

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531

Ullin, Illinois

Comprehensive Annual Financial Report

For the Year Ended

June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Shawnee Community College
Community College District #531
Ullin, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Shawnee Community College, Community College District #531 (the College) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Disclaimer of Opinion on the Financial Reporting Entity

The financial statements of the financial reporting entity include the College, which is the primary government, and its discretely presented component unit, the Shawnee Community College Foundation (the Foundation). The Foundation's financial statements have not been audited, and we were not engaged to audit the Foundation's financial statements as part of our audit of the College's basic financial statements.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the Financial Reporting Entity" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the financial reporting entity that includes the College and the Foundation.

Unmodified Opinion

In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the respective financial position of the College as of June 30, 2015, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pages 4 through 8 and the Schedule of Proportionate Share of Net Pension Liability – SURS and Schedule of Contributions – SURS on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the College as of and for the year ended June 30, 2015. The combining financial statements and other data in Schedules 1 through 16 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The uniform financial statements in Schedules 17 through 21 and the certificate of chargeback reimbursement (Schedule 22) are presented for purposes of additional analysis as required by the Illinois Community College Board and are also not a required part of the basic financial statements. The accompanying Schedules 34 through 36, including the Schedule of Expenditures of Federal Awards, are presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are also not a required part of the basic financial statements. As described in Note 14, Schedules 1 through 3, Schedules 6 through 9, Schedules 11 through 13, Schedule 17, and Schedules 19 through 21 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities. Information on Schedules 1 through 22, except Schedule 16, and Schedules 34 through 36 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except for differences between GAAP for a special-purpose government engaged only in business-type activities and the modified accrual basis of accounting used for the schedules noted above.

Schedule 16 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on Schedule 16.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 08, 2015, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
October 08, 2015

**SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

This section of Shawnee Community College's (the College) Financial Statements represents management's discussion and analysis of the College's financial activity during the fiscal year ended June 30, 2015. Since this discussion and analysis is designed to focus on current activities and currently known facts, please read it in conjunction with the basic financial statements and footnotes (pages 9-27). Responsibility for the completeness and fairness of this information rests with the College.

Using this Annual Report

The financial statements focus on the College as a whole. The College's basic financial statements are designed to resemble corporate financial statements whereby all College activities are consolidated into one total. The Statement of Net Position is to be considered bottom line results for the College. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The Statement of Revenues, Expenses and Changes in Net Position focuses on the gross and net costs of College activities. These activities are supported by property taxes, state and federal revenues, tuition and other revenues. This approach is intended to summarize and simplify the user's evaluation of the cost of various College services to students and the public.

Financial Highlights

As of June 30, 2015, the College's Net Position was \$34 million, an increase of \$1.6 million over the prior year's Net Position of \$32.4 million. The increase is a result of steady revenues and lower expenses as a result of tighter budgetary controls over expenditures.

The largest concern in the district is the current delay in state payments. The College's largest revenue source is the state of Illinois, and the delayed state payments significantly affect cash flow at the institution. The Board of Trustees and College administration implemented expenditure reductions and generated new revenue where possible but will still be affected by these delayed state payments.

There are currently no other known facts, decisions or conditions which will have a significant effect on the financial position (Net Positions) or results of operation (revenues, expenses and changes in Net Positions).

Financial Analysis of the College as a Whole

This following tables are prepared from the College's Statement of Net Position (page 9), which is presented on the accrual basis of accounting whereby capital assets are capitalized and depreciated, and Statement of Revenues, Expenses, and Changes in Net Position.

