



*City Colleges of Chicago*

**Comprehensive Annual  
Financial Report**  
*Fiscal Year Ended June 30, 2009*

**Daley College**

**Harold Washington College**

**Kennedy-King College**

**Malcolm X College**

**Olive-Harvey College**

**Truman College**

**Wright College**

**WYCC-TV20**



**Board of Trustees  
Community College District No. 508  
County of Cook, State of Illinois  
226 West Jackson Boulevard  
Chicago, Illinois 60606**

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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, 2009

*Prepared by:  
Office of Finance*

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James C. Tyree, Board Chairman  
Deidra Lewis, Interim Chancellor

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

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**City Colleges of Chicago**

District Office  
226 West Jackson Boulevard  
Chicago, Illinois 60606  
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## City Colleges of Chicago

226 West Jackson Boulevard  
Chicago, Illinois 60606-6998  
312/553-2510

Deidra J. Lewis  
Interim Chancellor

December 22, 2009



"The City Colleges of Chicago has always represented hope and opportunity for the citizens of Chicago. We are the "People's College" with the mission to provide quality education, accessible to all. "

- Deidra J. Lewis, Interim Chancellor

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

It is my pleasure to present to you the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This report contains the results of the District's financial operation and its financial condition for the year just ended. It demonstrates that we continue to exercise the fiduciary responsibility over the funds entrusted to us by the students, taxpayers, donors and benefactors.

In fiscal year 2009, the District received both the Certificate of Achievement for Excellence in Financial Reporting and Excellence in Budgeting from the Government Financial Officers Association for the fourth consecutive year.

In fiscal year 2009, the District continued its focus in delivering exceptional learning opportunities and educational services for the diverse student populations in Chicago. We are proud that thousands of students choose the City Colleges of Chicago for their educational needs and that we remain successful in the delivery of the academic mission which includes 37,718 Baccalaureate Transfers students, 33,641 Workforce Development students, 41,794 Adult Education students, and 7,735 Life Long Learning students. The District generated approximately 1,136,835 credit hours and has partnered with 75 companies in providing contract training to more than 15,130 of their employees.

During the past fiscal year, we experienced mixed economic activities which sent the unemployment rate to chart at unprecedented levels. While this economic condition brought positive enrollment increases across all programs of the District, we faced budget challenges in our ability to serve the growing number of our constituents. Despite these difficulties, it is my great pride to commend our students, the faculty, staff and the Board for their significant accomplishments throughout the year. The following achievements are confirmation of the District's commitment to the prudent utilization of available resources in providing academic excellence and accessibility. They are the result of hard work, dedication and collaboration:

- Malcolm X College and Harold Washington College were individually awarded the ten year accreditation from the Higher Learning Commission.
- The faculty and administrators' collaborative efforts resulted in the implementation of a new Associate of Arts degree graduation requirement of completing two semesters of foreign language. The District also expanded its General Education courses to include new African-American, Latino, and Middle-Eastern Studies.
- The Master Teacher Academy continued its training of faculty members remaining from the previous year.

### Community College District No. 508

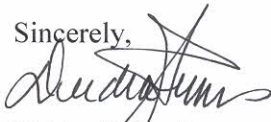
Daley College, Kennedy-King College, Malcolm X College, Olive-Harvey College, Truman College, Harold Washington College, Wright College

- The Leadership Academy was instituted to provide faculty and staff with a unique, individualized leadership development opportunity in building their skills for possible future increased leadership responsibilities.
- The cutting-edge technology of the new chemistry studio classroom at Truman College combines a science lab with interactive instruction boosting student learning.
- An academic team made up of students from the seven colleges captured first place in the Hispanic College Quiz in competition with several four-year colleges and universities in answering questions about Latino history.
- CCC faculty have been recognized through many awards and honors, including prestigious grants from the National Science Foundation, National Award for Distinguished Teaching of Mathematics, Artists Fellowship Award from the Illinois Arts Council and Nurse Educator Fellowship from the Illinois Board of Higher Education.
- A number of students traveled to Salamanca, Spain; Salzburg, Germany; and Beijing, China as participants in the International Study Program which is intended to make students more aware of global issues and what it means to be a “global citizen”.
- The District-wide parking and sidewalk repair was completed in addition to many other capital improvement projects such as enhancements to the classrooms and improvements necessary for the maintenance of the aging facilities.
- The District benefited from the new grant provision in the Higher Education Opportunity Act of 2008 for Predominantly Black Institutions. Kennedy-King College, Malcolm X College and Olive-Harvey College received much-needed funding that was not previously available.

There is no doubt that the fiscal and economic challenges are still in our midst. However, I am confident that the District will continue to thrive in its values of 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 so as to eliminate barriers to employment, as well as address and overcome inequality of access and graduation in higher education.

This Comprehensive Annual Financial Report shows that the District has maintained a healthy financial condition and continued to protect the use of public tax dollars, as shown in the accompanying audited financial statements and operational reports of City Colleges of Chicago for fiscal year 2009. I hope you’ll agree that in fiscal year 2009 the District has served its students well and has used its resources wisely.

Sincerely,



Deidra J. Lewis  
Interim Chancellor

# **Introductory Section**

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Community College District No. 508  
Comprehensive Annual Financial Report  
Fiscal year ended June 30, 2009**

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## Transmittal Letter

December 21, 2009

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, 2009. 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.

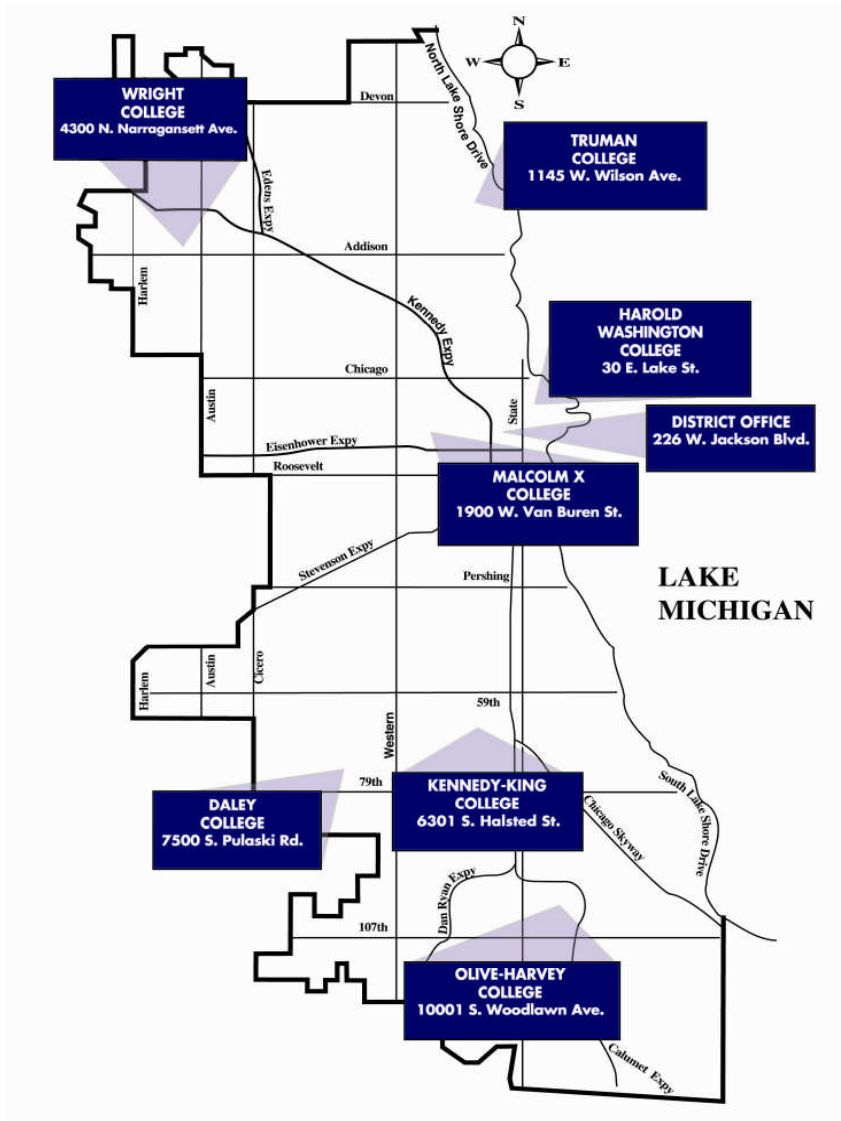
## **PROFILE OF THE CITY COLLEGES OF CHICAGO**

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 offering more than 3,500 courses annually. Since 1980 City Colleges has served approximately 1.5 million students with an annual average enrollment of 115,000. City Colleges has no component units, which are legally separate organizations for which the City Colleges is 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 State 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 2,853,114.

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.



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

\*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 2011, 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 CCC workforce

Goal 5: Enhance student support services

Goal 6: Declare commitment to the key markets CCC 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**

Chicago continues to have one of the strongest regional economies in the country, and is noted for its business diversity and resilience. Fiscal year 2009 has proven to be a year of mixed economic activity. The city's sales tax collections are weakening as real estate market values are either decreasing or growing at a slower rate than in the past. Commercial real estate has significantly slowed as companies delay or forego expansion; while residential foreclosures have increased with the unemployment rate in Chicago surging to 9.3 % in June, up from 5.6% a year earlier. Chicago is experiencing its highest unemployment since August 1983.

Inflation, as a measure of the Consumer Price Index, is expected to turn negative and decline .05% by the end of 2009. This decline is being driven primarily by the movement in oil prices which are predicted to average \$56 per barrel and continue to increase to an average of \$66 per barrel by the end of 2010.

The Chicago Business Activity Index (CBAI) was at 45.0 in July 2009 and at 36.9 in June 2009. Prior to that, the index had been as far down as 28.5 in March 2009, and suggesting little signs of any imminent recovery. The CBAI is still far below the long term trend; however the decline of the CBAI has flattened out since February. The recent movement of the index exhibits a favorable sign that regional economic recovery is finally emerging from the downward trend. In July, manufacturing production decreased 9.92%; while construction and retail sales decreased 13.99% and 10.91 %, respectively, over the past year. As of 2008, the gross regional product of the Chicago metro area totaled \$477 billion.

Few other major metropolitan centers have the diverse economy, workforce, infrastructure, and distribution channels needed to compete with Chicago. The headquarters of 17 of the Fortune 500 companies are located in Chicago, second only to New York.

According to several positive economic indicators, 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. The city has been and continues to be the choice for major conventions by hundreds of companies. 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 growing local economy.

The national economy and regional economy seem to continue on a slower economic growth trend with minimal sign of recovery. Analysts expect that the economic growth will be weaker

than its historical trend and unemployment will peak in the first half of 2010, trending down in the latter half of the year.

As the unemployment rate increases in Chicago, enrollment is also expected to increase for the City Colleges of Chicago due to the current economic conditions.

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

- Since the terrorist attacks on September 11, 2001, strict immigration regulations have reduced the immigrant population in Chicago, which represents a majority of students in adult education. Declining enrollment has occurred since 2001 resulting in less credit hour reimbursement from the State of Illinois; although in 2008 and 2009 City Colleges has seen an increase of 2% and 7%, respectively due to high unemployment rates and the economic downturn.
- The city's general neighborhood improvement and the resulting high housing costs have changed the student demographics at many of our colleges. City Colleges is now faced with intense competition for student recruitment from numerous public and private four-year institutions in Chicago.
- 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 is still expected to be below fiscal year 2003 as outlined in the table below.

#### **Community College State Funding**

<b><u>Fiscal Year</u></b>	<b><u>Amount</u></b>
2003	\$317,383,800
2004	\$287,637,300
2005	\$297,198,200
2006	\$298,268,200
2007	\$303,747,800
2008	\$297,698,000
2009	\$294,979,600
2010	\$295,521,900

- The fiscal year 2010 budget reflects a 6% state budget cut which will reduce restricted funding for adult education, and Monetary Award Program Awards.
- 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. However, only \$177.9 million in funding is currently available.



- State funding for community college infrastructure has been requested in the Governor’s fiscal year 2010 budget and has been approved by the Illinois legislature for the coming fiscal year.

**PROSPECTS FOR THE FUTURE**

City Colleges has experienced increases in student headcount in recent years, as shown in the following table:

**STUDENT ENROLLMENT HEADCOUNT & FULL-TIME EQUIVALENT**

(5 YEAR TREND)

<u>Fiscal Year</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Total Headcount</b>	120,938	113,277	110,706	115,460	129,572
<b>Total Full-Time Equivalent</b>	43,366	39,788	39,988	41,550	45,043

Source: College Records

Overall enrollment across all mission pillars has increased over the two year period and City Colleges anticipates continued growth. Preliminary enrollment data for fiscal year 2010 indicates a positive increase of approximately 10% for the current academic year. This increase is primarily due to the economic down turn that sends the unemployed back to school to re-tool or acquire new skills. In addition, the City Colleges offers new programs and has enhanced its methods of delivering educational services.

For fiscal year 2010, City Colleges will continue the following initiatives to continue the positive enrollment and retention trend:

- Strengthen retention efforts;
- Continue the Annual Programs and Services Analysis to measure the efficiency and effectiveness of academic programs and services;
- Increase student success support services;
- Enhance and strengthen the skills of the faculty and staff;
- Increase recognition of City Colleges brand and the seven college sub-brands;
- Increase usage of tracking systems for ongoing student feedback and marketing efficiency metrics

**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 reduced expenses through cost containment initiatives, as follows:

- Class sizes increased for credit courses and adult education by 2.0 and 3.1 students, respectively, thereby saving City Colleges significant salary and benefit costs while improving space utilization.

- Increased the teaching load to 15 credit hours per semester for all full time faculty, excluding English, in order to reduce the need for adjunct faculty.
- City Colleges has participated in the City Agency Health Coalition to save over \$400,000 in administrative costs annually.
- City Colleges has increased its use of cooperative purchasing agreements and District-wide contracts of goods and services.
- In fiscal year 2009 City Colleges contained 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 second consecutive year. Anticipated savings for fiscal year 2009 is \$148,000.
  - **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 2009 equate to \$3,888,000.
  - **Utility Purchase Reductions:** City Colleges natural gas purchases were reduced by \$0.10 per therm and electricity purchases were reduced by \$0.01 per kilowatt-hour resulting in cost savings of \$180,000 and \$650,000, respectively.

## PERFORMANCE MEASUREMENT

City Colleges has taken great strides to improve its ability to measure performance in key areas of operations including student financials, financial aid, student enrollment and retention. Current measures supported by traditional management reports 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.

With the assistance of the Office of Information Technology, the City Colleges has implemented the Cognos Business Intelligence Suite. This tool provides City Colleges’ Board members and executives with the ability to analyze and evaluate mission critical data in multi-dimensional views.

This suite and the defined performance indicators will provide real-time metrics on core business processes. The Cognos Business Intelligence tool will also enable City Colleges’ leadership to track performance against institutional goals and objectives.

## FINANCIAL INFORMATION

In fiscal year 2009, City Colleges ended in a good financial condition, having revenues before capital additions 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 \$767.0 million increased by \$24.0 million over fiscal year 2008.

**Internal Control:** City Colleges’ management is responsible for establishing and maintaining internal control structure which is 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 as set forth by 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:** Annual budgets are prepared on a basis consistent with GAAP. The fiscal year begins on July 1 and ends on June 30 with annual appropriations lapsing at the fiscal year-end. 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, and account.

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 funding transfers. In addition, an amended budget is required for increases in total appropriation in accordance with the state laws.

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 also maintains an encumbrance accounting system as part of its budgetary control system. Encumbered amounts lapse at the end of each fiscal year, as opposed to being reported as a reservation of fund balance.

The 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.

