.95%	4	26,000	0.96%	6	18,124	0.64%
Cook County	5	23,083	0.86%	5	23,416	0.87%	5	22,142	0.78%
Walmart Stores, Inc.	6	21,329	0.79%	6	19,990	0.74%	4	23,453	0.82%
Advocate Health Care	7	14,873	0.55%	7	14,784	0.55%	7	15,660	0.55%
JP Morgan Chase	8	13,639	0.51%	9	13,142	0.49%	-	-	-
Walgreen Co.	9	13,122	0.49%	8	13,281	0.49%	9	14,254	0.50%
Abbott Laboratories	10	13,000	0.48%	-	-	-	-	-	-
AT&T Inc.	-	-	-	10	13,000	0.48%	10	14,000	0.49%
University of Chicago	-	-	-	-	-	-	8	14,287	0.50%
		<u>250,439</u>	<u>9.30%</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 17, 2011

**Note:** Beginning with the fiscal year 2009, City Colleges of Chicago will begin to 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 M  
Demographic and Economic Information  
Employee Data (Unaudited)  
Last Four Fiscal Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011*</u>
Administrative Staff	292	307	302	365
Civil Service	1,824	1,846	1,786	1,919
Professional Staff	850	858	893	1,519
Teaching Faculty	2,903	2,835	3,011	3,061
Student Employees/Work Study	817	882	1,032	1,132
<b>TOTAL</b>	<b>6,686</b>	<b>6,728</b>	<b>7,024</b>	<b>7,996</b>

\* Estimated

**Data Source:** College records

**Note:** FY08 - FY11 figures represent filled positions.

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

**Table N**

**Demographic and Economic Information  
Student Enrollment Demographic Statistics  
Student Enrollment Credit Hours by Category (Unaudited)  
Ten years ended June 30**

<b>Fiscal Year</b>	<b>Total</b>	<b>Baccalaureate</b>	<b>Occupational</b>			<b>Remedial Development</b>	<b>Adult Basic Secondary Education</b>
			<b>Business</b>	<b>Technical</b>	<b>Health</b>		
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
2004	1,070,621	379,815	46,876	68,684	56,028	114,422	404,796
2003	1,266,802	357,083	50,989	71,154	54,785	110,798	621,993
2002	1,233,097	315,891	47,947	80,373	51,833	100,284	636,769

**Data Source:** College records

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

**Table O**

**Demographic and Economic Information  
Student Enrollment Demographic Statistics  
Student Enrollment by Fiscal Year *(Unaudited)*  
Ten years ended June 30**

<b>Headcount</b>				
<b>Fiscal Year</b>	<b>Credit</b>	<b>Adult Ed</b>	<b>Other</b>	<b>Total</b>
2011	60,514	36,482	22,508	119,504
2010	57,423	43,332	26,762	127,517
2009	50,500	42,294	28,144	120,938
2008	47,609	38,701	26,967	113,277
2007	47,031	39,643	24,032	110,706
2006	47,181	43,308	24,971	115,460
2005	50,217	50,390	28,965	129,572
2004	49,908	54,708	35,675	140,291
2003	49,484	58,595	45,754	153,833
2002	47,240	60,818	49,688	157,746

<b>Full-time Equivalent</b>				
<b>Fiscal Year</b>	<b>Credit</b>	<b>Adult Ed</b>	<b>Other</b>	<b>Total</b>
2011	29,194	15,417	2,966	47,577
2010	27,347	16,919	3,508	47,774
2009	23,218	16,615	3,533	43,366
2008	21,165	15,068	3,555	39,788
2007	20,647	15,659	3,682	39,988
2006	20,950	17,286	3,314	41,550
2005	22,135	19,857	3,051	45,043
2004	22,007	22,258	3,808	48,073
2003	21,403	23,558	4,877	49,838
2002	19,649	24,513	5,274	49,436

**Data Source:** College records

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

**Table P**

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

<b>Capital Asset Type</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Land	\$ 17,388,173	\$ 17,388,173	\$ 17,388,173	\$ 19,574,040	\$ 48,988,547	\$ 49,094,047	\$ 49,094,047	\$ 49,959,334
Construction in process	72,653,608	87,031,126	70,201,658	182,702,679	18,421,821	28,955,476	43,035,306	51,832,430
Vehicles	-	-	-	586,630	741,182	795,093	825,036	-
Equipment	25,631,007	13,830,775	8,756,202	9,323,074	16,833,429	17,124,537	15,722,974	15,901,476
Buildings and improvements	426,685,662	439,645,567	478,350,538	488,896,308	642,987,012	654,292,589	680,481,594	692,728,579
Software	16,081,154	28,639,679	28,639,679	28,694,279	28,734,268	29,008,086	29,342,571	29,342,571
Total Capital Assets	<u>558,439,604</u>	<u>586,535,320</u>	<u>603,336,250</u>	<u>729,777,010</u>	<u>756,706,259</u>	<u>779,269,828</u>	<u>818,501,528</u>	<u>839,764,390</u>
Less: Accumulated Depreciation	<u>(222,717,534)</u>	<u>(213,237,741)</u>	<u>(194,626,987)</u>	<u>(206,074,196)</u>	<u>(186,971,382)</u>	<u>(208,307,417)</u>	<u>(225,326,563)</u>	<u>(246,743,974)</u>
Net Capital Assets	<u>\$335,722,070</u>	<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>
Capital Lease Obligations	<u>\$ 99,375,000</u>	<u>\$ 78,610,000</u>	<u>\$ 56,105,000</u>	<u>\$ 31,695,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Note:** Prior to fiscal year 2007 and after fiscal year 2010, Vehicles were included in Equipment.