Statements of Net Position
As of June 30
(in millions)

	<u>2015</u>	<u>2014</u>
Current Assets	\$ 20.7	\$ 21.4
Non-Current Assets		
Land	0.1	0.1
Capital Assets, Net of Depreciation	<u>20.6</u>	<u>21.1</u>
Total Assets	<u>41.4</u>	<u>42.6</u>
Deferred Outflows	<u>0.1</u>	<u>0.0</u>
Current Liabilities	2.7	4.0
Long Term Liabilities	<u>4.8</u>	<u>6.2</u>
Total Liabilities	<u>7.5</u>	<u>10.2</u>
Net Position		
Net Investment in Capital Assets	16.9	16.1
Restricted for:		
Expendable Trust	5.0	5.0
Capital Projects	1.0	0.8
Debt Service	0.8	0.8
Other	1.0	0.8
Unrestricted	<u>9.2</u>	<u>8.9</u>
Total Net Position	<u>\$ 34.0</u>	<u>\$ 32.4</u>

Operating expenses, excluding on-behalf payments, for the College over the fiscal year ending June 30, 2015 were \$17,038,941 compared to \$16,852,730 for the previous year.

Operating Expenses
As of June 30
(in millions)

	<u>2015</u>	<u>2014</u>
Instruction	\$ 5.5	\$ 5.5
Academic Support	0.3	0.3
Student Services	1.6	1.5
Public Services	0.5	0.6
Operation and Maintenance of Plant	1.2	1.3
Institutional Support	2.6	2.4
Scholarships	3.4	3.5
Auxiliary Enterprise	1.2	1.1
Depreciation	<u>0.7</u>	<u>0.7</u>
Total Operating Expenditures	<u>\$ 17.0</u>	<u>\$ 16.9</u>

The operating revenue for fiscal year 2015 was \$3,611,722 compared to \$3,911,785 for 2014. Non-operating revenues (expenses) for fiscal year 2015, excluding on-behalf revenue, were \$15,039,778 compared to \$15,215,939 for 2014.

Operating Results
For the Year Ended June 30
(in millions)

	<u>2015</u>	<u>2014</u>
Operating Revenues		
Tuition and Fees	\$ 2.4	\$ 2.6
Auxiliary Enterprise Revenues	.8	.8
Other	<u>0.4</u>	<u>0.5</u>
Total Operating Revenues	<u>3.6</u>	<u>3.9</u>
Non-Operating Revenue (Expenses)		
Local Property Taxes	5.0	4.4
Federal Grants and Contracts	4.3	4.3
State Grants and Contracts	5.9	6.9
Investment Income	0.1	0.1
Investment Expense	<u>(0.3)</u>	<u>(0.4)</u>
Total Non-Operating Revenues (Expenses)	<u>15.0</u>	<u>15.3</u>
Total Revenues	18.6	19.2
Operating Expenses	<u>17.0</u>	<u>16.9</u>
Increase (Decrease) in Net Position	1.6	2.3
Net Position, Beginning of Year	<u>32.4</u>	<u>30.1</u>
Net Position, End of Year	<u>\$ 34.0</u>	<u>\$ 32.4</u>

Significant Transactions and Changes in Individual Funds

The operating funds balance, as represented by both the education and the operations and maintenance funds, experienced an increase of \$439,504 in 2015. Individually, the education fund balance increased by \$264,353, and the operations and maintenance fund balance increased by \$175,151.

The liability, protection and settlement fund balance increased in 2015 by \$220,128 bringing that fund balance to a surplus of \$954,410 versus a surplus of \$734,282 in the prior year. Local property taxes are the only source of revenues. The fund balance increase was due to a decrease in expenses charged to this fund during the year and a \$40,000 increase in revenue.

The bond and interest fund was started in 2007. This fund ended fiscal year 2015 with an increase in fund balance of \$3,022. This increase is due to the current year's bond payments being less than the local property taxes collected. The remaining fund balance of \$823,102 will be used to make future bond payments.

The capital projects fund balance increased by \$136,636. This increase is due to the current year expenditures pertaining to capital projects being less than the local property taxes collected. The remaining fund balance of \$961,079 will be used for future capital expenditures.