<b><u>FUND GROUP</u></b>	<b><u>INDIVIDUAL FUND</u></b>
Current Unrestricted	Education Operations and Maintenance Auxiliary / Enterprise
Current Restricted	Restricted Purpose Audit Liability, Protection and Settlement Working Cash Capital/Operations and Maintenance (Restricted)
Plant	Investment in Plant

Estimated assessed value of taxable property for tax year 2008 collectible in fiscal year 2009 is \$80,923,884,233. Estimated assessed value of taxable property for tax year 2007 collectible in fiscal year 2008 was \$73,605,314,512. City Colleges' average collection rate over the past five years has been approximately 98%.

## **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's Office 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 Colleges Board of Trustees, which has delegated the function to the Treasurer of City Colleges as permitted by the Illinois Public Community College Act.

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

City Colleges invests funds in various securities listed as permitted investments in the Board-approved Investment Policy. This policy is reviewed on an annual basis, any modifications require Board approval. The securities include, but are not limited to, money market funds, U.S. Treasury bonds, bills, notes, certificates of deposit, and the Illinois Funds (two money market funds managed by the Illinois State Treasurer's Office for investors of public funds). Investment income for fiscal year 2009 totaled \$5.8 million, compared to \$11.3 million in fiscal year 2008. This reduction was a direct result of the economic downturn and drop in the interest rate. The short term interest rate is forecasted to decline 28 basis points by the end of 2009 and rise by 59 basis points in 2010.

***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 \$400,000 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, 2008. 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 CAFR 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 year ended June 30, 2009. 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

Valerie Highsmith, CPA  
Controller

**CITY COLLEGES OF CHICAGO  
COMMUNITY COLLEGE DISTRICT NO. 508  
PRINCIPAL OFFICIALS  
Year Ended June 30, 2009**

**BOARD OF TRUSTEES**

James C. Tyree, Chairman  
James A. Dyson, Vice Chairman  
Terry E. Newman, Secretary  
Nancy J. Clawson, Trustee  
Gloria Castillo, Trustee  
Ralph G. Moore, Trustee  
Rev. Albert D. Tyson III, Trustee  
Antony Chungath, Student Member  
Regina Hawkins, Assistant Secretary  
Dolores Javier, Associate Vice Chancellor Finance / Treasurer

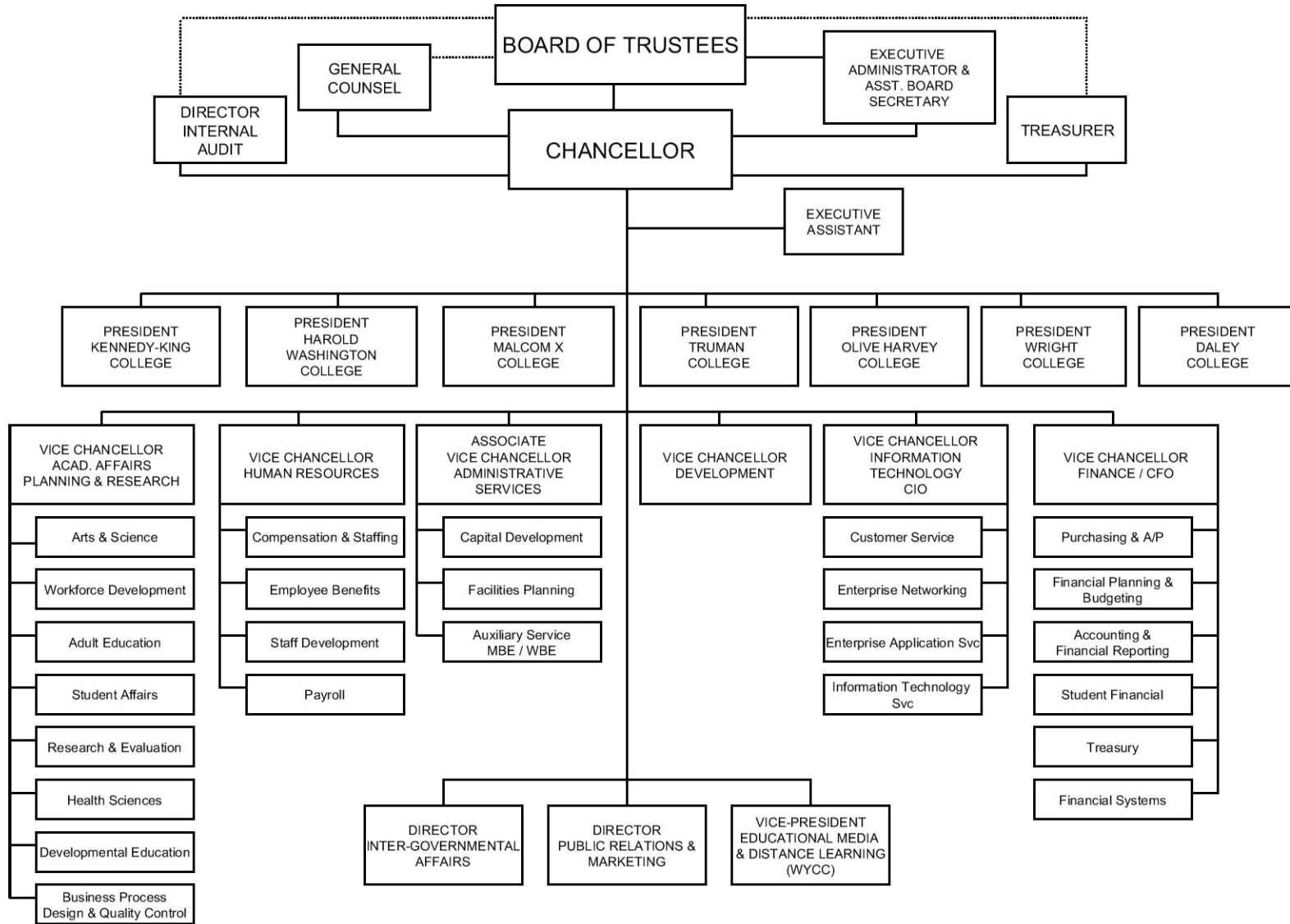
**ADMINISTRATIVE OFFICERS**

Deidra Lewis, Interim Chancellor  
Angela Henderson, Interim Vice Chancellor Academic Affairs  
Jose Aybar, President, Richard J. Daley College  
John Dozier, Interim President, Kennedy-King College  
Ghingo Brooks, President, Malcolm X College  
Clyde El-Amin, President, Olive-Harvey College  
Lynn Walker, Interim President, Harry S. Truman College  
John Wozniak, President, Harold Washington College  
Charles Guengerich, President, Wilbur Wright College  
James Reilly, General Counsel  
Xiomara Cortes-Metcalf, Vice Chancellor Human Resources  
Kenneth C. Gotsch, Vice Chancellor Finance / CFO  
Kathy Linenberger, Interim Vice Chancellor Information Technology / CIO  
Michael Mutz, Vice Chancellor Development  
Valerie Highsmith, Controller

**REPORT ISSUED BY**

Office of Finance

# City Colleges of Chicago Organizational Chart



# 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, 2008

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 handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

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, 2009 and 2008, 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 audit 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We 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 District No. 508 as of June 30, 2009 and 2008, 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 supplementary information. However, we did not audit such information and we do not express an opinion on it.

Our audit was conducted for the purpose of forming an opinion on City Colleges' basic financial statements. The supplementary 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 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*

December 21, 2009

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# **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, 2009 and 2008. 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 financial statements focus on City Colleges as a whole. The accompanying 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 describe operating results, comparing revenues derived from operations such as tuition and fees with operating expenses, and non-operating results. Non-operating revenues include funding received from State apportionment, grants, and property taxes. This approach is intended to facilitate analysis of financial results of various services to students and the public.

### **Financial Highlights**

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

**Fiscal year 2009** - Total net assets as of June 30, 2009 increased by \$24.0 to \$767.0 million.

Current assets increased by \$33.8 million due in part to a \$25.0 million decrease in short-term investments, a \$18.4 million increase in property tax receivable, and a \$44.5 million increase in accounts receivable. The \$25.0 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 \$18.4 million increase in property tax receivable is due to a 2009 property tax levy increase of \$9.2 million which was doubled due to a 2009 decrease in collections of \$9.2 million. The \$44.5 million increase in accounts receivable is due to the \$5.1 million increase in grants receivable, \$1.1 million increase in student receivables and a \$27.5 million increase in the State of Illinois receivable, which is a result of slower grantor payments due to state budget shortfalls and \$13.4 million increase in capital projects.



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

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The investment in capital assets increased by \$1.3 million, which was primarily due to the \$10.7 million increase in land and construction work in progress, \$11.9 million increase in building improvements, equipment and software, offset by an increase in accumulated depreciation of \$21.3 million.

The other non-current assets decreased \$9.0 million due in part to the transfer of \$6.6 million in investments from short-term to long-term, which was offset by a \$5.2 million decrease in restricted cash and investments as well as a \$10.4 million decrease in the Funds Held by the Public Building Commission of Chicago.

Total current liabilities decreased by \$2.1 million primarily due to a decrease of \$4.5 million in accounts payable, a \$2.7 million decrease in accrued property tax refunds offset by a \$3.2 million increase in deferred property tax revenue. Total non-current liabilities increased by \$4.2 million due to a \$4.2 million increase in other post-employment benefits.

**Fiscal year 2008** - Total net assets as of June 30, 2008 increased by \$27.8 to \$743.0 million.

Current assets decreased by \$77.7 million due in part to a \$45.6 million decrease in short-term investments, a \$25.9 million decrease in property tax receivable, and a \$7.1 million decrease in accounts receivable. The \$45.6 million decrease in short-term investments was primarily due to a change in the maturity dates of the instruments by our new investment management firm. The \$25.9 million decrease in property tax receivable is because City Colleges no longer collected taxes for lease payments. The \$7.1 million decrease in accounts receivable is due to the decrease in capital improvements receivable related to the Kennedy-King campus.

The investment in capital assets increased by \$77.7 million, which was primarily due to the completion of the new Kennedy-King campus. In fiscal year 2008, \$46.0 million in buildings and building improvements were retired, with a corresponding decrease in accumulated depreciation, in order to recognize the removal of parts of buildings that were remodeled.

The other non-current assets increased by \$17.4 million due to the transfer of \$50.1 million in investments from short-term to long-term, which was offset by a \$24.2 million decrease in restricted investments as well as an \$8.6 million decrease in the Funds Held by the Public Building Commission of Chicago. The \$24.2 million decrease in restricted investments was due to the final lease payment made from these investments.

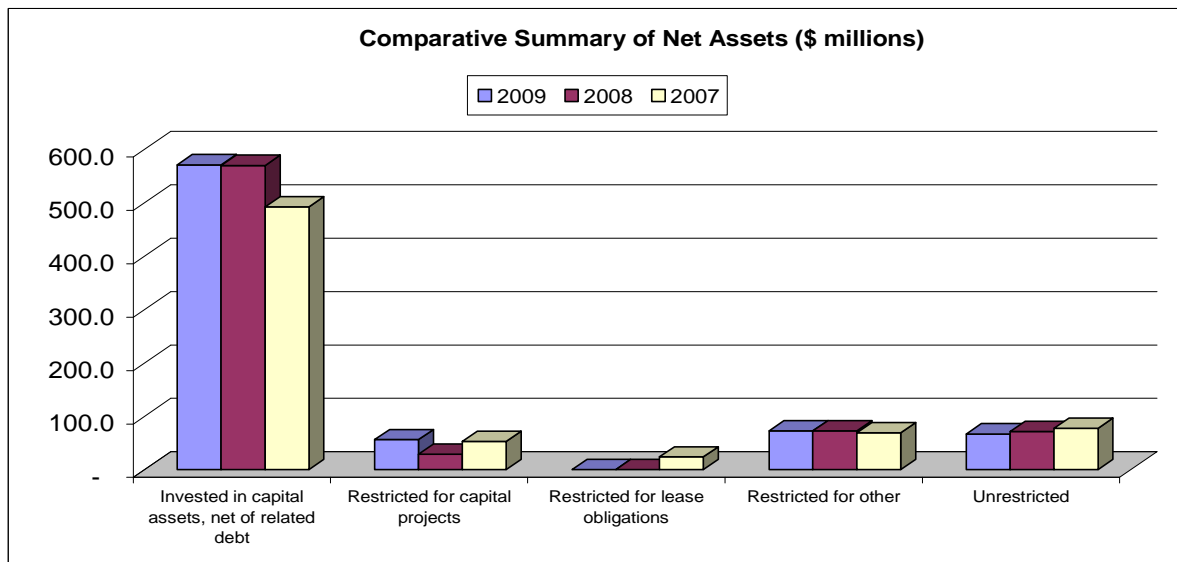
Total current liabilities decreased by \$46.1 million primarily due to the payoff of \$31.7 million in current leases, a \$12.0 million decrease in deferred property tax revenue, as well as a \$3.5 million decrease in accrued property tax refunds. Total non-current liabilities increased by \$3.9 million due to a \$3.4 million increase in other post-employment benefits, and a \$0.5 million increase in other liabilities.



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

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

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>2007</u>	<u>Increase (Decrease)</u>
Current assets	\$ 287.5	\$ 253.7	\$ 33.8	\$ 331.4	\$ (77.7)
Non-current assets					
Capital assets	779.3	756.7	22.6	729.8	26.9
Less accumulated depreciation	(208.3)	(187.0)	(21.3)	(206.1)	19.1
Other assets	68.8	77.8	(9.0)	60.4	17.4
<b>Total assets</b>	<b>\$ 927.3</b>	<b>\$ 901.2</b>	<b>\$ 26.1</b>	<b>\$ 915.5</b>	<b>\$ (14.3)</b>
Current liabilities	\$ 122.4	\$ 124.5	\$ (2.1)	\$ 170.6	\$ (46.1)
Non-current liabilities	37.8	33.6	4.2	29.7	3.9
<b>Total liabilities</b>	<b>\$ 160.2</b>	<b>\$ 158.1</b>	<b>\$ 2.1</b>	<b>\$ 200.3</b>	<b>\$ (42.2)</b>
<b>Net assets</b>					
Invested in capital assets, net of related debt	\$ 571.0	\$ 569.7	\$ 1.3	\$ 492.0	\$ 77.7
Restricted for expendable:					
Capital projects	56.1	28.8	27.3	53.0	(24.2)
Lease obligation	-	-	-	23.8	(23.8)
Other	72.8	72.7	0.1	69.0	3.7
Unrestricted	67.1	71.8	(4.7)	77.4	(5.6)
<b>Total net assets</b>	<b>\$ 767.0</b>	<b>\$ 743.0</b>	<b>\$ 24.0</b>	<b>\$ 715.2</b>	<b>\$ 27.8</b>







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

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

	<b>2009</b>	<b>2008</b>	<b>Increase (Decrease)</b>	<b>2007</b>	<b>Increase (Decrease)</b>
<b>Operating</b>					
Revenues	\$ 54.5	\$ 44.8	\$ 9.7	\$ 42.5	\$ 2.3
Expenses	<u>(372.2)</u>	<u>(390.0)</u>	<u>17.8</u>	<u>(325.5)</u>	<u>(64.5)</u>
Operating loss	(317.7)	(345.2)	27.5	(283.0)	(62.2)
<b>Non-operating</b>					
Revenues	325.7	321.4	4.3	323.9	(2.5)
Expenses	<u>-</u>	<u>(2.0)</u>	<u>2.0</u>	<u>(6.9)</u>	<u>(4.9)</u>
Net non-operating revenue	325.7	319.4	6.3	317.0	2.4
Income (Loss) before capital contributions	8.0	(25.8)	33.8	34.0	(59.8)
Capital contributions	<u>16.0</u>	<u>53.6</u>	<u>(37.6)</u>	<u>125.4</u>	<u>(71.8)</u>
Change in net assets	24.0	27.8	(3.8)	159.4	(131.6)
Net assets, beginning of year	<u>743.0</u>	<u>715.2</u>	<u>27.8</u>	<u>555.8</u>	<u>159.4</u>
Net assets, end of year	<u>\$ 767.0</u>	<u>\$ 743.0</u>	<u>\$ 24.0</u>	<u>\$ 715.2</u>	<u>\$ 27.8</u>

**Fiscal year 2009** - In fiscal year 2009, income before capital contributions increased by \$33.8 million for the year. Operating revenues increased by \$9.7 million due to an increase in net tuition and fees. Operating expenses decreased by \$17.8 million due to a \$5.8 million increase in staffing costs, a \$3.4 million increase in fringe benefits, a \$7.8 million increase in contractual services, and a \$14.2 million increase in financial aid, which were offset by a \$4.5 million decrease in supplies, and a \$21.6 million decrease in equipment not capitalized, a \$1.2 million decrease in utilities, and a \$5.9 decrease in depreciation. These changes caused a decrease in the operating loss of \$27.5 million.