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

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

<b><i>Founded</i></b>	<b>1911</b>	
Accreditation by North Central Association of Colleges and Schools		
	<b>Most Recent Accreditation</b>	<b>Next Review</b>
Daley	2000-01	2011-12
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		4,123,907
Size of district		228.5 square miles
Counties served		Cook and DuPage
Population of district		2,695,598
Number of administrative staff		365
Number of civil service staff		1,919
Number of professional / technical staff		1,519
Number of teaching staff		3,061
Number of student/workstudy staff		1,132
Degrees and certificates awarded (Fiscal year 2010)		8,707

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

**Table R**

**Operating Information  
Revenues and Expenditures by Campus (Unaudited)  
For the fiscal year ended 6/30/2011**

	<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>
<b>Revenues:</b>									
Local Tax Revenue	\$ 4,886,971	\$ 6,672,849	\$ 10,961,504	\$ 7,366,195	\$ 9,625,437	\$ 4,944,797	\$ 6,586,977	\$ 72,471,373	\$ 123,516,103
All Other Local Revenue	89,730	2,835	180,136	134,740	1,427,324	1,283,107	18,883	15,036,507	18,173,262
ICCB Grants	14,661,650	5,373,360	7,212,960	11,527,106	4,787,766	16,478,489	10,409,349	1,042,977	71,493,657
All Other State Revenue	1,744,323	3,260,757	2,158,991	2,142,359	2,082,744	2,306,494	2,505,307	3,331,788	19,532,763
Federal Revenue	14,250,363	26,798,081	26,245,063	21,495,278	15,523,403	17,037,939	17,996,291	840,074	140,186,492
Student Tuition and Fees	12,631,278	22,245,385	17,995,105	12,438,535	8,923,281	16,788,667	21,484,595	2,080,485	114,587,331
All Other Revenue	479,340	719,765	1,602,866	508,421	349,340	527,013	828,824	6,274,464	11,290,033
Total Revenue before Capital Appropriations	48,743,655	65,073,032	66,356,625	55,612,634	42,719,295	59,366,506	59,830,226	101,077,668	498,779,641
Capital Appropriations	-	-	-	-	-	-	-	2,561,433	2,561,433
Total Revenue	\$ 48,743,655	65,073,032	66,356,625	55,612,634	42,719,295	59,366,506	59,830,226	103,639,101	\$ 501,341,074
<b>Expenditures by program</b>									
Instruction	\$ 13,126,069	\$ 17,389,364	\$ 18,802,540	\$ 13,847,988	\$ 10,721,374	\$ 19,993,163	\$ 20,001,685	\$ 2,324,647	\$ 116,206,830
Academic Support	2,522,654	2,129,054	3,625,945	3,113,967	2,031,570	4,021,935	3,670,848	6,658,253	27,774,226
Student Services	3,167,259	3,906,247	2,792,903	4,210,088	3,211,009	4,906,994	4,420,831	1,546,633	28,161,964
Public Service/Continuing Education	301,117	1,173,753	1,891,323	451,388	364,328	564,168	409,179	2,449,290	7,604,546
Organized Research	-	532,271	-	-	-	27,875	47,660	-	607,806
Auxiliary Services	72,970	50,764	186,112	1,042,921	209,691	88,443	256,077	7,000	1,913,978
Operations and Maintenance	10,743,360	5,497,050	20,545,788	7,287,657	5,915,637	5,899,356	8,937,717	8,660,972	73,487,537
Institutional Support	1,987,521	3,187,535	13,463,095	3,113,495	2,955,499	2,786,420	3,054,503	40,600,818	71,148,886
Scholarships, Grants, Waivers	16,033,029	28,814,601	26,364,863	19,643,413	16,119,018	16,941,451	19,524,801	716,394	144,157,570
Total Expenditures	\$ 47,953,979	\$ 62,680,639	\$ 87,672,569	\$ 52,710,917	\$ 41,528,126	\$ 55,229,805	\$ 60,323,301	\$ 62,964,007	\$ 471,063,343

Excludes SURS contribution of \$33,035,428

Statement of Purpose: The City Colleges of Chicago Revenues and Expenditures by College for the year ended June 30, 2011, 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 S**

**Statement of Revenues, Expenses and Changes in Net Assets by Campus (Unaudited)  
For the fiscal year ended June 30, 2011**

<b>Revenues</b>	<b>Daley</b>	<b>Harold Washington</b>	<b>Kennedy-King</b>	<b>Malcolm X</b>	<b>Olive-Harvey</b>	<b>Truman</b>	<b>Wright</b>	<b>District</b>	<b>Total</b>
Operating revenues:									
Student tuition and fees:									
Resident	\$ 9,348,593	\$ 16,042,247	\$ 11,063,064	\$ 9,562,856	\$ 6,853,948	\$ 12,632,916	\$ 16,520,760	\$ 1,312,400	\$ 83,336,784
Nonresident	1,136,946	2,086,486	1,047,022	475,877	231,224	1,077,410	1,193,506		7,248,471
Other	2,145,741	4,116,652	5,885,019	2,399,802	1,838,109	3,078,341	3,770,328	768,084	24,002,076
Less: Scholarship allowances	<u>(7,984,156)</u>	<u>(13,576,052)</u>	<u>(13,935,151)</u>	<u>(8,797,585)</u>	<u>(7,537,164)</u>	<u>(7,851,758)</u>	<u>(8,799,548)</u>	<u>(5,863)</u>	<u>(68,487,277)</u>
Net student tuition and fees	4,647,124	8,669,333	4,059,954	3,640,950	1,386,117	8,936,909	12,685,046	2,074,621	46,100,054
Other operating revenues	<u>478,067</u>	<u>571,458</u>	<u>1,460,957</u>	<u>454,570</u>	<u>322,888</u>	<u>496,282</u>	<u>726,452</u>	<u>3,860,033</u>	<u>8,370,707</u>
Total operating revenues	5,125,191	9,240,791	5,520,911	4,095,520	1,709,005	9,433,191	13,411,498	5,934,654	54,470,761
<b>Expenses</b>									
Operating expenses:									
Instructional salaries	10,745,424	14,200,015	11,203,870	10,451,537	8,381,882	16,182,826	16,154,941	1,244,685	88,565,180
Non-instructional salaries	9,170,254	9,389,152	11,601,962	10,238,447	8,774,199	11,614,144	10,597,027	21,638,487	93,023,672
Fringe benefits	6,967,147	8,577,774	8,030,325	7,347,070	6,290,276	10,098,247	9,625,682	11,033,645	67,970,166
Supplies	878,939	771,473	1,847,709	1,570,984	901,013	1,293,542	1,834,767	4,787,125	13,885,552
Professional Development	119,986	157,172	129,041	186,110	117,096	88,081	147,808	379,764	1,325,058
Equipment not capitalized	193,456	150,792	623,720	1,272,297	429,509	175,388	332,457	2,588,303	5,765,922
Utilities	1,125,326	760,035	2,089,701	1,391,762	807,859	1,253,108	1,342,288	1,064,710	9,834,789
Contractual services	1,440,304	2,252,019	13,470,253	2,379,127	1,687,367	1,737,928	1,768,343	21,568,255	46,303,596
Depreciation	4,740,980	1,793,185	5,752,909	1,715,310	929,954	821,218	3,552,318	2,940,038	22,245,912
Financial aid, exclusive of scholarship allowances	7,741,956	14,972,315	12,009,420	10,466,236	8,280,362	8,722,927	10,468,235	345,316	73,006,767
Other expenses	467,193	323,576	11,065,777	568,921	486,102	414,816	543,143	(489,768)	13,379,760
Total operating expenses	<u>43,590,965</u>	<u>53,347,508</u>	<u>77,824,687</u>	<u>47,587,801</u>	<u>37,085,619</u>	<u>52,402,225</u>	<u>56,367,009</u>	<u>67,100,560</u>	<u>435,306,374</u>
Operating loss	(38,465,774)	(44,106,717)	(72,303,776)	(43,492,281)	(35,376,614)	(42,969,034)	(42,955,511)	(61,165,906)	(380,835,613)
Non-operating revenues (expenses):									
State apportionment and equalization	10,415,347	4,014,920	4,866,970	7,756,153	3,080,641	11,306,401	7,243,111	-	48,683,543
Other state grants and contracts	9,613,772	8,910,641	8,653,917	9,677,323	6,910,978	12,535,527	10,538,378	8,537,770	75,378,306
Local grants and contracts	89,000	102,619	260,378	99,050	1,427,324	1,281,072	97,679	1,916,662	5,273,784
Local property taxes	4,886,971	6,672,849	10,961,504	7,366,195	9,625,437	4,944,797	6,586,977	72,471,373	123,516,103
Personal property replacement tax	-	-	-	-	-	-	-	13,924,035	13,924,035
Federal grants and contracts	14,250,363	26,798,081	26,245,063	21,495,278	15,523,403	17,037,939	17,996,291	840,074	140,186,492
Investment income	-	-	-	-	-	-	-	1,589,648	1,589,648
Building lease and interest payments on debt	-	-	-	-	-	-	-	-	-
Non-operating revenues, net	<u>39,255,453</u>	<u>46,499,110</u>	<u>50,987,832</u>	<u>46,393,999</u>	<u>36,567,783</u>	<u>47,105,736</u>	<u>42,462,436</u>	<u>99,279,562</u>	<u>408,551,911</u>
Income (loss) before capital appropriations and grants	<u>789,679</u>	<u>2,392,393</u>	<u>(21,315,944)</u>	<u>2,901,718</u>	<u>1,191,169</u>	<u>4,136,702</u>	<u>(493,075)</u>	<u>38,113,656</u>	<u>27,716,298</u>
Capital appropriations and grants	-	-	-	-	-	-	-	2,561,433	2,561,433
Change in net assets	<u>\$ 789,679</u>	<u>\$ 2,392,393</u>	<u>\$ (21,315,944)</u>	<u>\$ 2,901,718</u>	<u>\$ 1,191,169</u>	<u>\$ 4,136,702</u>	<u>\$ (493,075)</u>	<u>\$ 40,675,089</u>	<u>\$ 30,277,731</u>

# **Special Reports Section**

# State Required Report Section

City Colleges of Chicago  
Community College District No. 508  
All Funds Summary  
Uniform Financial Statement #1  
Fiscal year ended June 30, 2011

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Auxiliary Enterprises Fund	Restricted Purposes Fund **	Working Cash Fund	Investment in Plant Fund	Trust & Agency Fund	Audit Fund	Liability, Protection Settlement Fund	PBC * Operations and Maintenance Fund	Total
Fund Balance: July 1, 2010	\$ 5,626,183	\$ 10,562,010	\$ 111,931,803	\$ 3,263,582	\$ (1,298,114)	\$ 69,793,099	\$ 593,173,248	\$ (1,060)	\$ 283,927	\$ (23,030)	\$ 607,045	\$ 793,918,693
<b>Revenues:</b>												
Local Tax Revenue	81,294,864	34,759,116	16,791,657	-	-	-	-	-	331,750	4,262,751	-	137,440,138
All Other Local Revenue	2,471,007	-	93,261	-	4,171,268	-	-	-	-	-	-	6,735,536
ICCB Grants	65,155,533	-	-	-	6,338,124	-	-	-	-	-	-	71,493,657
All Other State Revenue	(5,785)	-	-	-	19,538,548	-	-	-	-	-	-	19,532,763
Federal Revenue	15,750	-	-	-	140,170,742	-	-	-	-	-	-	140,186,492
Student Tuition and Fees	114,587,332	-	-	-	-	-	-	-	-	-	-	114,587,332
All Other Revenue	3,381,126	2,329,340	364,532	3,463,196	1,320,382	504,829	-	-	-	1,750	-	11,365,155
Total Revenues	266,899,827	37,088,456	17,249,450	3,463,196	171,539,064	504,829	-	-	331,750	4,264,501	-	501,341,073
<b>Expenses</b>												
Instruction	106,779,279	-	-	53,958	9,373,593	-	-	-	-	-	-	116,206,830
Academic Support	15,813,557	-	-	1,342,973	10,617,696	-	-	-	-	-	-	27,774,226
Student Services	23,792,613	-	-	3,642	4,365,709	-	-	-	-	-	-	28,161,964
Public Service/Continuing Education	1,493,706	-	-	2,364,689	3,746,151	-	-	-	-	-	-	7,604,546
Organized Research	1,191	-	-	-	606,615	-	-	-	-	-	-	607,806
Auxiliary Services	751,577	-	-	870,883	291,518	-	-	-	-	-	-	1,913,978
Operations and Maintenance	17,190,148	21,294,666	10,969,393	-	1,247,354	-	21,974,218	-	-	811,758	-	73,487,537
Institutional Support	64,503,193	510,697	3,412,472	252,018	1,442,261	-	-	-	566,083	462,162	-	71,148,886
Scholarships, Grants, Waivers	4,120,901	-	-	1,075	140,035,593	-	-	-	-	-	-	144,157,569
Total Expenses	234,446,165	21,805,363	14,381,865	4,889,238	171,726,490	-	21,974,218	-	566,083	1,273,920	-	471,063,342
Net Transfers	(25,225,115)	(25,845,103)	29,855,501	-	-	(604,952)	21,819,669	-	-	-	-	-
Fund Balance: June 30, 2011	\$ 12,854,730	\$ -	\$ 144,654,889	\$ 1,837,540	\$ (1,485,540)	\$ 69,692,976	\$ 593,018,699	\$ (1,060)	\$ 49,594	\$ 2,967,551	\$ 607,045	\$ 824,196,424