Net non-operating revenues increased by \$6.3 million due in part to a \$4.7 million increase in other state grants, a \$7.8 million increase in local property taxes, a \$14.4 million increase in federal grants, and a \$2 million increase in lease and interest payments, which were offset by a \$1.9 million decrease in property replacement tax, a \$2 million decrease in state apportionment, a \$13.9 million decrease in property taxes for lease obligations, and a \$5.5 million decrease in investment income.



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

**Fiscal year 2008** - In fiscal year 2008, income before capital contributions decreased by \$59.8 million for the year. Operating revenues increased by \$2.3 million due to an increase in net tuition and fees. Operating expenses increased by \$64.5 million due to a \$10.7 million increase in staffing costs, a \$10.1 million increase in fringe benefits, and a \$22.7 million increase in equipment not capitalized, a \$2.0 million increase in utilities, a \$8.7 million increase in contractual services, a \$6.5 increase in depreciation, and a \$6.6 million increase in financial aid. These increases caused an increase in the operating loss of \$62.2 million.

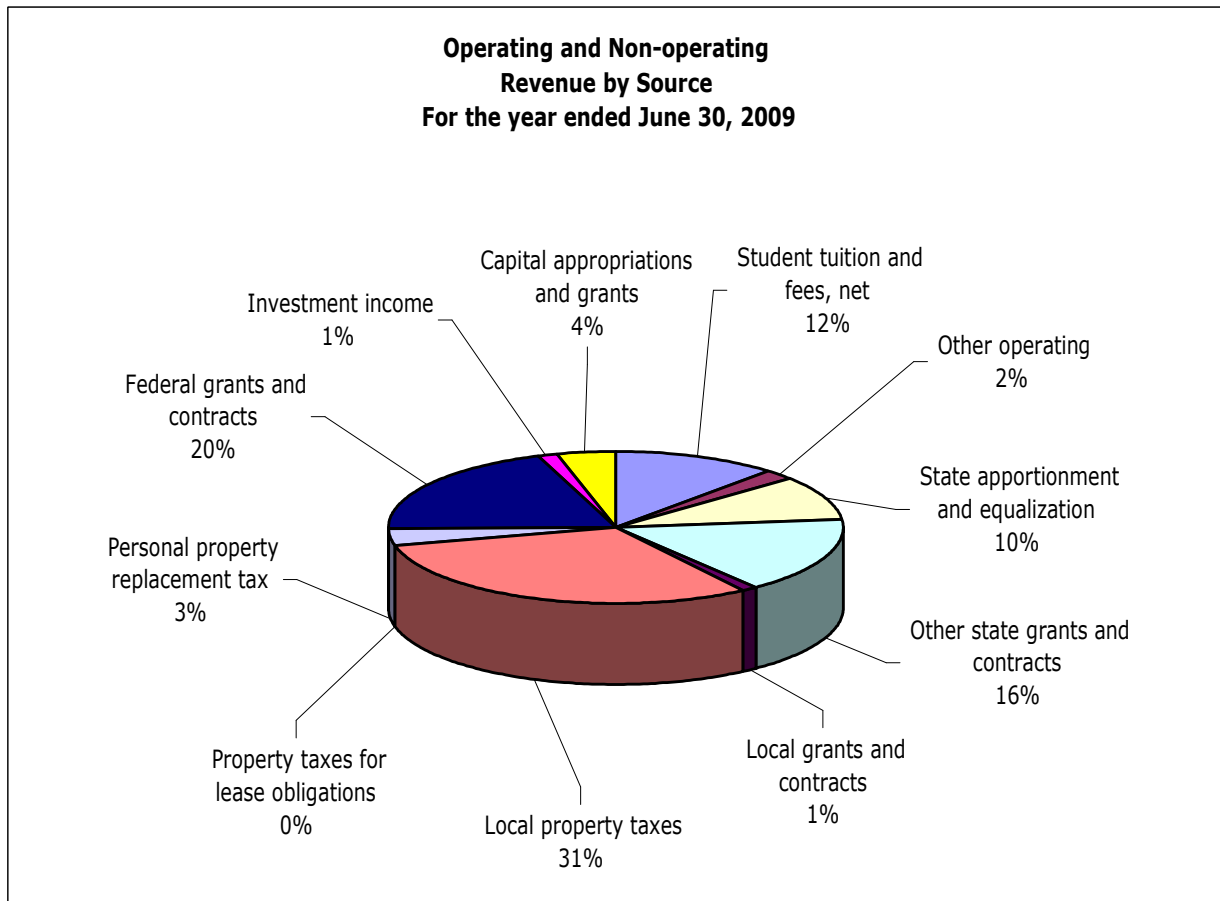
Net non-operating revenues increased by \$2.4 million due to a \$4.5 million increase in other state grants, a \$6.1 million increase in local property taxes, a \$6.6 million increase in federal grants, which were offset by a \$4.9 million decrease in lease and interest payments, a \$1.7 million decrease in state apportionment, a \$16.2 million decrease in property taxes for lease obligations, and a \$2.0 million decrease in investment income.

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

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>2007</u>	<u>Increase (Decrease)</u>
<b>Operating revenues:</b>					
Student tuition and fees	\$ 85.8	\$ 75.3	\$ 10.5	\$ 69.5	\$ 5.8
Less scholarships	(39.1)	(37.5)	(1.6)	(34.1)	(3.4)
Other operating	<u>7.8</u>	<u>7.0</u>	<u>0.8</u>	<u>7.1</u>	<u>(0.1)</u>
Total operating revenues	54.5	44.8	9.7	42.5	2.3
<b>Non-operating revenues:</b>					
State apportionment and equalization	37.8	39.8	(2.0)	41.5	(1.7)
Other state grants and contracts	64.2	59.4	4.8	54.9	4.5
Local grants and contracts	4.7	4.1	0.6	4.9	(0.8)
Local property taxes	121.0	113.2	7.8	107.1	6.1
Property taxes for lease obligations	-	13.9	(13.9)	30.1	(16.2)
Personal property replacement tax	13.6	15.5	(1.9)	14.5	1.0
Federal grants and contracts	78.6	64.2	14.4	57.6	6.6
Investment income	<u>5.8</u>	<u>11.3</u>	<u>(5.5)</u>	<u>13.3</u>	<u>(2.0)</u>
Total non-operating revenues	325.7	321.4	4.3	323.9	(2.5)
Capital appropriations and grants	<u>16.0</u>	<u>53.6</u>	<u>(37.6)</u>	<u>125.4</u>	<u>(71.8)</u>
Total revenues	<u>\$ 396.2</u>	<u>\$ 419.8</u>	<u>\$ (23.6)</u>	<u>\$ 491.8</u>	<u>\$ (72.0)</u>

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

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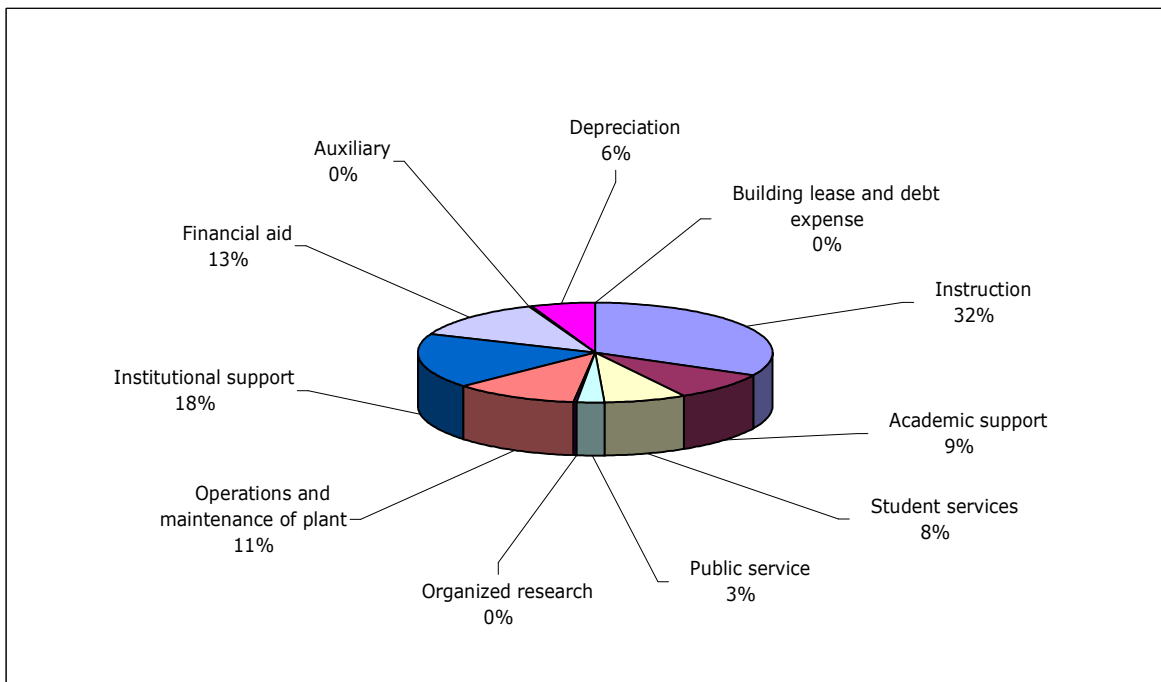




**Community College District No. 508  
Management's Discussion and Analysis**

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

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>2007</u>	<u>Increase (Decrease)</u>
<b>Operating Expense</b>					
Instruction	\$ 121.4	\$ 105.0	\$ 16.4	\$ 99.7	\$ 5.3
Academic support	33.5	31.7	1.8	30.3	1.4
Student services	28.1	29.6	(1.5)	28.0	1.6
Public service	9.6	9.9	(0.3)	10.9	(1.0)
Organized research	0.8	0.7	0.1	0.6	0.1
Operations and maintenance of plant	42.8	61.4	(18.6)	31.1	30.3
Institutional support	66.2	89.8	(23.6)	77.5	12.3
Financial aid	46.8	32.6	14.2	26.0	6.6
Auxiliary	1.7	2.1	(0.4)	0.7	1.4
Depreciation	<u>21.3</u>	<u>27.2</u>	<u>(5.9)</u>	<u>20.7</u>	<u>6.5</u>
<b>Total Operating Expenses</b>	<b>372.2</b>	<b>390.0</b>	<b>(17.8)</b>	<b>325.5</b>	<b>64.5</b>
<b>Non-operating expenses</b>					
Building lease and debt expense	<u>-</u>	<u>2.0</u>	<u>(2.0)</u>	<u>6.9</u>	<u>(4.9)</u>
<b>Total Expenses</b>	<b><u>\$ 372.2</u></b>	<b><u>\$ 392.0</u></b>	<b><u>\$ (19.8)</u></b>	<b><u>\$ 332.4</u></b>	<b><u>\$ 59.6</u></b>



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


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

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>2007</u>	<u>Increase (Decrease)</u>
Capital Assets					
Land	\$ 49.1	\$ 49.0	\$ 0.1	\$ 19.6	\$ 29.4
Buildings and improvements	654.3	643.0	11.3	488.9	154.1
Construction in progress	29.0	18.4	10.6	182.7	(164.3)
Equipment	17.1	16.8	0.3	9.9	6.9
Software	29.0	28.8	0.2	28.7	0.1
Vehicles	<u>0.8</u>	<u>0.7</u>	<u>0.1</u>	<u>-</u>	<u>0.7</u>
Total	779.3	756.7	22.6	729.8	26.9
Less accumulated depreciation	<u>(208.3)</u>	<u>(187.0)</u>	<u>(21.3)</u>	<u>(206.1)</u>	<u>19.1</u>
Net capital assets	<u>\$ 571.0</u>	<u>\$ 569.7</u>	<u>\$ 1.3</u>	<u>\$ 523.7</u>	<u>\$ 46.0</u>

**Capital Assets**

**Fiscal year 2009** - As of June 30, 2009, City Colleges had \$779.3 million in capital assets, \$208.3 million in accumulated depreciation, and \$571.0 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 increase in City Colleges' net capital assets for the current fiscal year was \$1.3 million. **(See Note 5)**

Major capital asset events during fiscal year 2009 included the following:

- Construction in progress costs of \$10.6 million include site upgrades to eight campuses such as the parking lot, sidewalks and first floor renovation at Malcolm X, Olive-Harvey building repairs and the Kennedy-King second floor expansion.
- A net increase of \$11.3 million in buildings and improvements was due to a \$7.5 million renovation at Dawson Tech for CCTV and bathroom upgrades, \$1.9 million in upgrades for the Kennedy-King restaurants and nursing labs, and a combined \$1.9 million in building renovations to various rooms at Truman, Harold Washington, Olive-Harvey and West Side Tech.



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

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**Capital Assets** *(Continued)*

**Fiscal year 2008** - As of June 30, 2008, City Colleges had \$756.7 million in capital assets, \$187.0 million in accumulated depreciation, and \$569.7 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 \$46.0 million, or 8.8%. **(See Note 5)**

Major capital asset events during fiscal year 2008 included the following:

- The completion of the new Kennedy-King campus. The total cost as of the close of the fiscal year reached \$250.1 million.
- A net increase of \$154.1 million in buildings and improvements was due to a \$200.1 million increase for building renovations, offset by a retirement of \$46.0 million in fully-depreciated building infrastructure.

**Non-current Liabilities**

**Fiscal year 2009** - As of June 30, 2009, City Colleges had total non-current liabilities of \$40.1 million before reduction of current maturities. This amount includes \$2.7 million for compensated absences, \$20.1 million of accumulated sick leave benefit liability for current employees and \$17.3 million of other post-employment benefits for retired employees.

**Fiscal year 2008** - As of June 30, 2008, City Colleges had total non-current liabilities of \$36.3 million before reduction of current maturities. This amount includes \$2.7 million for compensated absences, \$20.5 million of accumulated sick leave benefit liability for current employees and \$13.1 million of other post-employment benefits for retired employees. **(See Note 12)**



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

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

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>	<u>2007</u>	<u>Increase (Decrease)</u>
Accrued compensated absences	\$ 2.7	\$ 2.7	\$ 0.0	\$ 2.6	\$ 0.1
Sick leave benefits	20.1	20.5	(0.4)	20.2	0.3
Other post retirement benefits	17.3	13.1	4.2	9.7	3.4
Lease obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>31.7</u>	<u>(31.7)</u>
Sub-total	40.1	36.3	3.8	64.2	(27.9)
Less current portion	<u>(2.3)</u>	<u>(2.7)</u>	<u>0.4</u>	<u>(34.5)</u>	<u>31.8</u>
Total non-current liabilities	<u>\$ 37.8</u>	<u>\$ 33.6</u>	<u>\$ 4.2</u>	<u>\$ 29.7</u>	<u>\$ 3.9</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.