\* Public Building Commission

\*\* excludes SURS contribution \$ 33,035,428

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

**Fiscal year ended June 30, 2011**

	<b>Fixed Asset/Debt Account Groups July 1, 2010</b>	<b>Additions</b>	<b>Deletions and Transfers</b>	<b>Fixed Asset/Debt Account Groups June 30, 2011</b>
<b>Fixed Assets</b>				
Land	\$ 49,094,047	\$ 865,287	\$ -	\$ 49,959,334
Construction work-in-progress	43,035,306	31,530,393	22,733,269	51,832,430
Buildings and Improvements	680,481,594	12,246,985	-	692,728,579
Vehicles	825,036	-	825,036	-
Equipment	15,722,974	278,303	99,801	15,901,476
Software	29,342,571	-	-	29,342,571
Accumulated Depreciation	<u>(225,326,563)</u>	<u>(22,245,912)</u>	<u>(828,501)</u>	<u>(246,743,974)</u>
<b>Net Fixed Assets</b>	<u>\$ 593,174,965</u>	<u>\$ 22,675,056</u>	<u>\$ 22,829,605</u>	<u>\$ 593,020,416</u>
<b>Long-term Debt</b>				
Lease obligations	\$ -	\$ -	\$ -	\$ -
<b>Total Fixed Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City Colleges of Chicago**  
**Community College District No. 508**  
**Operating\*\* Funds Revenues And Expenditures**  
**Uniform Financial Statement #3**  
**Fiscal year ended June 30, 2011**

<b>OPERATING REVENUES BY SOURCE</b>	<b>Education Fund</b>	<b>Operations and Maintenance Fund</b>	<b>Total Operating Funds</b>
Local Government Revenue:			
Local Taxes	\$ 83,838,160	\$ 34,759,116	\$ 118,597,276
Other	2,835	-	2,835
<b>TOTAL LOCAL GOVERNMENT</b>	<b>83,840,995</b>	<b>34,759,116</b>	<b>118,600,111</b>
State Government:			
ICCB Base Operating Grant	48,683,543	-	48,683,543
ICCB Equalization Grant	16,466,205	-	16,466,205
<b>TOTAL STATE GOVERNMENT</b>	<b>65,149,748</b>	<b>-</b>	<b>65,149,748</b>
Federal Government:			
Dept. of Education	15,750	-	15,750
<b>TOTAL FEDERAL GOVERNMENT</b>	<b>15,750</b>	<b>-</b>	<b>15,750</b>
Student Tuition and Fees			
Tuition	90,585,255	-	90,585,255
Fees	24,002,076	-	24,002,076
<b>TOTAL TUITION AND FEES</b>	<b>114,587,331</b>	<b>-</b>	<b>114,587,331</b>
Other Sources			
Sales and Service Fees	544,690	-	544,690
Facilities Revenue	17,360	-	17,360
Investment Revenue	720,279	-	720,279
Other	2,023,674	2,329,340	4,353,014
<b>TOTAL OTHER REVENUE</b>	<b>3,306,003</b>	<b>2,329,340</b>	<b>5,635,343</b>
<b>TOTAL REVENUE</b>	<b>266,899,827</b>	<b>37,088,456</b>	<b>303,988,283</b>
Instructional Service Contracts			-
<b>ADJUSTED REVENUE</b>	<b>\$ 266,899,827</b>	<b>\$ 37,088,456</b>	<b>\$ 303,988,283</b>
<b>OPERATING EXPENDITURES</b>			
BY PROGRAM			
Instruction	\$ 106,779,279	\$ -	\$ 106,779,279
Academic Support	15,813,557	-	15,813,557
Student Services	23,792,613	-	23,792,613
Public Service/Continuing Education	1,493,706	-	1,493,706
Organized Research	1,191	-	1,191
Auxiliary Services	751,577	-	751,577
Operations and Maintenance	17,190,148	21,294,666	38,484,814
Institutional Support	64,503,193	510,697	65,013,890
Scholarships, Grants, Waivers	4,120,901	-	4,120,901
<b>TOTAL EXPENDITURES</b>	<b>234,446,165</b>	<b>21,805,363</b>	<b>256,251,528</b>
Less Non-Operating Items*			
Transfers to Non-Operating Funds	25,225,115	25,845,103	51,070,218
<b>ADJUSTED EXPENDITURES</b>	<b>\$ 259,671,280</b>	<b>\$ 47,650,466</b>	<b>\$ 307,321,746</b>
BY OBJECT			
Salaries	\$ 151,006,334	\$ 7,808,083	\$ 158,814,417
Employee Benefits	28,097,254	578,471	28,675,725
Contractual Services	23,990,589	2,903,657	26,894,246
General Materials and Supplies	9,732,992	1,277,859	11,010,851
Professional Development	866,537	4,074	870,611
Fixed Charges	1,811,307	128,144	1,939,451
Utilities	727,339	9,105,075	9,832,414
Other	14,458,128	-	14,458,128
Student Grants & Scholarships**	3,755,685	-	3,755,685
<b>TOTAL EXPENDITURES</b>	<b>234,446,165</b>	<b>21,805,363</b>	<b>256,251,528</b>
Less Non-Operating Items*			
Transfers from Non-Operating Funds	25,225,115	25,845,103	51,070,218
<b>ADJUSTED EXPENDITURES</b>	<b>\$ 259,671,280</b>	<b>\$ 47,650,466</b>	<b>\$ 307,321,746</b>

\* Enter as negative.

\*\* Non-add line.

\*\* 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, 2011**

**REVENUE BY SOURCE:**

TOTAL LOCAL GOVERNMENT	\$ 4,171,268
State Government *	
ICCB - Adult Education	5,711,524
ICCB - Retirees Health Insurance Grant	626,600
Other	<u>19,538,548</u>
TOTAL STATE GOVERNMENT	25,876,672
Federal Government	
Dept. of Education	114,038,820
Other	<u>26,131,922</u>
TOTAL FEDERAL GOVERNMENT	140,170,742
Other Sources	
Other	<u>1,320,382</u>
TOTAL OTHER SOURCES	1,320,382
TOTAL RESTRICTED PURPOSES FUND REVENUES	<u><u>\$ 171,539,064</u></u>

**EXPENDITURES BY PROGRAM \***

Instruction	\$ 9,373,593
Academic Support	10,617,696
Student Services	4,365,709
Public Service/Continuing Education	3,746,151
Organized Research	606,615
Auxiliary Services	291,518
Operations and Maintenance	1,247,354
Institutional Support	1,442,261
Scholarships, Grants and Waivers	140,035,593
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u><u>\$ 171,726,490</u></u>

**EXPENDITURES BY OBJECT \***

Salaries	\$ 19,907,234
Employee Benefits	4,678,466
Contractual Services	2,098,201
Student Financial Aid	
General Materials and Supplies	5,025,409
Library Materials*	
Professional Development	351,970
Fixed Charges	104,152
Utilities	1,633
Capital Outlay	1,539,777
Other	302,022
Scholarships, Grants, Waivers*	137,717,626
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u><u>\$ 171,726,490</u></u>

\* Excludes SURS contribution of \$33,035,428.

**City Colleges of Chicago  
Community College District No. 508  
Current Funds \* Expenditures\*\* by Activity  
Uniform Financial Statement #5  
Fiscal year ended June 30, 2011**

INSTRUCTION	
Instructional Programs	\$ 116,206,830
Total Instruction	<u>116,206,830</u>
ACADEMIC SUPPORT	
Library Center	4,070,710
Instructional Materials Center	125,476
Educational Media Services	9,352
Academic Computing Support	1,032,921
Academic Administration and Planning	15,375,010
Other	7,160,757
Total Academic Support	<u>27,774,226</u>
STUDENT SERVICES SUPPORT	
Admissions and Records	4,481,019
Counseling and Career Services	5,949,370
Financial Aid Administration	5,004,321
Other	12,727,254
Total Student Services Support	<u>28,161,964</u>
PUBLIC SERVICE/CONTINUING EDUCATION	
Community Education	138,557
Customized Training (Instructional)	844,873
Community Services	3,158,150
Other	3,462,966
Total Public Service/Continuing Education	<u>7,604,546</u>
ORGANIZED RESEARCH	607,806
AUXILIARY SERVICES	1,913,978
OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	10,913,482
Custodial Services	6,490,171
Grounds	10,200
Campus Security	10,843,296
Transportation	11,407
Utilities	992,720
Administration	974,556
Other	10,308,094
Total Operations and Maintenance of Plant	<u>40,543,926</u>
INSTITUTIONAL SUPPORT	
Executive Management	6,407,917
Fiscal Operations	5,835,334
Community Relations	2,591,970
Administrative Support Services	12,655,473
Board of Trustees	452,344
General Institutional	15,043,239
Institutional Research	808,162
Administrative Data Processing	5,826,354
Other	(32,954,597)
Total Institutional Support	<u>16,666,196</u>
SCHOLARSHIPS, STUDENTS GRANTS, & WAIVERS	<u>144,157,569</u>
TOTAL CURRENT FUNDS EXPENDITURES	<u>\$ 383,637,041</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 \$33,035,428



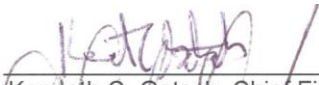


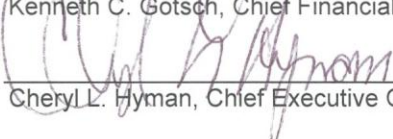
**City Colleges of Chicago  
Community College District No. 508**

**Certification of Chargeback Reimbursement for Fiscal Year 2012**

All fiscal year 2011 non-capital operating expenses from the following funds:

Education Fund	\$ 234,167,861
Operations and Maintenance Fund	21,805,363
Restricted Purposes Fund	171,726,490
Audit Fund	566,083
Liability, Protection and Settlement Fund	<u>1,273,920</u>
TOTAL NON-CAPITAL EXPENDITURES	\$ 429,539,717
 PLUS DEPRECIATION FOR EQUIPMENT PAID FROM NONSTATE AND NONFEDERAL MONIES	 2,143,189
 PLUS DEPRECIATION ON BUILDINGS AND FIXED EQUIPMENT PAID FROM NONSTATE AND NONFEDERAL MONIES	 <u>13,615,039</u>
EQUALS TOTAL QUALIFIED EXPENDITURES	\$ 445,297,945
 LESS ALL FISCAL YEAR 2010 STATE AND FEDERAL OPERATING GRANTS FOR NON-CAPITAL EXPENDITURES, EXCEPT ICCB GRANTS	 <u>159,703,505</u>
EQUALS ADJUSTED QUALIFIED EXPENDITURES	\$ 285,594,440
 DIVIDED BY TOTAL CREDIT HOURS FOR FISCAL YEAR 2011	 <u>1,207,136</u>
EQUALS COST PER SEMESTER CREDIT HOUR	\$ <u>236.59</u>
 LESS DISTRICT'S AVERAGE GRANT RATE FOR FISCAL YEAR 2012	 \$ 51.21
 LESS STUDENT TUITION PER SEMESTER CREDIT HOUR FOR FISCAL YEAR 2012	 <u>89.00</u>
EQUALS CHARGEBACK REIMBURSEMENT RATE PER SEMESTER CREDIT HOUR	\$ <u>96.38</u>

Approved:   
 Kenneth C. Gotsch, Chief Financial Officer

Approved:   
 Cheryl L. Hyman, Chief Executive Officer

## **INDEPENDENT ACCOUNTANTS' REPORT ON SCHEDULE OF ENROLLMENT DATA AND OTHER BASES ON WHICH CLAIMS ARE FILED**

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

We have examined the accompanying schedule of enrollment data and other bases on which claims are filed (the "Schedule") of City Colleges of Chicago, Community College District No. 508 ("City Colleges") for the year ended June 30, 2011. This Schedule is the responsibility of City Colleges' management. Our responsibility is to express an opinion on the Schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the guidelines of the Illinois Community College Board's Fiscal Management Manual and, 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, such Schedule presents, in all material respects, the enrollment data and other bases upon which claims are filed in conformity with the provisions of the aforementioned guidelines.