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# College-Wide Financial Statements

**City Colleges of Chicago**  
**Community College District No. 508**  
**Statements of Net Assets**  
**June 30, 2009 and 2008**

	2009	2008
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,341,090	\$ 5,293,309
Short-term investments	161,735,928	186,758,238
Property tax receivable, net	67,584,701	49,213,838
Personal property replacement tax receivable	2,119,531	2,342,384
Other accounts receivable, net	54,546,915	10,042,034
Prepaid items and other assets	155,678	4,092
Total current assets	287,483,843	253,653,895
Non-current assets:		
Restricted cash	1,771,624	6,031,812
Funds held by Public Building Commission	5,879,547	16,325,337
Long-term investments	61,125,267	54,467,781
Restricted investments	-	936,619
Capital assets	779,269,828	756,706,259
Less: Accumulated depreciation	(208,307,417)	(186,971,382)
Total non-current assets	639,738,849	647,496,426
Total assets	927,222,692	901,150,321
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable	11,748,806	16,253,573
Accrued payroll	6,646,148	6,260,779
Other accruals	1,259,828	951,341
Deferred salaries	2,953,779	2,750,526
Deposits held in custody for others	2,117,453	1,946,979
Deferred tuition and fees revenue	5,790,205	5,053,003
Deferred property tax revenue	59,528,579	56,367,302
Accrued property tax refunds	12,275,262	14,964,344
Deferred grant revenue	7,373,789	6,280,745
Other liabilities	10,456,197	10,971,622
Current portion of non-current liabilities	2,261,530	2,691,450
Total current liabilities	122,411,576	124,491,664
Non-current liabilities:		
Accrued compensated absences	2,682,430	2,694,295
Sick leave benefits	20,108,306	20,499,936
Other post-employment benefits	17,304,515	13,119,012
Lease obligations	-	-
Less current portion of non-current liabilities	(2,261,530)	(2,691,450)
Total non-current liabilities	37,833,721	33,621,793
Total liabilities	160,245,297	158,113,457
<b>Net assets</b>		
Net assets invested in capital assets	570,962,411	569,734,877
Restricted for expendable:		
Capital projects	56,156,946	28,768,926
Working cash	68,783,787	66,153,427
Specific purposes	3,969,880	6,584,970
Unrestricted	67,104,370	71,794,664
Total net assets	\$ 766,977,395	\$ 743,036,864

The accompanying notes are an integral part of these 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, 2009 and 2008**

<b>Revenues</b>	<u>2009</u>	<u>2008</u>
Operating revenues:		
Student tuition and fees:		
Resident tuition	\$ 57,166,504	\$ 52,611,578
Nonresident tuition	9,945,284	8,983,671
Fees	18,725,390	13,681,471
Less: Scholarship allowances	<u>(39,117,916)</u>	<u>(37,497,635)</u>
Net student tuition and fees	46,719,262	37,779,085
Other operating revenues	<u>7,773,577</u>	<u>6,997,724</u>
Total operating revenues	54,492,839	44,776,809
<b>Expenses</b>		
Operating expenses:		
Instructional salaries	88,799,795	81,587,686
Non-instructional salaries	92,884,417	94,272,264
Fringe benefits	52,008,207	48,646,332
Supplies	13,262,646	17,756,862
Professional development	2,053,242	2,294,480
Equipment not capitalized	3,846,842	25,457,028
Utilities	11,405,723	12,565,805
Contractual services	37,549,206	45,368,250
Depreciation	21,336,035	27,231,445
Financial aid, exclusive of scholarship allowances	46,833,746	32,612,287
Other expenses	<u>2,222,996</u>	<u>2,203,370</u>
Total operating expenses	<u>372,202,855</u>	<u>389,995,809</u>
Operating loss	(317,710,016)	(345,219,000)
Non-operating revenues (expenses):		
State apportionment and equalization	37,759,550	39,808,436
Other state grants and contracts	64,191,417	59,444,571
Local grants and contracts	4,706,664	4,073,193
Local property taxes	121,020,792	113,234,703
Property taxes for lease obligations	-	13,912,993
Personal property replacement tax	13,581,642	15,525,950
Federal grants and contracts	78,525,778	64,170,398
Investment income	5,829,685	11,293,733
Building lease and interest payments on debt	-	<u>(2,016,881)</u>
Non-operating revenues, net	<u>325,615,528</u>	<u>319,447,096</u>
Income (Loss) before capital appropriations and grants	7,905,512	(25,771,904)
Capital appropriations and grants	<u>16,035,019</u>	<u>53,576,141</u>
Change in net assets	23,940,531	27,804,237
Net assets, beginning of year	<u>743,036,864</u>	<u>715,232,627</u>
<b>Net assets, end of year</b>	<u>\$ 766,977,395</u>	<u>\$ 743,036,864</u>

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

**City Colleges of Chicago**  
**Community College District No. 508**  
**Statements of Cash Flows**  
**For the fiscal years ended June 30, 2009 and 2008**

	<b>2009</b>	<b>2008</b>
<b>Cash flows from operating activities</b>		
Tuition and fees	\$ 18,010,393	\$ 38,015,686
Payments to suppliers	(102,220,878)	(128,520,193)
Payments to employees	(183,171,633)	(177,718,719)
Payments to students	(46,833,746)	(32,612,287)
Other	7,773,577	6,997,724
Net cash used for operating activities	(306,442,287)	(293,837,789)
<b>Cash flows from noncapital financing activities</b>		
Local property taxes except for capital lease payments	103,122,124	123,157,655
State appropriations	82,580,920	84,552,555
Personal property replacement tax	13,804,495	15,746,815
Grants and contracts	80,605,811	68,189,441
Net cash provided by noncapital financing activities	280,113,350	291,646,466
<b>Cash flows from capital and related financing activities</b>		
Capital appropriations and grants	15,141,674	60,242,661
Purchases of capital assets	(21,880,910)	(68,766,650)
Local property taxes for capital lease payments	-	14,285,377
Capital lease principal, interest and other	-	(33,915,257)
Net cash used for capital and related financing activities	(6,739,236)	(28,153,869)
<b>Cash flows from investing activities</b>		
Proceeds from sales and maturities of investments	684,247,272	1,282,711,632
Purchases of investments	(664,945,829)	(1,262,983,689)
Interest received on investments	5,554,323	11,770,036
Net cash provided by investing activities	24,855,766	31,497,979
Net (decrease) increase in cash	(8,212,407)	1,152,787
Cash and cash equivalents at beginning of year	11,325,121	10,172,334
Cash and cash equivalents at end of year	\$ 3,112,714	\$ 11,325,121
Cash and cash equivalents	\$ 1,341,090	\$ 5,293,309
Restricted cash	1,771,624	6,031,812
	\$ 3,112,714	\$ 11,325,121
<b>Noncash Transactions</b>		
State payments on behalf of fringe benefits	19,370,047	14,700,452
State payment for construction	-	2,490,418
Increase in fair market value of investments	835,063	303,085

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

**City Colleges of Chicago**  
**Community College District No. 508**  
**Statements of Cash Flows (Continued)**  
**For the fiscal years ended June 30, 2009 and 2008**

	<b>2009</b>	<b>2008</b>
<b>Reconciliation of operating loss to net cash used by operating activities</b>		
Operating loss	\$ (317,710,016)	\$ (345,219,000)
Depreciation	21,336,035	27,231,445
State payment for retirement obligation	19,370,047	14,700,452
Changes in net assets:		
Receivables, net	(29,170,709)	(504,332)
Prepaid items and other assets	(151,586)	100,200
Accounts payable	(4,758,220)	4,573,818
Accrued payroll	385,369	688,641
Other accruals	(120,719)	(2,302,077)
Deferred salaries	203,253	38,312
Deposits held in custody for others	170,474	(179,836)
Deferred tuition and fees revenue	737,202	264,630
Other liabilities	(515,425)	2,877,647
Accrued compensated absences	(11,865)	127,004
Sick leave benefits	(391,630)	305,391
Other post employment benefits	4,185,503	3,459,919
Net cash used for operating activities	\$ (306,442,287)	\$ (293,837,789)

The State of Illinois provided \$2,490,418 of in-kind capital assets during the year ended June 30, 2008 and none during the year ended June 30, 2009.

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

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# Notes to Financial Statements

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

**Notes to Basic Financial Statements  
June 30, 2009**

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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 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.

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 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 0.67% 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' financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.



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

**Notes to Basic Financial Statements**  
**June 30, 2009**

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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.

**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, 2009**

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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 2008 tax year and collected in 2009 are recorded as revenue in fiscal year 2009. The remaining revenue related to the 2008 tax year extension was deferred and will be recorded as revenue in fiscal year 2010. Based upon collection histories, City Colleges recorded real property taxes at 96.5% of the 2008 extended levy.

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

**Notes to Basic Financial Statements  
June 30, 2009**

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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, 2009**

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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) principal amounts of capital lease obligations with contractual maturities greater than one year; (2) 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 (3) 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, 2009**

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

**O. Net Assets**

City Colleges' net assets are classified as follows:

*Invested In Capital Assets, Net of Related Debt*

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, 2009**

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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 an 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 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. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, is effective for financial statements for periods beginning after December 15, 2007. In fiscal year 2009, City Colleges implemented this standard with no financial impact.

GASB Statement No. 50, *Pension Disclosures* which amends GASB Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 27, *Accounting for Pensions by State and Local Governmental Employees*, is effective for financial statements for periods beginning after June 15, 2007. In fiscal year 2008, City Colleges implemented this standard with no impact.

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

**Notes to Basic Financial Statements  
June 30, 2009**

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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, 2009**

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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, 2009 and 2008 respectively, City Colleges had greater than five percent of its overall portfolio invested in the Illinois Funds. 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, 2009, which approximates fair value, is \$222,861,195. The amount at June 30, 2008 was \$242,162,638.



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

**Notes to Basic Financial Statements  
June 30, 2009**

**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, 2009</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	\$ 26,083,253	\$ 16,591,306	\$ 9,491,947
Federal Agency Securities	AAA	101,949,715	73,877,647	28,072,068
Federal National Mortgage Assoc.	AAA	31,082,730	24,488,863	6,593,867
Illinois Funds (Money Market)	AAAm	18,236,416	18,236,416	-
Illinois Funds (Prime)	AAAm	5,289,391	5,289,391	-
IL Institutional Investor Trust	AAA	40,219,690	40,219,690	-
Total investments		<u>\$ 222,861,195</u>	<u>\$ 178,703,313</u>	<u>\$ 44,157,882</u>

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>June 30, 2008</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	\$ 11,903,417	\$ 694,503	\$ 11,208,914
Federal Agency Securities	AAA	57,910,317	44,877,361	13,032,956
Federal National Mortgage Assoc.	AAA	37,746,321	19,241,980	18,504,341
Illinois Funds (Money Market)	AAAm	18,437,011	18,437,011	-
Illinois Funds (Prime)	AAAm	64,035,560	64,035,560	-
Money Market Mutual Funds	n/a	936,619	936,619	-
Commercial Paper		51,193,393	51,193,393	-
Total investments		<u>\$ 242,162,638</u>	<u>\$ 199,416,427</u>	<u>\$ 42,746,211</u>

n/a - not available

Per Statement of Net Assets:

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Investments:		
Short-term investments	\$ 161,735,928	\$ 186,758,238
Long-term investments	61,125,267	54,467,781
Restricted investments	-	936,619
Total Investments	<u>\$ 222,861,195</u>	<u>\$ 242,162,638</u>

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**3. OTHER ACCOUNTS RECEIVABLE**

City Colleges' other accounts receivable consist of the following:

	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
Student	\$ 8,254,570	\$ 7,171,821
Grants	7,365,764	5,731,781
City of Chicago - Capital	13,424,828	-
State of Illinois	27,528,226	35,492
Other	1,419,027	1,351,428
Gross other accounts receivable	57,992,415	14,290,522
Less: Allowance for uncollectibles	(3,445,500)	(4,248,488)
Net other accounts receivable	\$ 54,546,915	\$ 10,042,034

**4. RESTRICTED ASSETS**

City Colleges' restricted assets consist of the following:

	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
(A) Cash	\$ 1,771,624	\$ 6,031,812
(B) Funds held by PBCC	5,879,547	16,325,337
(C) Restricted investments	-	936,619
Total restricted assets	\$ 7,651,171	\$ 23,293,768

Restricted for:

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

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**5. CAPITAL ASSETS**

On August 8, 2000, the City of Chicago agreed to provide the funds for a capital improvement program, which included the construction of Kennedy-King Campus and other capital renovations. The City of Chicago had a balance available of \$11,566,408 and \$15,302,137 for City Colleges' projects as of June 30, 2009 and 2008, respectively. These funds are provided from proceeds of City of Chicago general obligation bonds. In connection therewith, City Colleges agreed to abate a portion of its direct annual tax levy on its debt service for lease obligations for the years 2001 through 2006 in amounts equal to the City of Chicago's debt service requirements for the bonds for those years. City Colleges agreed to provide and restrict funds from its own resources for payments to be made under its PBCC agreements through fiscal year 2008. (See Note 4)

In fiscal year 2008, the new Kennedy-King campus and renovations district-wide were completed which had a life-to-date cost of \$229,432,541. In accordance with the policy explained in Note 1.K, retirements in the amount of \$46,334,258 were recorded.

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**5. CAPITAL ASSETS (Continued)**

	<b>July 1, 2008</b>	<b>Additions and Transfers In</b>	<b>Retirements and Transfers Out</b>	<b>June 30, 2009</b>
Capital assets not being depreciated:				
Land	\$ 48,988,547	\$ 105,500	\$ -	\$ 49,094,047
Construction work in progress	<u>18,421,821</u>	<u>22,311,736</u>	<u>(11,778,081)</u>	<u>28,955,476</u>
Subtotal	67,410,368	22,417,236	(11,778,081)	78,049,523
Capital assets being depreciated:				
Vehicles	741,182	53,911	-	795,093
Equipment	16,833,429	291,108	-	17,124,537
Software	28,734,268	273,818	-	29,008,086
Buildings and improvements	<u>642,987,012</u>	<u>11,305,577</u>	<u>-</u>	<u>654,292,589</u>
Subtotal	<u>689,295,891</u>	<u>11,924,414</u>	<u>-</u>	<u>701,220,305</u>
Total capital assets	756,706,259	34,341,650	(11,778,081)	779,269,828
Accumulated depreciation:				
Vehicles	198,640	152,179	-	350,819
Equipment	7,546,521	2,110,043	-	9,656,564
Software	25,796,338	2,912,893	-	28,709,231
Buildings and improvements	<u>153,429,883</u>	<u>16,160,920</u>	<u>-</u>	<u>169,590,803</u>
Total accumulated depreciation	<u>186,971,382</u>	<u>21,336,035</u>	<u>-</u>	<u>208,307,417</u>
Capital assets, net	<u>\$ 569,734,877</u>	<u>\$ 13,005,615</u>	<u>\$ (11,778,081)</u>	<u>\$ 570,962,411</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, 2007</b>	<b>Additions and Transfers In</b>	<b>Retirements and Transfers Out</b>	<b>June 30, 2008</b>
Capital assets not being depreciated:				
Land	\$ 19,574,040	\$ 29,414,507	\$ -	\$ 48,988,547
Construction work in progress	<u>182,702,679</u>	<u>72,200,187</u>	<u>(236,481,045)</u>	<u>18,421,821</u>
Subtotal	202,276,719	101,614,694	(236,481,045)	67,410,368
Capital assets being depreciated:				
Vehicles	586,630	154,552	-	741,182
Equipment	9,323,074	7,510,355	-	16,833,429
Software	28,694,279	39,989	-	28,734,268
Buildings and improvements	<u>488,896,308</u>	<u>200,424,962</u>	<u>(46,334,258)</u>	<u>642,987,012</u>
Subtotal	<u>527,500,291</u>	<u>208,129,858</u>	<u>(46,334,258)</u>	<u>689,295,891</u>
Total capital assets	729,777,010	309,744,552	(282,815,303)	756,706,259
Accumulated depreciation:				
Vehicles	93,948	104,692	-	198,640
Equipment	5,079,133	2,467,388	-	7,546,521
Software	22,379,301	3,417,037	-	25,796,338
Buildings and improvements	<u>178,521,814</u>	<u>21,242,327</u>	<u>(46,334,258)</u>	<u>153,429,883</u>
Total accumulated depreciation	<u>206,074,196</u>	<u>27,231,444</u>	<u>(46,334,258)</u>	<u>186,971,382</u>
Capital assets, net	<u>\$ 523,702,814</u>	<u>\$ 282,513,108</u>	<u>\$ (236,481,045)</u>	<u>\$ 569,734,877</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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**Notes to Basic Financial Statements  
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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 2009, \$13.6 million was designated from current personal property taxes for an ending balance of \$36.1 million. In fiscal year 2008, \$15.5 million was designated from current personal property taxes and \$3.3 million from the bond fund for an ending balance of \$48.6 million.