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

*Deloitte & Touche LLP*

November 1, 2011

**Schedule of Enrollment Data and  
Other Bases On Which Claims are Filed  
For the year ended June 30, 2011**

**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	59,499.0	-	219,803.0	-	226,595.0	-	505,897.0	-
Business Occupational	4,827.0	-	24,231.0	-	25,532.0	-	54,590.0	-
Technical Occupational	8,092.0	-	31,416.0	-	33,174.0	-	72,682.0	-
Health Occupational	6,692.0	-	23,124.0	-	21,832.0	-	51,648.0	-
Remedial/Developmental	11,729.0	-	66,209.0	-	58,309.0	-	136,247.0	-
Adult Basic/Secondary Education	68,420.0	35,906.0	126,824.0	15,134.0	138,106.0	1,682.0	333,350.0	52,722.0
<b>Total</b>	<b>159,259.0</b>	<b>35,906.0</b>	<b>491,607.0</b>	<b>15,134.0</b>	<b>503,548.0</b>	<b>1,682.0</b>	<b>1,154,414.0</b>	<b>52,722.0</b>

**Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2011**

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	505,897.0	505,897.0	-	-	-	-
Business Occupational	54,590.0	54,590.0	-	-	-	-
Technical Occupational	72,682.0	72,682.0	-	-	-	-
Health Occupational	51,648.0	51,648.0	-	-	-	-
Remedial/Developmental	136,247.0	136,247.0	-	-	-	-
Adult Basic/Secondary Education	333,350.0	333,350.0	-	52,722.0	52,722.0	-
<b>Total</b>	<b>1,154,414.0</b>	<b>1,154,414.0</b>	<b>-</b>	<b>52,722.0</b>	<b>52,722.0</b>	<b>-</b>

**Summary of Certified Dual Credit and Dual Enrollment Hours**

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	752.0	638.0

**Schedule of Enrollment Data and  
Other Bases On Which Claims are Filed (Continued)  
For the year ended June 30, 2011**

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

	<u>Attending In-District</u>	<u>Attending Out-of-District on Chargeback or Cooperative/ Contractual Agreement</u>	<u>Total</u>
Semester credit hours (all terms)	1,114,303	1,793	1,116,096
District prior year equalized assessed evaluation (Preliminary)		\$82,052,222,695	
		<b>Total Credit Hours</b>	<b>Total Credit Hours Certified by ICCB</b>
In-district residents		1,114,303	1,114,303
Out-of-district (chargeback/contractual agreement)		1,793	1,793
Total		<u>1,116,096</u>	<u>1,116,096</u>
			<b>Difference</b>
			-
			-
			-

## 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>
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

## **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**

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

We have audited the accompanying balance sheets of the Workforce Development Component Grant, Retirees Health Insurance Grant, State Adult Education and Family Literacy Grant, Early School Leavers Grant and Career and Technical Education Program Improvement Grant (collectively, the "Grant Programs") of City Colleges of Chicago, Community District No. 508 ("City Colleges") as of June 30, 2011, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended. We have also audited the accompanying balance sheet of the American With Disabilities Act Compliance Grant (included in the "Grant Programs") as of June 14, 2011 and the related statements of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated November 15, 2011. 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.

### **Internal Control over Financial Reporting**

Management of City Colleges' is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City Colleges' Grant Programs' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the respective financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Colleges' Grant Programs' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City Colleges' Grant Programs' internal control over financial reporting.

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 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.

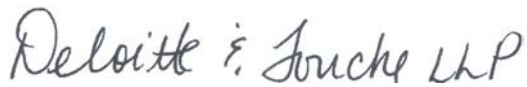
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2011, on our consideration of the City Colleges' Grant Programs' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the respective financial statements referred to above taken as a whole. The supplementary information included on pages 84 and 87 is presented for the purpose of additional analysis and is not a required part of the respective financial statements of the Workforce Development Component Grant and State Adult Education and Family Literacy Grant. This supplementary information is the responsibility of City Colleges' management. The supplementary information has been subjected to the auditing procedures applied in our audit of the respective financial statements referred to above and, in our opinion, is fairly stated, in all material respects, when considered in relation to the respective financial statements of the Workforce Development Component Grant and the State Adult Education and Family Literacy Grant taken as a whole.

This report is intended solely for the information and use of the Board of Trustees and management of City Colleges of Chicago, Community College District No. 508, and the Illinois Community College Board and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Deloitte & Touche LLP".

November 15, 2011

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of the Workforce Development Component Grant, Retirees Health Insurance Grant, State Adult Education and Family Literacy Grant, Early School Leavers Grant and Career and Technical Education Program Improvement Grant (collectively, the "Grant Programs") of City Colleges of Chicago, Community District No. 508 ("City Colleges") as of June 30, 2011, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended, as listed in the foregoing table of contents. We have also audited the accompanying balance sheet of the American With Disabilities Act Compliance Grant (included in the "Grant Programs") as of June 14, 2011 and the related statements of revenues, expenditures and changes in fund balance for the year then ended, as listed in the foregoing table of contents. These respective financial statements are the responsibility of City Colleges' management. Our responsibility is to express an opinion on the respective 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City Colleges' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

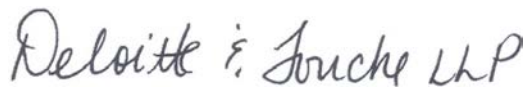
As discussed in Note 2, the respective financial statements referred to above present only the financial position of the Workforce Development Component Grant, Retirees Health Insurance Grant, State Adult Education and Family Literacy Grant, Early School Leavers Grant, Career and Technical Education Program Improvement Grant and American With Disabilities Act Compliance Grant Programs and do not purport to, and do not, present fairly the respective financial position of City Colleges of Chicago, Community College District No. 508 as of June 30, 2011, and June 14, 2011, respectively (American With Disabilities Act Compliance Grant), and the respective changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the respective financial statements referred to above present fairly, in all material respects, the respective financial position of the Grants Programs of City Colleges as of June 30, 2011, and June 14, 2011, respectively (American With Disabilities Act Compliance Grant), and the respective changes in financial position thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Colleges' Grant Programs' respective 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 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*.