**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 are accumulated for the Colleges. These amounts include 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 will be transferred to City Colleges.

Total costs of buildings and improvements acquired under capital leases amounted to \$391,825,192 in fiscal years 2009 and 2008. (See Note 5)

Obligations under these lease agreements were paid off during fiscal year 2008.

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, 2009 and 2008 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.

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

**B. Operating Leases**

City Colleges leases equipment and office space under various operating lease agreements that expire at various dates over the next ten years. Certain leases for office space contain renewal provisions.

Operating lease expense was \$2,683,908 for the year ended June 30, 2009 compared to \$2,052,750 for the year ended June 30, 2008.

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, 2009</u></b>	
2010		570,197
2011		587,303
2012		604,922
2013		623,069
2014		641,761
2015		161,979
June 30, 2009	<u>\$</u>	<u>3,189,231</u>

	<b><u>June 30, 2008</u></b>	
2009		556,487
2010		570,197
2011		587,303
2012		604,922
2013		623,069
2014 - 2015		803,740
June 30, 2008	<u>\$</u>	<u>3,745,718</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>2009</b>	<b>2008</b>
<b>Other accruals</b>		
Accrued for services	705,534	947,890
Accrued for goods	554,294	3,451
Total other accruals	\$ 1,259,828	\$ 951,341
<b>Other liabilities</b>		
Self insurance	\$ 5,541,875	\$ 5,641,827
Unclaimed property	3,768,708	3,435,662
Other	1,145,614	1,894,133
Total other liabilities	\$ 10,456,197	\$ 10,971,622

**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>
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	53,137,668,356	6,792,347

In fiscal year 2009, City Colleges' reserve for loss and cost was \$2,241,618. Accrued property tax refunds in 2009 are \$12,275,262. In fiscal year 2008, City Colleges' reserve for loss and cost was \$2,153,568. Accrued property tax refunds in 2008 were \$14,964,344.

Accrued property tax refunds are based on a ten-year historical trend analysis of back taxes paid, and this is how City Colleges determines how much is needed in the future.

**City Colleges of Chicago  
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**Notes to Basic Financial Statements  
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**10. ACCRUED COMPENSATED ABSENCES**

At June 30, 2009, City Colleges had recorded a liability of \$2,682,430 for compensated absences, and estimated that \$193,671 of these liabilities are current and due within one year. At June 30, 2008, the liability was \$2,694,295 for which City Colleges estimated that \$147,109 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 5.0%, (2) future payments discounted by a 4.5% interest factor in 2009, 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, 2009, City Colleges accrued \$17,135,834 for the estimated present value of these future retiree benefits for current employees and \$2,972,472 in benefits payable to retired employees for a total of \$20,108,306.

At June 30, 2008, City Colleges accrued \$16,049,440 for the estimated present value of these future retiree benefits for current employees and \$4,450,496 in benefits payable to retired employees for a total of \$20,499,936. (See Note 12)



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**12. CHANGES IN NON-CURRENT LIABILITIES**

Changes in non-current liabilities for the years ended June 30, 2009 and 2008 are summarized in the table below:

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>June 30, 2009</u>	<u>Amounts due within one year</u>
Accrued compensated absences	\$ 2,694,295	\$ 3,240,564	\$ (3,252,430)	\$ 2,682,430	\$ 193,671
Sick leave benefits	20,499,936	1,660,683	(2,052,313)	20,108,306	2,067,859
Other post-retirement benefits	13,119,012	10,361,000	(6,175,497)	17,304,515	-
	<u>\$ 36,313,243</u>	<u>\$ 15,262,247</u>	<u>\$ (11,480,240)</u>	<u>\$ 40,095,251</u>	<u>\$ 2,261,530</u>

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>June 30, 2008</u>	<u>Amounts due within one year</u>
Accrued compensated absences	\$ 2,567,291	\$ 3,199,938	\$ (3,072,934)	\$ 2,694,295	\$ 147,109
Sick leave benefits	20,194,545	3,145,121	(2,839,730)	20,499,936	2,544,341
Other post-retirement benefits	9,659,093	9,958,539	(6,498,620)	13,119,012	-
Lease obligations	31,695,000	-	(31,695,000)	-	-
	<u>\$ 64,115,929</u>	<u>\$ 16,303,598</u>	<u>\$ (44,106,284)</u>	<u>\$ 36,313,243</u>	<u>\$ 2,691,450</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 12.88%, 10.61%, and 10.18% of annual covered payroll for fiscal year 2009, 2008 and 2007, 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>
2009	\$ 19,370,047
2008	14,700,452
2007	10,733,027

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 the following for the years ended June 30:

<b>Fiscal Year</b>	<b>Amount</b>
2009	\$ 414,766
2008	848,018
2007	918,262

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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.

	<u>2009</u>	<u>2008</u>
<b>Membership:</b> As of June 30, 2009 and 2008, membership consisted of:		
Retirees and beneficiaries currently receiving benefits	703	735
Active employees – vested	<u>1,686</u>	<u>1,669</u>
<b>TOTAL</b>	<u>2,389</u>	<u>2,404</u>
 Participating Employers	 <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, 2009 and 2008, City Colleges contributed \$6,175,497 and \$6,498,620, respectively.

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

*Annual OPEB Costs and Net OPEB Obligation*

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Employer Contributions</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Increase in Net OPEB Obligation</b>
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>				<b>\$ <u>17,304,515</u></b>

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 2009 and 2008 were as follows:

	<b><u>2009</u></b>	<b><u>2008</u></b>
Annual Required Contribution	\$ 10,557,002	\$ 10,087,473
Interest on Net OPEB Obligation	590,356	482,955
Adjustment to Annual Required Contribution	<u>(786,358)</u>	<u>(611,889)</u>
Annual OPEB Cost	10,361,000	9,958,539
Contributions Made	<u>(6,175,497)</u>	<u>(6,498,620)</u>
Increase in Net OPEB Obligation	4,185,503	3,459,919
Net OPEB Obligation Beginning of Year	<u>13,119,012</u>	<u>9,659,093</u>
<b>Net OPEB Obligation End of Year</b>	<b><u>\$ 17,304,515</u></b>	<b><u>\$ 13,119,012</u></b>

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

The funded status of the plan as of June 30, 2009 and 2008 was as follows:

	<u>2009</u>	<u>2008</u>
Actuarial Value of Assets	\$ -	\$ -
Actuarial Accrued Liability (AAL)	<u>121,654,154</u>	<u>113,011,808</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$121,654,154</u>	<u>\$113,011,808</u>
Funded Ratio (actuarial value of assets/AAL)	-%	-%
Covered Payroll (active plan members)	\$101,030,184	\$95,665,186
UAAL as a Percentage of Covered Payroll (AAL less Actuarial Value of Assets / UAAL)	120.4%	118.1%

For the fiscal years ending June 30, 2008 and 2009, the Projected Unit Credit actuarial cost method was used. For both fiscal years, the actuarial assumptions included a 4.5% discount rate, and an annual healthcare cost trend rate of 9.0% which gradually declines to 5.0% by the years 2017 and 2018, respectively. The actuarial value of assets was not determined as City Colleges has not fully advance-funded its obligation. However, City Colleges has \$10.0 million in investments designated for this obligation in 2009, and had \$9.6 million designated in 2008.

**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 exceeding \$50,000. 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 \$1,000,000. City Colleges has supplemental coverage by an independent insurer for claims exceeding \$1,000,000 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 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.

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**15. RISK MANAGEMENT (Continued)**

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 \$947,676 and \$424,400 as of June 30, 2009 and 2008, 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 \$400,000 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 \$3,300,573 and \$3,828,949 as of June 30, 2009 and 2008, 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 \$1,293,627 and \$1,388,479 as of June 30, 2009 and 2008, respectively that have been incurred, but not claimed.

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**Notes to Basic Financial Statements  
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**15. RISK MANAGEMENT** *(Continued)*

**Summary of Changes in Self-Insurance**

	<u>June 30, 2008</u>	<u>Incurred Claims</u>	<u>Payment on Claims</u>	<u>June 30, 2009</u>	<u>Amounts due within one year</u>
General liability	\$ 424,400	\$ 611,805	\$ (88,529)	\$ 947,676	\$ 947,676
Workers' compensation	3,828,949	(47,367)	(481,009)	3,300,573	3,300,573
Health insurance	1,388,479	22,396,492	(22,491,345)	1,293,626	1,293,626
	<u>\$ 5,641,828</u>	<u>\$ 22,960,930</u>	<u>\$ (23,060,883)</u>	<u>\$ 5,541,875</u>	<u>\$ 5,541,875</u>

	<u>June 30, 2007</u>	<u>Incurred Claims</u>	<u>Payment on Claims</u>	<u>June 30, 2008</u>	<u>Amounts due within one year</u>
General liability	\$ 350,300	\$ 159,243	\$ (85,143)	\$ 424,400	\$ 340,668
Workers' compensation	2,262,833	2,019,955	(453,839)	3,828,949	534,009
Health insurance	1,348,642	21,568,979	(21,529,142)	1,388,479	1,388,479
	<u>\$ 3,961,775</u>	<u>\$ 23,748,177</u>	<u>\$ (22,068,124)</u>	<u>\$ 5,641,828</u>	<u>\$ 2,263,156</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, 2009, City Colleges has \$60.5 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 \$35.7 million by the City Colleges.

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# 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 Eight 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>Net Assets:</b>								
Invested in Capital Assets- Net of Related Debt	\$ 148,929,726	\$ 177,343,175	\$ 236,347,069	\$ 294,687,579	\$ 352,604,264	\$ 492,006,098	569,734,877	570,962,411
Restricted for expendable:								
Capital Projects	28,638,527	39,582,014	42,869,202	40,141,921	44,140,970	53,039,227	28,768,926	56,156,946
Lease Obligations	50,754,925	46,428,742	40,948,750	35,519,213	31,071,292	23,795,853	-	-
Other	15,926,240	25,492,094	29,270,135	29,343,965	64,113,553	69,032,703	72,738,397	72,753,667
Unrestricted	30,144,800	32,103,031	40,530,686	73,393,636	63,823,389	77,358,746	71,794,664	67,104,370
<b>Total Net Assets</b>	<b>\$ 274,394,218</b>	<b>\$ 320,949,056</b>	<b>\$ 389,965,842</b>	<b>\$ 473,086,314</b>	<b>\$ 555,753,468</b>	<b>\$ 715,232,627</b>	<b>\$ 743,036,864</b>	<b>\$ 766,977,395</b>

**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

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

**Table B**

**Financial Trends  
Changes in Net Assets (Unaudited)  
Last Eight 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>Operating Revenues:</b>								
Student tuition and fees (net of scholarship allowances)	\$ 22,822,647	\$ 26,486,436	\$ 35,409,540	\$ 37,807,639	\$ 39,919,583	\$ 35,352,547	\$ 37,779,085	\$ 46,719,262
Other operating revenues	5,345,493	11,385,809	5,276,250	6,245,354	8,277,517	7,130,296	6,997,724	7,773,577
Total operating revenues	28,168,140	37,872,245	40,685,790	44,052,993	48,197,100	42,482,843	44,776,809	54,492,839
<b>Operating Expenses:</b>								
Instructional staff	68,151,899	66,589,968	70,192,004	74,456,743	77,081,414	79,978,494	81,587,686	88,799,795
Non-instructional staff	78,527,624	77,245,757	76,221,015	71,228,064	79,361,358	85,211,555	94,272,264	92,884,417
Fringe benefits*	35,021,557	43,406,839	108,456,188	37,128,733	35,479,612	38,573,600	48,646,332	52,008,207
Supplies	12,579,821	14,499,572	10,733,666	13,422,448	14,115,136	18,458,080	17,756,862	13,262,646
Professional development	1,244,631	2,069,087	2,749,023	1,562,422	2,018,035	2,285,888	2,294,480	2,053,242
Equipment not capitalized	3,496,927	833,329	2,846,325	5,176,669	2,291,005	2,775,642	25,457,028	3,846,842
Utilities	8,749,080	9,948,583	9,269,574	9,291,553	10,373,592	10,558,453	12,565,805	11,405,723
Contractual services	38,952,530	45,409,468	29,040,151	35,254,654	37,894,971	36,639,498	45,368,250	37,549,206
Depreciation	13,709,510	15,726,785	16,378,082	16,800,331	21,810,983	20,667,118	27,231,445	21,336,035
Financial aid (net of scholarship allowances)	19,219,247	22,395,492	34,270,087	34,141,440	31,470,269	26,031,017	32,612,287	46,833,746
Other expenses	1,981,149	2,087,540	6,021,302	3,841,210	4,377,241	4,255,320	2,203,370	2,222,996
Total operating expenses	281,633,975	300,212,420	366,177,417	302,304,267	316,273,616	325,434,665	389,995,809	372,202,855
Operating loss	(253,465,835)	(262,340,175)	(325,491,627)	(258,251,274)	(268,076,516)	(282,951,822)	(345,219,000)	(317,710,016)
<b>Non-operating revenues (expenses):</b>								
State apportionment and equalization	45,980,914	45,831,544	38,700,335	36,692,418	38,580,616	41,498,443	39,808,436	37,759,550
Other state grants and contracts*	47,952,249	53,927,508	104,710,804	52,507,309	48,190,000	54,901,471	59,444,571	64,191,417
Local grants and contracts	12,111,253	2,470,598	4,102,542	4,304,120	3,616,535	4,900,467	4,073,193	4,706,664
Local property taxes	88,989,439	78,370,096	77,538,041	90,808,565	101,823,185	107,099,097	113,234,703	121,020,792
Property taxes for lease obligations	34,982,532	36,169,927	39,537,136	35,165,454	29,592,741	30,099,651	13,912,993	-
Personal property replacement tax	8,236,280	7,634,382	8,676,779	10,499,413	13,307,576	14,518,747	15,525,950	13,581,642
Federal grants and contracts	50,646,126	58,775,669	63,091,461	65,190,589	62,483,048	57,549,889	64,170,398	78,525,778
Investment income	8,255,840	5,136,446	2,778,234	4,893,017	8,264,368	13,311,136	11,293,733	5,829,685
Building lease and interest payments on debt	(17,306,464)	(15,962,262)	(14,226,778)	(12,531,839)	(12,687,374)	(6,873,136)	(2,016,881)	-
Non-operating revenues, net	279,848,169	272,353,908	335,211,488	287,529,046	293,170,695	317,005,765	319,447,096	325,615,528
Income before capital appropriations and grants	26,382,334	10,013,733	9,719,861	29,277,772	25,094,179	34,053,943	(25,771,904)	7,905,512
Capital appropriations and grants	10,340,593	36,541,105	58,790,925	53,842,700	57,572,975	125,425,216	53,576,141	16,035,019
Change in net assets	\$ 36,722,927	\$ 46,554,838	\$ 68,510,786	\$ 83,120,472	\$ 82,667,154	\$ 159,479,159	\$ 27,804,237	\$ 23,940,531

**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>Farm 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>
2008	-----Not Available-----					\$ 5,696,291	\$ 80,929,580,524	0.156	\$ 242,788,741,572
2007	-----Not Available-----					5,841,665	73,611,156,177	0.159	220,833,468,531
2006	-----Not Available-----					6,071,637	69,479,300,657	0.205	208,437,901,971
2005	-----Not Available-----					6,296,295	59,274,592,340	0.234	177,823,777,020
2004	\$ 28,155,943,958	\$ 20,900,364,460	\$ 6,125,933,343	-	\$ 63,041,595	63,839,296	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	6,727,347	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
2000	17,587,437,246	17,474,872,995	5,097,166,824	-	300,016,446	6,946,706	40,466,440,217	0.312	121,399,320,651
1999	13,508,478,796	16,665,333,608	4,892,107,543	-	269,353,759	7,161,622	35,342,435,328	0.346	106,027,305,984

**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										
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
<b>City Colleges of Chicago</b>												
Audit Fund	\$ 0.005	\$ 0.002	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.002	\$ -	\$ 0.002
Tort Liability	N/A	0.010	0.014	0.011	0.013	0.009	0.009	0.005	0.005	0.009	0.009	0.007
Education Fund	0.175	0.165	0.142	0.156	0.144	0.130	0.136	0.133	0.116	0.109	0.109	0.104
Operations and Maintenance Fund	0.050	0.047	0.027	0.042	0.026	0.023	0.041	0.043	0.039	0.041	0.041	0.043
PBCC Operations & Maintenance	N/A	0.019	0.038	0.013	0.028	0.025	-	-	-	-	-	-
PBCC Rental	N/A	0.103	0.090	0.085	0.068	0.058	0.056	0.052	0.043	-	-	-
Total City Colleges of Chicago Rate		<u>\$ 0.346</u>	<u>\$ 0.312</u>	<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>	
<b>Overlapping Rates</b>												
Chicago Board of Education		\$ 4.104	\$ 3.714	\$ 3.744	\$ 3.562	\$ 3.142	\$ 3.104	\$ 3.026	\$ 2.697	\$ 2.583	\$ 2.472	
School Finance Authority		0.255	0.223	0.223	0.177	0.151	0.177	0.127	0.118	0.091	-	
City of Chicago		1.860	1.660	1.637	1.591	1.380	1.302	1.243	1.062	1.044	1.147	
Chicago Park District		0.627	0.572	0.567	0.545	0.464	0.455	0.443	0.379	0.355	0.323	
Metropolitan Water Reclamation District		0.419	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	
Cook County		0.854	0.824	0.746	0.690	0.630	0.593	0.533	0.500	0.446	0.415	
Cook County Forest Preserve		0.070	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	
South Cook County Mosquito Abatement		-----Not Available-----						0.010	0.007	0.006	0.009	
Total Overlapping Rate		<u>\$ 8.189</u>	<u>\$ 7.477</u>	<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>	
Total Rate		<u>\$ 8.535</u>	<u>\$ 7.789</u>	<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>	
<b>Tax Extensions (\$ thousands)</b>												
Audit Fund		\$ 788	\$ 355	\$ 330	\$ 548	\$ 384	\$ 396	\$ 600	\$ 1,567	\$ -	\$ 1,600	
Tort Liability		3,481	5,613	4,408	6,042	4,973	4,753	3,000	3,092	6,574	5,399	
Education Fund		58,640	57,418	65,580	65,098	69,169	75,386	79,131	81,466	80,486	84,245	
Operations and Maintenance Fund		16,671	10,836	17,437	11,770	12,233	22,427	25,160	26,799	29,972	34,997	
PBCC Operations & Maintenance		6,589	15,179	5,549	12,584	13,078	8,227	-	-	-	-	
PBCC Rental		36,444	36,490	35,507	30,801	30,800	22,643	30,796	29,496	-	-	
		<u>\$122,613</u>	<u>\$ 125,891</u>	<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>	

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

**Table E**

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

Taxpayer	2008			2000		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Sears Tower	\$ 540,074	1	0.67%	\$ 318,983	1	0.79%
Chicago Mercantile Exchange	395,554	2	0.49%	209,010	3	0.52%
AON Center	392,192	3	0.48%	227,033	2	0.56%
Prudential Plaza	307,510	4	0.38%	169,484	5	0.42%
AT&T Corporate Center 1	294,569	5	0.36%	164,722	6	0.41%
Chase Tower	262,114	6	0.32%	191,951	4	0.47%
Water Tower Place	242,014	7	0.30%	-		-
Northwestern Atrium	226,458	8	0.28%	134,961	8	0.33%
Leo Burnett Building	221,846	9	0.27%	-		-
131 S. Dearborn	221,701	10	0.27%	-		-
Three First National Plaza	-		-	135,204	7	0.33%
Hyatt Regency Hotel	-		-	114,266	9	0.28%
900 N. Michigan	-		-	111,557	10	0.28%
	<u>\$ 3,104,032</u>		<u>3.84%</u>	<u>\$ 1,777,171</u>		<u>4.39%</u>

**Source:** Cook County Assessor's Office – 2007 is latest data available.

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

Taxable assessed value in thousands of dollars

**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	
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Amount	Percentage of Levy
1999	\$ 122,612,901	\$ 55,972,551	\$ 64,503,521	\$ 888,651	\$ (543,414)	\$ 231,974	\$ (242,276)	\$ (951,799)	\$ (82,768)	\$ 11,600	\$ (85,767)	\$ 119,702,273	97.63%
2000	125,890,543	-	57,683,497	67,419,102	(594,823)	(313,171)	(549,396)	(252,131)	(304,426)	(214,545)	(616,198)	122,257,909	97.11%
2001	128,811,006	-	-	58,939,995	69,785,407	(458,092)	(528,865)	(262,454)	(245,214)	(129,015)	(84,808)	127,016,954	98.61%
2002	126,843,090	-	-	-	59,801,580	64,333,957	590,991	(73,577)	(251,166)	(230,596)	(137,703)	124,033,486	97.78%
2003	130,637,356	-	-	-	-	59,482,691	69,313,832	604,954	(987,368)	(747,650)	(434,675)	127,231,784	97.39%
2004	133,832,242	-	-	-	-	-	60,247,374	71,345,425	868,392	(869,747)	(741,595)	130,849,849	97.77%
2005	138,687,813	-	-	-	-	-	-	63,708,323	72,945,995	604,348	(957,405)	136,301,261	98.28%
2006	142,420,119	-	-	-	-	-	-	-	64,542,937	73,327,832	1,824,713	139,695,482	98.09%
2007	117,032,450	-	-	-	-	-	-	-	-	65,674,332	48,119,233	113,793,565	97.23%
2008	126,241,259	-	-	-	-	-	-	-	-	-	56,373,682	56,373,682	44.66%

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 (1)	Tuition & Fees Revenue (Net)
	FTE Credit Courses	Headcount Credit Courses	Headcount Noncredit Courses							
2000	19,094	48,463	111,736	\$ 47.50	\$ 140.36	\$ 210.45	1,223,659	\$ 43,039,430	\$ -	\$ 43,039,430
2001	18,551	46,035	114,336	47.50	153.61	224.73	1,206,253	47,752,546	-	47,752,546
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

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

**(1)** Prior to GASB 34 and 35, which City Colleges of Chicago implemented for the fiscal year ended June 30, 2002, Tuition and Fees revenues were reported net of scholarship and allowances.



**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**

<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>
2000	\$ 35,389,724	\$ 167,780,000	\$ 203,169,724	0.17%	\$ 70.15
2001	34,806,200	152,615,000	187,421,200	0.15%	64.71
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	-	-	-	-	-

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

**Table I**

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

<b>(Thousands \$)</b>	<b>As of June 30, 2009</b>		
	<b>Net Direct Long-term Debt (1)</b>	<b>% Applicable to District</b>	<b>Amount Applicable to District</b>
Overlapping Debt			
City of Chicago <sup>(2)</sup>	\$ 6,126,295	100.00%	\$ 6,126,295
Chicago Board of Education	4,623,026	100.00%	4,623,026
Chicago School Finance Authority	66,645	100.00%	66,645
Chicago Park District	814,290	100.00%	814,290
Metropolitan Water Reclamation District of Greater Chicago	1,379,237	47.22%	651,276
Cook County	2,897,975	45.58%	1,320,897
Cook County Forest Preserve District	<u>115,105</u>	46.24%	<u>53,225</u>
Subtotal	\$16,022,573		\$ 13,655,654
<b>Direct Debt</b>			
City Colleges of Chicago			-
Net Direct and Overlapping Debt			<u>\$ 13,655,654</u>

(1) Source: Amount of Net Direct Debt was obtained from each of the respective taxing bodies.

(2) G.O. Bonds and Notes (includes Commercial Paper) less G.O. Tender Notes Series 2006

**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>2000</b>	<b>2001</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>
Legal debt limit	\$ 1,016,095,016	\$ 1,163,410,156	\$ 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
Total net debt applicable to limit	<u>(35,389,724)</u>	<u>(34,806,200)</u>	<u>(33,922,663)</u>	<u>(32,739,132)</u>	<u>(32,218,928)</u>	<u>(30,399,472)</u>	-	-	-	-
Legal debt margin	<u>\$ 980,705,292</u>	<u>\$ 1,128,603,956</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	3%	3%	3%	3%	2%	2%	0%	0%	0%	0%

**Legal Debt Margin Calculation for Fiscal 2009**

Assessed Value	\$ 80,929,580,524
Legal debt margin	<u>2.875%</u>
Debt limit	\$ 2,326,725,440
Debt applicable to limit General obligation bonds	<u>-</u>
Legal debt margin	<u>\$ 2,326,725,440</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>
2009	2,853,114	-----Not Available-----	-----Not Available-----	7.00%
2008	2,853,114	-----Not Available-----	-----Not Available-----	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%
2001	2,896,375	100,747,508	34,784	6.80%
2000	2,896,021	98,233,032	33,920	5.50%

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

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

(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)  
Fiscal Year 2009**

<b>Employer</b>	<b>Rank</b>	<b>City of Chicago Number of Employees</b>	<b>% of City of Chicago Area Employment</b>
U.S. Government	1	78,000	2.73%
Chicago Public Schools	2	43,910	1.54%
City of Chicago	3	35,570	1.25%
Walmart Stores, Inc.	4	23,453	0.82%
Cook County	5	22,142	0.78%
State of Illinois	6	18,124	0.64%
Advocate Health Care	7	15,660	0.55%
University of Chicago	8	14,287	0.50%
Walgreen Co.	9	14,254	0.50%
AT&T Inc.	10	14,000	0.49%
		<u>279,400</u>	<u>9.79%</u>

**Source:** Crain's Chicago's Business, Book of Lists, December 28, 2009

**Note:** Beginning with the current year, 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**

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	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 *</u>
Administrative staff	251	271	292	307
Civil Service	1,798	1,815	1,824	1,846
Professional Staff	651	745	850	858
Teaching Faculty	2,803	2,719	2,903	2,835
Student Employees/Work Study	181	409	817	882
<b>TOTAL</b>	<b>5,684</b>	<b>5,959</b>	<b>6,686</b>	<b>6,728</b>

\* Estimated

**Data Source:** College records

**Note:** FY06 - FY09 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**

<u>Fiscal Year</u>	<u>Total</u>	<u>Baccalaureate</u>	<u>Occupational</u>			<u>Remedial Development</u>	<u>Adult Basic Secondary Education</u>
			<u>Business</u>	<u>Technical</u>	<u>Health</u>		
2009	1,136,523	408,681	41,510	77,907	48,517	122,788	437,121
2008	1,050,801	375,014	42,368	75,633	43,777	105,781	408,229
2007	1,064,630	364,616	42,264	68,539	49,603	107,499	432,110
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
2001	1,206,253	295,807	49,233	76,974	55,751	95,510	632,978
2000	1,223,659	314,540	39,271	78,263	53,414	99,726	638,445

**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>
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
2001	46,035	60,800	53,536	160,371
2000	48,463	59,942	51,794	160,199

<b>Full-time Equivalent</b>				
<b>Fiscal Year</b>	<b>Credit</b>	<b>Adult Ed</b>	<b>Other</b>	<b>Total</b>
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
2001	18,551	24,564	7,634	50,749
2000	19,094	25,138	7,786	52,018

**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>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Land	\$ 17,388,173	\$ 17,388,173	\$ 17,388,173	\$ 17,388,173	\$ 17,388,173	\$ 19,574,040	\$ 48,988,547	\$ 49,094,047
Construction in process	-	20,923,300	72,653,608	87,031,126	70,201,658	182,702,679	18,421,821	28,955,476
Vehicles	-	-	-	-	-	586,630	741,182	795,093
Equipment	20,723,346	23,851,739	25,631,007	13,830,775	8,756,202	9,323,074	16,833,429	17,124,537
Buildings and improvements	426,299,700	427,289,258	426,685,662	439,645,567	478,350,538	488,896,308	642,987,012	654,292,589
Software	13,156,165	14,508,609	16,081,154	28,639,679	28,639,679	28,694,279	28,734,268	29,008,086
Total Capital Assets	<u>477,567,384</u>	<u>503,961,079</u>	<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>
Less: Accumulated Depreciation	<u>(192,392,658)</u>	<u>(208,072,904)</u>	<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>
Net Capital Assets	<u>\$ 285,174,726</u>	<u>\$295,888,175</u>	<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>
 Capital Lease Obligations	 <u>\$ 136,661,521</u>	 <u>\$118,545,000</u>	 <u>\$ 99,375,000</u>	 <u>\$ 78,610,000</u>	 <u>\$ 56,105,000</u>	 <u>\$ 31,695,000</u>	 <u>\$ -</u>	 <u>\$ -</u>

**Data Source: Summary of Capital Assets Schedule, See Note 5**

**Note:** Prior to fiscal year 2007, 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	2010-11
Harold Washington	2008-09	2018-19
Kennedy-King	2005-06	2015-16
Malcolm X	2007-08	2017-18
Olive-Harvey	1999-00	2009-10
Truman	1999-00	2009-10
Wright	2001-02	2011-12
Current gross square footage		4,123,907
Size of district		228.5 square miles
Counties served		Cook and DuPage
Population of district		2,853,114
Number of administrative staff		307
Number of civil service staff		1,846
Number of professional / technical staff		858
Number of teaching staff		2,835
Number of student/workstudy staff		882
Degrees and certificates awarded (Fiscal year 2008)		8,277

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

**Table R**

**Operating Information  
Revenues and Expenditures by College (Unaudited)  
For the fiscal year ended 6/30/2009**

	<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	\$ 8,283,212	\$ 10,385,780	\$ 19,607,732	\$ 12,315,395	\$ 13,758,704	\$ 8,483,644	\$ 13,559,447	\$ 48,208,519	\$ 134,602,433
All Other Local Revenue	73,284	205,840	8,817	55,420	1,350,270	896,379	53,207	771,516	3,414,733
ICCB Grants	11,181,566	5,326,948	6,385,220	9,314,397	4,586,699	14,218,754	8,772,479	1,140,098	60,926,161
All Other State Revenue	1,641,324	3,904,476	3,727,306	2,519,401	2,687,977	2,553,520	2,783,529	1,837,227	21,654,760
Federal Revenue	7,974,556	14,685,702	15,586,145	11,975,977	8,173,289	9,836,398	9,234,637	1,059,073	78,525,777
Student Tuition and Fees	11,222,941	17,759,969	15,534,055	7,664,037	6,274,355	11,685,097	15,696,724	-	85,837,178
All Other Revenue	433,704	1,112,255	1,801,030	761,177	215,438	964,061	1,204,271	8,720,006	15,211,942
Total Revenue before Capital Appropriations	40,810,587	53,380,970	62,650,305	44,605,804	37,046,732	48,637,853	51,304,294	61,736,439	400,172,984
Capital Appropriations	-	-	-	-	-	-	-	16,035,019	16,035,019
Total Revenue	\$ 40,810,587	\$ 53,380,970	\$ 62,650,305	\$ 44,605,804	\$ 37,046,732	\$ 48,637,853	\$ 51,304,294	\$ 77,771,458	\$ 416,208,003
<b>Expenditures by program</b>									
Instruction	\$ 12,528,297	\$ 16,565,653	\$ 20,289,859	\$ 12,409,628	\$ 11,460,280	\$ 18,910,400	\$ 18,084,540	\$ 1,557,851	\$ 111,806,508
Academic Support	3,027,120	2,169,679	3,950,003	3,956,570	1,295,462	3,960,610	4,241,786	8,555,123	31,156,353
Student Services	2,687,832	4,844,886	3,054,808	2,781,096	3,912,818	4,796,663	3,770,447	355,569	26,204,119
Public Service/Continuing Education	121,202	1,468,755	1,881,630	485,979	556,413	1,696,483	481,737	2,517,913	9,210,112
Organized Research	-	759,521	-	-	-	17,634	-	-	777,155
Auxiliary Services	130,061	232,672	327,069	438,130	232,128	12,024	216,588	18,935	1,607,607
Operations and Maintenance	6,807,916	5,500,586	13,806,158	7,559,155	6,785,718	6,800,420	10,404,768	3,955,385	61,620,106
Institutional Support	2,508,199	3,530,588	3,388,032	2,671,926	981,331	2,703,821	3,258,412	42,976,068	62,018,377
Scholarships, Grants, Waivers	12,282,771	16,620,542	18,333,253	11,343,136	8,874,161	8,640,830	10,966,421	806,021	87,867,135
Total Expenditures	\$ 40,093,398	\$ 51,692,882	\$ 65,030,812	\$ 41,645,620	\$ 34,098,311	\$ 47,538,885	\$ 51,424,699	\$ 60,742,865	\$ 392,267,472