This report is intended solely for the information and use of the Board of Trustees and management of City Colleges of Chicago Community College District No. 508 and the Illinois Community College Board and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Deloitte & Touche LLP".

November 15, 2011



# **Grant Program Financial Statements**

**City Colleges of Chicago**  
**Community College District No. 508**  
**Workforce Development Component Grant Program** *(Business/Industry Services)*  
**Balance Sheet**  
**As of June 30, 2011**

<b>Assets</b>	
Grant Receivable	<u>\$ 238,294</u>
<b>Liabilities and Fund balance</b>	
Accounts payable	\$ 54,691
Accrued payroll	1,822
Due to City Colleges of Chicago	<u>181,781</u>
Total liabilities	238,294
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 238,294</u>

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the year ended June 30, 2011**

<b>Revenue</b>	
State sources	<u>\$ 238,294</u>
<b>Expenditures</b>	
Salaries	\$ 121,698
Employee benefits	24,961
Instructional materials	45,695
Office operating costs	23,592
Contractual services	15,287
Conference and meeting expenses	6,691
Travel	370
Total expenditures	<u>\$ 238,294</u>
<b>Excess of Revenue over Expenditures</b>	
Fund balance - July 1, 2010	<u>-</u>
Fund balance - June 30, 2011	<u>\$ -</u>

See accompanying notes to grant program financial statements.

**City Colleges of Chicago**  
**Community College District No. 508**  
**Workforce Development Component Grant Program** *(Business/Industry Services)*  
**ICCB Compliance Statement For Workforce**  
**Development - Business / Industry Grant**  
**Total Expenditures for ICCB Grant Funds Only**  
**For the year ended June 30, 2011**

<u>Expenditures</u>	<u>General</u>	<u>Operation of Workforce Development Office</u>	<u>Total</u>
Personnel (Salaries & Benefits)	\$ -	\$ 146,659	\$ 146,659
Contractual Services	-	15,287	15,287
Instructional Materials	-	45,695	45,695
Conference and meeting expenses	-	6,691	6,691
Travel	-	370	370
Cost of Operating a Business Assistance Center/Economic Development/Workforce			
a. Office Operating Costs	-	23,592	23,592
Totals	<u>\$ -</u>	<u>\$ 238,294</u>	<u>\$ 238,294</u>

See accompanying notes to grant program financial statements.

**City Colleges of Chicago**  
**Community College District No. 508**  
**Retirees Health Insurance Grant Program**  
**Balance Sheet**  
**As of June 30, 2011**

<b>Assets</b>	\$ <u>          -</u>
<b>Liabilities and Fund balance</b>	\$ <u>          -</u>

**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance**  
**For the year ended June 30, 2011**

<b>Revenue</b>	
State sources	\$ <u>626,600</u>
<b>Expenditures</b>	
Retiree benefits	<u>626,600</u>
Total Expenditures	\$ <u>626,600</u>
<b>Excess of Revenues over Expenditures</b>	\$ -
Fund Balance - July 1, 2010	<u>-</u>
Fund Balance - June 30, 2011	\$ <u>          -</u>

See accompanying notes to grant program financial statements.



**City Colleges of Chicago  
Community College District No. 508  
State Adult Education and Family Literacy Grant Programs  
Combined Balance Sheet  
As of June 30, 2011**

	<u>State Basic</u>	<u>Public Aid</u>	<u>State Performance</u>	<u>Total</u>
<b>Assets</b>				
Accounts Receivable	\$ 1,922,056	\$ 1,054,704	\$ 595,147	\$ 3,571,907
Total assets	<u>\$ 1,922,056</u>	<u>\$ 1,054,704</u>	<u>\$ 595,147</u>	<u>\$ 3,571,907</u>
<b>Liabilities and Fund balance</b>				
Accounts payable	\$ 24,120	\$ 14,527	\$ 54,858	\$ 93,505
Accrued expenditures	44,154	30,473	16,593	91,220
Due to City Colleges of Chicago	<u>1,853,782</u>	<u>1,009,704</u>	<u>523,696</u>	<u>3,387,182</u>
Total Liabilities	1,922,056	1,054,704	595,147	3,571,907
<b>Fund balance</b>	-	-	-	-
Total Liabilities and Fund Balance	<u>\$ 1,922,056</u>	<u>\$ 1,054,704</u>	<u>\$ 595,147</u>	<u>\$ 3,571,907</u>

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the year ended June 30, 2011**

	<u>State Basic</u>	<u>Public Aid</u>	<u>State Performance</u>	<u>Total</u>
<b>Revenue</b>				
State sources	\$ <u>2,883,084</u>	\$ <u>1,808,065</u>	\$ <u>1,020,253</u>	\$ <u>5,711,402</u>
<b>Expenditures by program</b>				
Instruction	\$ 1,608,204	\$ 1,024,058	\$ 160,823	\$ 2,793,085
Social Work Services	802,462	396,887	79,124	1,278,473
Guidance Services	32,678	41,724	42,207	116,609
Assessment and Testing	206,503	178,540	46,309	431,352
Student Transportation Services	-	-	7,010	7,010
Literacy Services	<u>35,514</u>	<u>-</u>	<u>36,653</u>	<u>72,167</u>
Subtotal Instructional and Student Services	2,685,361	1,641,209	372,126	4,698,696
<b>PROGRAM SUPPORT</b>				
Improvement of Instructional Services	17,174	34,231	300,457	351,862
General Administration	66,565	39,387	200,565	306,517
Operation & Maintenance of Plant Services	-	34,308	12,351	46,659
Workforce Coordination	12,158	12,158	24,778	49,094
Data and Information Services	101,826	46,772	109,976	258,574
Subtotal Program Support	<u>197,723</u>	<u>166,856</u>	<u>648,127</u>	<u>1,012,706</u>
Total Expenditures	<u>\$ 2,883,084</u>	<u>\$ 1,808,065</u>	<u>\$ 1,020,253</u>	<u>\$ 5,711,402</u>
<b>Excess of Revenue over Expenditures</b>	\$ -	\$ -	\$ -	\$ -
Fund Balance - July 1, 2010	-	-	-	-
Fund Balance - June 30, 2011	<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 Programs  
Expenditure Amounts and Percentages for ICCB Grant Funds Only  
For the year ended June 30, 2011**

	<u>Expenditure Amount</u>	<u>Allowed Expenditure Percentage</u>	<u>Actual Expenditure Percentage</u>
<b>State Basic</b>			
Instruction	\$ 1,608,204	Minimum 45%	56%
General Administration	\$ 66,565	Maximum 9%	2%
<b>State Public Assistance</b>			
Instruction	\$ 1,024,058	Minimum 45%	57%
General Administration	\$ 39,387	Maximum 9%	2%
<b>State Performance</b>			
General Administration	\$ 200,565	N/A	20%

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, 2011**

<b>Assets</b>	
Cash	<u>\$ 2,476</u>
<b>Liabilities and fund balance</b>	
Accounts payable	<u>\$ 2,476</u>
Total liabilities	2,476
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 2,476</u>

**Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the year ended June 30, 2011**

<b>Revenue</b>	
State sources	<u>\$ 75,000</u>
<b>Expenditures</b>	
Salaries	\$ 40,198
Benefits	8,116
General materials	20,589
Purchased services	4,410
Conference and meeting expenses	<u>1,687</u>
Total expenditures	<u>\$ 75,000</u>
<b>Excess of Revenue over Expenditures</b>	
	\$ -
Fund Balance - July 1, 2010	<u>-</u>
Fund Balance - June 30, 2011	<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, 2011**

<b>Assets</b>	
Cash	<u>\$ 45,958</u>
 <b>Liabilities and Fund Balance</b>	
Accounts payable	<u>45,958</u>
Total liabilities	45,958
 Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 45,958</u>

**Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the year ended June 30, 2011**

<b>Revenue</b>	
State sources	<u>\$120,128</u>
 <b>Expenditures</b>	
Salaries	12,382
Instructional equipment	40,299
Curriculum development	13,066
Materials and supplies	45,376
Conference and meeting expenses	<u>9,005</u>
Total Expenditures	<u>\$120,128</u>
 <b>Excess of Revenue Over (Under) Expenditures</b>	
	-
 Fund Balance - July 1, 2010	<u>-</u>
Fund Balance - June 30, 2011	<u>\$ -</u>

See accompanying notes to grant program financial statements.

**City Colleges of Chicago**  
**Community College District No. 508**  
**Americans With Disabilities Act Compliance Grant Program**  
**Balance Sheet**  
**As of June 14, 2011**

<b>Assets</b>	
Cash	<u>\$ 725,789</u>
<b>Liabilities and Fund Balance</b>	
Accounts payable	<u>725,789</u>
Total liabilities	725,789
Total Fund Balance	-
Total Liabilities and Fund Balance	<u><u>\$ 725,789</u></u>

**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**For the year ended June 14, 2011**

<b>Revenue</b>	
State sources	<u>\$1,092,939</u>
<b>Expenditures</b>	
Renovation and remodeling	<u>1,092,939</u>
Total Expenditures	<u><u>\$ 1,092,939</u></u>
<b>Excess of Revenue Over (Under) Expenditures</b>	-
Fund Balance - June 15, 2010	-
Fund Balance - June 14, 2011	<u><u>\$ -</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, 2011**

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**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. Workforce Development** (*Business and Industry Services*)

The program recognizes the importance of the community college system in assisting local businesses, associations, labor, government, and others to develop and enhance a qualified, well trained labor force. The grant funds are dedicated to the operation of a business assistance center and/or involvement with state and local economic development efforts.

**B. Retirees Health Insurance Grant**

The program is intended to provide health insurance for the district’s annuitants. Eligible districts shall be defined as those community college districts not eligible for participation in the retirees health insurance plan administered through the Department of Central Management Services.

**C. Adult Education and Family Literacy Grants**

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

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

The ICCB provides funding for Adult Education and Family Literacy from State and Federal sources. 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.



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

**Notes to Grant Program Financial Statements  
June 30, 2011**

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**1. PROGRAM DESCRIPTIONS** *(Continued)*

**D. Early School Leavers Grant**

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

**E. Career and Technical Education – Program Improvement Grant**

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.

**F. Americans With Disabilities Act Compliance Grant**

The Americans With Disabilities Act Compliance Grant (ADA) is a District-wide project to provide proper access to accommodate the needs of physically challenged students, faculty and clientele. The project represents recommended structural corrective actions for each of the facilities of the City Colleges of Chicago that were built prior to ADA becoming a law. The structural changes include elevator, restroom, and parking modifications.

**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 October 15 following the end of the fiscal year. The Workforce Development

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

**Notes to Grant Program Financial Statements  
June 30, 2011**

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

Component, Retirees Health Insurance, the Career and Technical Education program, the State Adult Education and Family Literacy programs and the Early School Leavers program were fully expended within the grant period. City Colleges of Chicago was unable to fully utilize the entire Americans With Disabilities award and subsequently returned the unspent portion to ICCB.

These grant program financial statements cover only the Workforce Development Component, Retirees Health Insurance, Early School Leavers, Career and Technical Education, the State Adult Education and Family Literacy and the American With Disabilities 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 Workforce Development Component, Retirees Health Insurance, the State Adult Education and Family Literacy, Early School Leavers, the Career and Educational grant, and the Americans With Disabilities programs is 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.

**E. Subsequent Events**

Management has evaluated all subsequent events through November 15, 2011, which is the date the basic financial statements were available to be issued



Please contact us if you would like additional copies of the Comprehensive Annual Financial Report for the year ended June 30, 2011: <http://www.ccc.edu> 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