Excludes SURS contribution of \$19,370,047

Statement of Purpose: The City Colleges of Chicago Revenues and Expenditures by College for the year ended June 30, 2007, 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, 2009**

<b>Revenues</b>	<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</u>	<u>Total</u>
Operating revenues:									
Student tuition and fees:									
Resident	\$ 6,662,723	\$ 11,837,105	\$ 7,982,410	\$ 5,740,260	\$ 4,861,088	\$ 8,351,484	\$ 11,731,435	\$ -	\$ 57,166,504
Nonresident	2,957,833	2,349,272	1,801,593	331,599	303,181	1,122,792	1,079,014	-	9,945,284
Other	1,602,385	3,573,592	5,750,052	1,592,178	1,110,086	2,210,821	2,886,276	-	18,725,390
Less: Scholarship allowances	<u>(7,155,928)</u>	<u>(7,037,492)</u>	<u>(8,166,849)</u>	<u>(4,541,724)</u>	<u>(3,629,056)</u>	<u>(3,671,197)</u>	<u>(4,914,303)</u>	<u>(1,366)</u>	<u>(39,117,916)</u>
Net student tuition and fees	4,067,013	10,722,477	7,367,206	3,122,313	2,645,299	8,013,900	10,782,422	(1,366)	46,719,262
Other operating revenues	<u>421,838</u>	<u>1,014,194</u>	<u>1,751,891</u>	<u>674,301</u>	<u>194,286</u>	<u>904,901</u>	<u>958,238</u>	<u>1,853,928</u>	<u>7,773,577</u>
Total operating revenues	4,488,851	11,736,671	9,119,097	3,796,614	2,839,585	8,918,801	11,740,660	1,852,562	54,492,839
<b>Expenses</b>									
Operating expenses:									
Instructional salaries	10,637,125	13,808,655	13,742,364	10,354,445	9,381,362	15,647,460	14,941,389	286,995	88,799,795
Non-instructional salaries	9,392,386	10,278,807	13,307,586	9,980,285	8,428,936	12,333,297	10,994,920	18,168,200	92,884,417
Fringe benefits	4,750,561	6,301,722	6,431,159	4,984,640	4,854,499	6,978,342	6,683,796	11,023,488	52,008,207
Supplies	1,050,920	1,447,335	2,224,839	1,480,928	344,836	1,585,367	1,752,989	3,375,432	13,262,646
Professional Development	190,687	269,899	206,244	244,627	255,568	188,930	217,181	480,106	2,053,242
Equipment not capitalized	263,033	412,462	298,805	615,384	340,254	397,887	251,651	1,267,366	3,846,842
Utilities	1,166,539	655,977	2,397,159	1,476,574	813,470	1,240,885	1,260,398	2,394,721	11,405,723
Contractual services	903,132	2,221,610	5,341,756	1,363,130	1,666,365	2,285,289	2,805,380	20,962,544	37,549,206
Depreciation	1,630,777	2,213,600	5,882,390	2,000,617	1,101,289	1,345,100	4,166,731	2,995,531	21,336,035
Financial aid, exclusive of scholarship allowances	4,925,729	9,358,673	9,874,853	6,593,883	5,050,057	4,647,442	5,888,860	494,249	46,833,746
Other expenses	<u>147,461</u>	<u>158,116</u>	<u>(1,949)</u>	<u>88,001</u>	<u>108,297</u>	<u>157,468</u>	<u>293,246</u>	<u>1,272,356</u>	<u>2,222,996</u>
Total operating expenses	<u>35,058,350</u>	<u>47,126,856</u>	<u>59,705,206</u>	<u>39,182,514</u>	<u>32,344,933</u>	<u>46,807,467</u>	<u>49,256,541</u>	<u>62,720,988</u>	<u>372,202,855</u>
Operating loss	(30,569,499)	(35,390,185)	(50,586,109)	(35,385,900)	(29,505,348)	(37,888,666)	(37,515,881)	(60,868,426)	(317,710,016)
Non-operating revenues (expenses):									
State apportionment and equalization	7,326,242	3,776,233	3,911,593	5,594,942	2,680,732	8,864,811	5,604,997	-	37,759,550
Other state grants and contracts	7,629,395	8,022,218	9,077,280	8,404,351	6,488,974	10,882,274	8,724,079	4,962,846	64,191,417
Local grants and contracts	73,284	208,339	22,847	55,420	1,352,070	920,508	272,308	1,801,888	4,706,664
Local property taxes	8,283,212	10,385,780	19,607,733	12,315,396	13,758,704	8,483,644	13,559,447	34,626,876	121,020,792
Personal property replacement tax	-	-	-	-	-	-	-	13,581,642	13,581,642
Federal grants and contracts	7,974,556	14,685,702	15,586,145	11,975,977	8,173,289	9,836,398	9,234,637	1,059,074	78,525,778
Investment income	-	-	-	-	-	-	8	5,829,677	5,829,685
Non-operating revenues, net	<u>31,286,689</u>	<u>37,078,272</u>	<u>48,205,598</u>	<u>38,346,086</u>	<u>32,453,769</u>	<u>38,987,635</u>	<u>37,395,476</u>	<u>61,862,003</u>	<u>325,615,528</u>
Income before capital appropriations and grants	<u>717,190</u>	<u>1,688,087</u>	<u>(2,380,511)</u>	<u>2,960,186</u>	<u>2,948,421</u>	<u>1,098,969</u>	<u>(120,405)</u>	<u>993,577</u>	<u>7,905,512</u>
Capital appropriations and grants	-	-	-	-	-	-	-	16,035,019	16,035,019
Change in net assets	<u>\$ 717,190</u>	<u>\$ 1,688,087</u>	<u>\$ (2,380,511)</u>	<u>\$ 2,960,186</u>	<u>\$ 2,948,421</u>	<u>\$ 1,098,969</u>	<u>\$ (120,405)</u>	<u>\$ 17,028,596</u>	<u>\$ 23,940,531</u>

# **Special Reports Section**

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# 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, 2009

	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, 2008	\$ 18,781,176	\$ 1,265,509	\$ 77,387,058	\$ 3,131,565	\$ -	\$ 66,153,427	\$ 569,733,159	\$ (1,060)	\$ 120,904	\$ 5,858,138	\$ 606,988	\$ 743,036,864
<b>Revenues:</b>												
Local Tax Revenue	81,320,785	33,034,969	13,581,641	-	-	-	-	-	820,312	5,844,726	-	134,602,433
All Other Local Revenue	100,984	13,139	16,035,019	-	3,300,611	-	-	-	-	-	-	19,449,753
ICCB Grants	53,240,087	-	-	-	7,686,074	-	-	-	-	-	-	60,926,161
All Other State Revenue	685,567	-	-	-	20,969,193	-	-	-	-	-	-	21,654,760
Federal Revenue	1,224,293	-	-	-	77,301,484	-	-	-	-	-	-	78,525,777
Student Tuition and Fees	85,837,178	-	-	-	-	-	-	-	-	-	-	85,837,178
All Other Revenue	-	1,273,556	4,386,003	5,642,898	1,279,124	2,630,360	-	-	-	-	-	15,211,941
<b>Total Revenues</b>	<b>222,408,894</b>	<b>34,321,664</b>	<b>34,002,663</b>	<b>5,642,898</b>	<b>110,536,486</b>	<b>2,630,360</b>	<b>-</b>	<b>-</b>	<b>820,312</b>	<b>5,844,726</b>	<b>-</b>	<b>416,208,003</b>
<b>Expenses</b>												
Instruction	101,855,676	-	-	127,917	10,061,551	-	(238,636)	-	-	-	-	111,806,508
Academic Support	21,395,194	-	-	2,084,925	7,736,236	-	(60,000)	-	-	-	-	31,156,355
Student Services	20,898,174	-	-	-	5,305,947	-	-	-	-	-	-	26,204,121
Public Service/Continuing Education	1,527,540	-	-	2,502,086	5,284,434	-	(103,947)	-	-	-	-	9,210,113
Organized Research	42,211	-	-	-	734,944	-	-	-	-	-	-	777,155
Auxiliary Services	929,210	-	-	427,789	250,609	-	-	-	-	-	-	1,607,608
Operations and Maintenance	11,020,547	31,377,100	19,177,634	-	371,245	-	(611,134)	-	-	284,714	-	61,620,106
Institutional Support	53,073,649	78,009	(33,304)	11,331	870,934	-	(213,818)	-	750,000	7,481,573	-	62,018,374
Scholarships, Grants, Waivers	7,182,797	-	-	(92)	80,684,427	-	-	-	-	-	-	87,867,132
<b>Total Expenses</b>	<b>217,924,998</b>	<b>31,455,109</b>	<b>19,144,330</b>	<b>5,153,956</b>	<b>111,300,327</b>	<b>-</b>	<b>(1,227,535)</b>	<b>-</b>	<b>750,000</b>	<b>7,766,287</b>	<b>-</b>	<b>392,267,472</b>
Net Transfers	(146,622)	-	-	146,622	-	-	-	-	-	-	-	-
Fund Balance: June 30, 2009	\$ 23,118,450	\$ 4,132,064	\$ 92,245,391	\$ 3,767,129	\$ (763,841)	\$ 68,783,787	\$ 570,960,694	\$ (1,060)	\$ 191,216	\$ 3,936,577	\$ 606,988	\$ 766,977,395

\* Public Building Commission

\*\* excludes SURS contribution \$ 19,370,047



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

Fiscal year ended June 30, 2009

	<b>Fixed Asset/Debt Account Groups July 1, 2008</b>	<b>Additions</b>	<b>Deletions and Transfers</b>	<b>Fixed Asset/Debt Account Groups June 30, 2009</b>
<b>Fixed Assets</b>				
Land	\$ 48,988,547	\$ 105,500	\$ -	\$ 49,094,047
Construction work in progress	18,421,821	22,311,736	11,778,081	28,955,476
Buildings and Improvements	642,987,012	11,305,577	-	654,292,589
Vehicles	741,182	53,911	-	795,093
Equipment	16,833,429	291,108	-	17,124,537
Software	28,734,268	273,818	-	29,008,086
Accumulated Depreciation	<u>(186,971,382)</u>	<u>(21,336,035)</u>	<u>-</u>	<u>(208,307,417)</u>
<b>Net Fixed Assets</b>	<u><u>\$ 569,734,877</u></u>	<u><u>\$ 13,005,615</u></u>	<u><u>\$ 11,778,081</u></u>	<u><u>\$ 570,962,411</u></u>
<b>Long-term Debt</b>				
Lease obligations	\$ -	\$ -	\$ -	\$ -
<b>Total Fixed Liabilities</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<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, 2009**

<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	\$ 81,320,785	\$ 33,034,969	\$ 114,355,754
Other	100,984	13,139	114,123
<b>TOTAL LOCAL GOVERNMENT</b>	<b>81,421,769</b>	<b>33,048,108</b>	<b>114,469,877</b>
State Government:			
ICCB Base Operating Grant	37,759,550		37,759,550
ICCB Equalization Grant	14,625,000		14,625,000
Other (Include other ICCB grants not listed above)	1,541,104		1,541,104
<b>TOTAL STATE GOVERNMENT</b>	<b>53,925,654</b>	<b>-</b>	<b>53,925,654</b>
Federal Government:			
Dept. of Education	1,224,293	-	1,224,293
<b>TOTAL FEDERAL GOVERNMENT</b>	<b>1,224,293</b>	<b>-</b>	<b>1,224,293</b>
Student Tuition and Fees			
Tuition	67,111,788	-	67,111,788
Fees	18,725,390	-	18,725,390
<b>TOTAL TUITION AND FEES</b>	<b>85,837,178</b>	<b>-</b>	<b>85,837,178</b>
Other Sources			
Facilities Revenue	-	1,272,774	1,272,774
Other	-	782	782
<b>TOTAL OTHER REVENUE</b>	<b>-</b>	<b>1,273,556</b>	<b>1,273,556</b>
<b>TOTAL REVENUE</b>	<b>222,408,894</b>	<b>34,321,664</b>	<b>256,730,558</b>
<b>ADJUSTED REVENUE</b>	<b>\$ 222,408,894</b>	<b>\$ 34,321,664</b>	<b>\$ 256,730,558</b>
<b>OPERATING EXPENDITURES</b>			
BY PROGRAM			
Instruction	\$ 101,855,676	\$ -	\$ 101,855,676
Academic Support	21,395,194	-	21,395,194
Student Services	20,898,174	-	20,898,174
Public Service/Continuing Education	1,527,540	-	1,527,540
Organized Research	42,211	-	42,211
Auxiliary Services	929,210	-	929,210
Operations and Maintenance	11,020,547	31,377,100	42,397,647
Institutional Support	53,073,649	78,009	53,151,658
Scholarships, Grants, Waivers	7,182,797	-	7,182,797
<b>TOTAL EXPENDITURES</b>	<b>217,924,998</b>	<b>31,455,109</b>	<b>249,380,107</b>
Less Non-Operating Items*			
Transfers to Non-Operating Funds	146,622		146,622
<b>ADJUSTED EXPENDITURES</b>	<b>\$ 218,071,620</b>	<b>\$ 31,455,109</b>	<b>\$ 249,526,729</b>
BY OBJECT			
Salaries	\$ 144,047,960	\$ 14,615,721	\$ 158,663,681
Employee Benefits	21,937,870	1,664,697	23,602,567
Contractual Services	24,839,640	2,251,012	27,090,652
General Materials and Supplies	11,490,859	1,490,084	12,980,943
Professional Development	1,524,746	19,836	1,544,582
Fixed Charges	2,024,638	61,390	2,086,028
Utilities	1,941,419	9,459,890	11,401,309
Capital Outlay	1,622,292	1,892,479	3,514,771
Other	8,495,574	-	8,495,574
<b>TOTAL EXPENDITURES</b>	<b>217,924,998</b>	<b>31,455,109</b>	<b>249,380,107</b>
Less Non-Operating Items*			
Transfers from Non-Operating Funds	146,622		146,622
<b>ADJUSTED EXPENDITURES</b>	<b>\$ 218,071,620</b>	<b>\$ 31,455,109</b>	<b>\$ 249,526,729</b>

\* Enter as negative.

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

**City Colleges of Chicago  
Community College District No. 508  
Restricted Purposes Fund Revenues And Expenditures  
Uniform Financial Statement #4  
Fiscal year ended June 30, 2009**

**REVENUE BY SOURCE:**

TOTAL LOCAL GOVERNMENT	\$ 3,300,611
State Government *	
ICCB - Adult Education	7,059,474
ICCB - Retirees Health Insurance Grant	626,600
Other	<u>20,969,193</u>
TOTAL STATE GOVERNMENT	28,655,267
Federal Government	
Dept. of Education	62,867,863
Other	<u>14,433,621</u>
TOTAL FEDERAL GOVERNMENT	77,301,484
Other Sources	
Other	<u>1,279,124</u>
TOTAL OTHER SOURCES	1,279,124
TOTAL RESTRICTED PURPOSES FUND REVENUES	<u><u>\$ 110,536,486</u></u>

**EXPENDITURES BY PROGRAM \***

Instruction	\$ 10,061,551
Academic Support	7,736,236
Student Services	5,305,947
Public Service/Continuing Education	5,284,434
Organized Research	734,944
Auxiliary Services	250,609
Operations and Maintenance	371,245
Institutional Support	870,934
Scholarships, Grants and Waivers	80,684,427

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES \$ 111,300,327

**EXPENDITURES BY OBJECT \***

Salaries	\$ 20,225,363
Employee Benefits	3,750,341
Contractual Services	3,318,194
Student Financial Aid	79,043,330
General Materials and Supplies	3,380,337
Professional Development	433,470
Fixed Charges	520,182
Utilities	3,054
Capital Outlay	309,109
Other	316,947

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES \$ 111,300,327

\* Excludes SURS contribution of \$19,370,047.

**City Colleges of Chicago**  
**Community College District No. 508**  
**Current Funds \* Expenditures\*\* by Activity**  
**Uniform Financial Statement #5**  
**Fiscal year ended June 30, 2009**

INSTRUCTION	
Instructional Programs	\$ 112,045,144
Total Instruction	<u>112,045,144</u>
ACADEMIC SUPPORT	
Library Center	5,030,657
Instructional Materials Center	321,038
Educational Media Services	62,471
Academic Computing Support	973,133
Academic Administration and Planning	16,929,539
Other	7,899,517
Total Academic Support	<u>31,216,355</u>
STUDENT SERVICES SUPPORT	
Admissions and Records	6,618,754
Counseling and Career Services	3,482,889
Financial Aid Administration	4,079,761
Other	12,022,717
Total Student Services Support	<u>26,204,121</u>
PUBLIC SERVICE/CONTINUING EDUCATION	
Community Education	275,892
Customized Training (Instructional)	894,467
Community Services	3,607,355
Other	4,536,345
Total Public Service/Continuing Education	<u>9,314,059</u>
ORGANIZED RESEARCH	777,155
AUXILIARY SERVICES	1,607,608
OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	20,185,372
Custodial Services	917,072
Grounds	45,116
Campus Security	9,490,418
Transportation	90,079
Utilities	9,024,112
Administration	166,326
Other	3,135,111
Total Operations and Maintenance of Plant	<u>43,053,606</u>
INSTITUTIONAL SUPPORT	
Executive Management	9,957,292
Fiscal Operations	3,086,253
Community Relations	2,325,523
Administrative Support Services	18,604,526
Board of Trustees	114,824
General Institutional	20,261,001
Institutional Research	111,811
Administrative Data Processing	5,701,126
Other	2,103,141
Total Institutional Support	<u>62,265,497</u>
SCHOLARSHIPS, STUDENTS GRANTS, & WAIVERS	<u>87,867,132</u>
TOTAL CURRENT FUNDS EXPENDITURES	<u><u>\$ 374,350,677</u></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 \$19,370,047.



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

**Certification of Chargeback Reimbursement for Fiscal Year 2010**

All fiscal year 2009 non-capital operating expenses from the following funds:

Education Fund	\$ 217,633,889
Operations and Maintenance Fund	31,455,109
Restricted Purposes Fund	111,300,327
Audit Fund	750,000
Liability, Protection and Settlement Fund	<u>7,766,287</u>
TOTAL NON-CAPITAL EXPENDITURES	368,905,612
 PLUS DEPRECIATION FOR EQUIPMENT PAID FROM NONSTATE AND NONFEDERAL MONIES	 3,732,939
 PLUS DEPRECIATION ON BUILDINGS AND FIXED EQUIPMENT PAID FROM NONSTATE AND NONFEDERAL MONIES	 <u>12,381,022</u>
EQUALS TOTAL QUALIFIED EXPENDITURES	385,019,573
 LESS ALL FISCAL YEAR 2009 STATE AND FEDERAL OPERATING GRANTS FOR NON-CAPITAL EXPENDITURES, EXCEPT ICCB GRANTS	 <u>98,956,244</u>
EQUALS ADJUSTED QUALIFIED EXPENDITURES	286,063,329
 DIVIDED BY TOTAL CREDIT HOURS FOR FISCAL YEAR 2009	 <u>1,136,523</u>
EQUALS COST PER SEMESTER CREDIT HOUR	\$ <u>251.70</u>
 LESS DISTRICT'S AVERAGE GRANT RATE FOR FISCAL YEAR 2010	 \$ 51.07
 LESS STUDENT TUITION PER SEMESTER CREDIT HOUR FOR FISCAL YEAR 2010	 <u>79.00</u>
EQUALS CHARGEBACK REIMBURSEMENT RATE PER SEMESTER CREDIT HOUR	\$ <u>121.63</u>

Approved:

  
Kenneth C. Gotsch/Chief Financial Officer

Approved:

  
Deidra Lewis/Interim 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, 2009. 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, the Schedule referred to above 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*

October 22, 2009

**Schedule of Enrollment Data and  
Other Bases On Which Claims are Filed  
For the year ended June 30, 2009**

**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	43,134.0	-	178,315.0	-	187,232.0	-	408,681.0	-
Business Occupational	4,317.5	-	17,613.0	-	19,579.0	-	41,509.5	-
Technical Occupational	8,949.0	-	36,232.0	-	32,726.0	-	77,907.0	-
Health Occupational	6,340.5	-	20,175.0	-	22,001.0	-	48,516.5	-
Remedial/Developmental	8,573.0	-	60,800.0	-	53,415.0	-	122,788.0	-
Adult Basic/Secondary Education	40,926.0	62,206.0	133,528.0	29,093.0	171,368.0	-	345,822.0	91,299.0
<b>Total</b>	<u>112,240.0</u>	<u>62,206.0</u>	<u>446,663.0</u>	<u>29,093.0</u>	<u>486,321.0</u>	<u>-</u>	<u>1,045,224.0</u>	<u>91,299.0</u>

**Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2009**

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	408,681.0	408,681.0	-	-	-	-
Business Occupational	41,509.5	41,509.5	-	-	-	-
Technical Occupational	77,907.0	77,907.0	-	-	-	-
Health Occupational	48,516.5	48,516.5	-	-	-	-
Remedial/Developmental	122,788.0	122,788.0	-	-	-	-
Adult Basic/Secondary Education	345,822.0	345,822.0	-	91,299.0	91,299.0	-
<b>Total</b>	<u>1,045,224.0</u>	<u>1,045,224.0</u>	<u>-</u>	<u>91,299.0</u>	<u>91,299.0</u>	<u>-</u>

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

	<u>Dual Credit</u>	<u>Dual Enrollment</u>
Reimbursable Semester Credit Hours (All Terms)	1,715.0	42.0

**Schedule of Enrollment Data and  
Other Bases On Which Claims are Filed (Continued)  
For the year ended June 30, 2009**

**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)	1,089,346	2,263	1,091,608
District prior year equalized assessed evaluation		\$80,929,580,524	
		<b>Total Credit Hours</b>	<b>Total Credit Hours Certified by ICCB</b>
In-district residents		1,089,346	1,089,346
Out-of-district (chargeback/contractual agreement)		<u>2,263</u>	<u>2,263</u>
Total		<u>1,091,608</u>	<u>1,091,608</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>
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
2003	53,144,460,703

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# State Grant Compliance Section

## 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 College District No. 508 ("City Colleges") as of June 30, 2009, 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 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. An audit also includes 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 provide a reasonable basis for our opinion.

As discussed in Note 2, the financial statements referred to above present only 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 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, 2009, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Grant Programs of City Colleges, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2009, on our consideration of City Colleges' Grant Programs' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements referred to above taken as a whole. The supplementary information included on pages 87 and 89 is presented for the purpose of additional analysis and is not a required part of the 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 financial statements referred to above and, in our opinion, is fairly stated, in all material respects, when considered in relation to the 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.

*Deloitte & Touche LLP*

December 21, 2009

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

We have audited the financial statements 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 College District No. 508 (“City Colleges”) as of June 30, 2009, and for the year then ended, and have issued our report thereon dated December 21, 2009. 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**

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 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 *control deficiency* 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 misstatements on an timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity’s financial statements that is more than inconsequential will not be prevented or detected by the entity’s internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity’s internal control.

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 that might be 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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Colleges' Grant Programs' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions 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.

The image shows a handwritten signature in cursive script that reads "Deloitte & Touche LLP". The signature is written in dark ink on a white background.

December 21, 2009

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# Grant 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, 2009**

<b>Assets</b>	
Cash	<u>\$ 29</u>
<b>Liabilities and Fund balance</b>	
Accounts payable	<u>\$ 29</u>
Total Liabilities	29
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 29</u>

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the year ended June 30, 2009**

<b>Revenue</b>	
State sources	<u>\$ 233,460</u>
<b>Expenditures</b>	
Salaries	\$ 190,889
Employee benefits	42,571
Total expenditures	<u>\$ 233,460</u>
<b>Excess of Revenue over Expenditures</b>	
Fund balance - July 1, 2008	<u>-</u>
Fund balance - June 30, 2009	<u>\$ -</u>

See accompanying notes to grant 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, 2009**

<u>Expenditures</u>	<u>General</u>	<u>Operation of Workforce Development Office</u>	<u>Total</u>
Personnel (Salaries & Benefits)	\$ -	\$ 233,460	\$ 233,460
Totals	<u>\$ -</u>	<u>\$ 233,460</u>	<u>\$ 233,460</u>

See accompanying notes to grant financial statements.

**City Colleges of Chicago  
Community College District No. 508  
Retirees Health Insurance Grant Program  
Balance Sheet  
As of June 30, 2009**

<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, 2009**

<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, 2008	<u>-</u>
Fund Balance - June 30, 2009	\$ <u>          -</u>

See accompanying notes to grant 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, 2009**

	<u>State Basic</u>	<u>Public Aid</u>	<u>Performance</u>	<u>Total</u>
<b>Assets</b>				
Accounts Receivable	\$ 73,689	\$ 110,766	\$ 200,881	\$ 385,336
Total Assets	<u>\$ 73,689</u>	<u>\$ 110,766</u>	<u>\$ 200,881</u>	<u>\$ 385,336</u>
<b>Liabilities and Fund balance</b>				
Accounts payable	\$ 37,794	\$ 55,918	\$ 25,458	\$ 119,170
Accrued expenditures	35,895	54,848	175,423	266,166
Total Liabilities	73,689	110,766	200,881	385,336
<b>Fund balance</b>				
Total Liabilities and Fund Balance	<u>\$ 73,689</u>	<u>\$ 110,766</u>	<u>\$ 200,881</u>	<u>\$ 385,336</u>

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the year ended June 30, 2009**

	<u>State Basic</u>	<u>Public Aid</u>	<u>Performance</u>	<u>Total</u>
<b>Revenue</b>				
State sources	<u>\$ 3,128,869</u>	<u>\$ 2,715,728</u>	<u>\$ 1,214,877</u>	<u>\$ 7,059,474</u>
<b>Expenditures by program</b>				
Instruction	\$ 1,922,787	\$ 1,377,453	\$ 147,820	\$ 3,448,060
Social Work Services	539,058	634,270	189,910	1,363,238
Guidance Services	70,499	84,110	27,040	181,649
Assessment and Testing	188,501	262,206	77,088	527,795
Student Transportation Services	-	-	6,288	6,288
Literacy Services	<u>57,000</u>	<u>-</u>	<u>57,000</u>	<u>114,000</u>
Subtotal Instructional and Student Services	2,777,845	2,358,039	505,146	5,641,030
<b>PROGRAM SUPPORT</b>				
Improvement of Instructional Services	5,237	59,325	422,944	487,506
General Administration	176,665	140,723	145,496	462,884
Operation & Maintenance of Plant Services	60,680	71,569	46,207	178,456
Workforce Coordination	7,162	7,104	-	14,266
Data and Information Services	<u>101,280</u>	<u>78,968</u>	<u>95,084</u>	<u>275,332</u>
Subtotal Program Support	351,024	357,689	709,731	1,418,444
Total Costs	<u>\$ 3,128,869</u>	<u>\$ 2,715,728</u>	<u>\$ 1,214,877</u>	<u>\$ 7,059,474</u>
<b>Excess of Revenue over Expenditures</b>	\$ -	\$ -	\$ -	\$ -
Fund Balance - July 1, 2008	-	-	-	-
Fund Balance - June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to grant 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, 2009**

	<u>Expenditure Amount</u>	<u>Allowed Expenditure Percentage</u>	<u>Actual Expenditure Percentage</u>
<b>State Basic</b>			
Instruction	\$ 1,922,787	Minimum 45%	61.5%
General Administration	\$ 176,665	Maximum 9%	5.6%
<b>State Public Assistance</b>			
Instruction	\$ 1,377,453	Minimum 45%	50.7%
General Administration	\$ 140,723	Maximum 9%	5.2%
<b>State Performance</b>			
General Administration	\$ 145,496	N/A	12.0%

See accompanying notes to grant financial statements.

**City Colleges of Chicago  
Community College District No. 508  
Early School Leavers Grant Program  
Balance Sheet  
As of June 30, 2009**

<b>Assets</b>	
Cash	<u>\$ 4,435</u>
 <b>Liabilities and fund balance</b>	
Accounts payable	\$ 1,798
Accrued payroll	<u>2,637</u>
Total liabilities	4,435
 Total fund balance	 <u>-</u>
Total liabilities and fund balance	<u>\$ 4,435</u>

**Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the year ended June 30, 2009**

<b>Revenue</b>	
State sources	<u>\$ 169,742</u>
 <b>Expenditures</b>	
Salaries	\$ 101,750
Benefits	30,724
Conference and meeting expenses	4,338
General materials	<u>32,930</u>
TOTAL EXPENDITURES	<u>\$ 169,742</u>
 <b>Excess of Revenue over Expenditures</b>	 \$ -
Fund Balance - July 1, 2008	<u>-</u>
Fund Balance - June 30, 2009	<u>\$ -</u>

See accompanying notes to grant financial statements.

**City Colleges of Chicago  
Community College District No. 508  
Career and Technical Education - Program Improvement  
Balance Sheet  
As of June 30, 2009**

<b>Assets</b>	
Cash	<u>\$ 21,047</u>
<b>Liabilities and Fund Balance</b>	
Accounts payable	<u>21,047</u>
Total Liabilities	21,047
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 21,047</u>

**Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the year ended June 30, 2009**

<b>Revenue</b>	
State sources	<u>\$116,909</u>
<b>Expenditures</b>	
Salaries	5,775
Employee benefits	0
Contractual services	5,010
Materials and supplies	86,608
Conference and meeting expenses	<u>19,516</u>
Total Expenditures	<u>\$116,909</u>
<b>Excess of Revenue Over (Under) Expenditures</b>	-
Fund Balance - July 1, 2008	<u>-</u>
Fund Balance - June 30, 2009	<u>\$ -</u>

See accompanying notes to grant financial statements.



# Notes to Grant Financial Statements

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

**Notes to Grant Financial Statements  
June 30, 2009**

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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 Financial Statements  
June 30, 2009**

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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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Reporting**

These 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 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 totaling \$100 or more shall be returned to ICCB by October 15 following the end of the fiscal year. Unexpended funds totaling less than \$100 need not be returned to ICCB provided the funds are spent in the next fiscal year and for the restricted grant purpose. Grant monies not used in accordance with these criteria regardless of the amount shall be returned to ICCB by October 15 following the end of the fiscal year. The Workforce Development 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  
Community College District No. 508**

**Notes to Grant Financial Statements  
June 30, 2009**

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

These 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 Student Success 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 City Colleges of Chicago cash for the Workforce Development Component, Retirees Health Insurance, the State Adult Education and Family Literacy, Early School Leavers, and the Career and Educational grant programs is pooled.

**C. Capital outlay**

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

**D. Uses of Estimates**

The preparation of the 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.

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Please contact us if you would like additional copies of this report.

Comprehensive Annual Financial Report for the year ended June 30, 2009:  
<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](http://www.ccc.edu).