Capital Asset Administration

At the end of fiscal year 2015, the College had \$20.7 million invested in a broad range of capital assets (see table below). This amount represents a net decrease (including additions and depreciation) of \$.5 million. Total capital additions were approximately \$75,000 which is normal for a given year. More detailed information about capital assets can be found in Note 5 to the Basic Financial Statements.

Capital Assets As of June 30 (Net of Depreciation in Millions)

	2015	2014
Land	\$ 0.1	\$ 0.1
Land Improvements	0.0	0.0
Buildings	20.2	20.8
Equipment	0.2	0.2
Computer Equipment	0.1	0.1
Vehicles	0.1	0.0
Auxiliary Equipment	0.0	0.0
Total	<u>\$ 20.7</u>	<u>\$ 21.2</u>

Long-Term Debt Activity

The College's long-term debt decreased during 2015 from \$7.6 million to \$6.2 million. The bonds payable decreased \$1.4 million during the year. The decrease in bond obligations was due to the annual bond principal payments made during the fiscal year. More detailed information about long-term debt can be found in Note 8 to the Basic Financial Statements.

Economic Factors That Will Affect the Future

For fiscal year 2016, the College's Board of Trustees has authorized a tuition increase of \$4.00 - \$24.00 per credit hour depending on a student's residency status. The Board also established a technology fee of \$3 per credit hour. This equates to a reasonable increase in tuition and fee revenues assuming the residency mix stays constant for the upcoming fiscal year. The College hopes that the ICCB State funding as well as Corporate Personal Property Replacement Tax revenues remain stable.

The College continues to face the financial consequences of a poor economy. This includes the rising cost of quality personnel and health care. These costs may increase at rates previously unexpected due to a variety of State and Federal legislation. This includes potential SURS pension cost being passed on to the College, and the economic impact of the Federal health care reform legislation. The College will continue to be proactive in monitoring these areas which make up the bulk of its operating budget. The College's current health plans are being evaluated.

The College is currently working with consultants to determine the required actions of the College in the short and long term. The College's Administration and its Board continue to monitor other major factors related to its financial state including student enrollment and State funding.

The College's current student information system uses "green screens" which are very out dated. The current system has limited functionality and does not support data driven decision making. Shawnee is in need of a system that is much more effective and efficient for the employees and the students. During FY2015, the College researched vendors who could assist with a major upgrade of the college's student information system. The College has worked hard to reserve fund balance money to be able to pay for this type of an upgrade without issuing any bonds. The new vendor will be selected in early FY2016 and reserved funds will be spent for this project in that fiscal year.

Shawnee will continue capital improvements in its grounds and facilities. This includes ongoing annual protection, health and safety projects.

The College's approved operating budget for fiscal year 2016 is \$15.6 million. The total College budget is \$24.3 million.

The College received its 10 year accreditation from the Higher Learning Commission in early 2015.

Other than the above, the College is not aware of any currently known facts, decisions, or conditions that are expected to have significant effect on the financial position or results of operations during the new fiscal year.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531

Statement of Net Position

June 30, 2015

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

Unrestricted:

Cash and Cash Equivalents	\$ 6,916,175
Investments	2,500,000

Receivables:

Property Taxes	521,790
Replacement Taxes	86,647
Student Tuition and Fees, Net of Allowance of \$109,437	266,931
Governmental Grants and Contracts	1,726,796
Prepaid Expenses	103,860
Inventories	437,055

Restricted:

Cash and Cash Equivalents	4,604,330
Investments	2,500,000

Receivables:

Property Taxes	838,207
Governmental Grants and Contracts	197,716

Total Current Assets	20,699,507
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Property and Equipment, Net

20,667,110

Total Assets	41,366,617
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Deferred Outflows of Resources

Pension Related Deferred Outflows	52,110
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Total Assets and Deferred Outflows of Resources	\$ 41,418,727
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LIABILITIES AND NET POSITION

Current Liabilities

Accounts Payable	\$ 226,838
Accrued Liabilities	473,367
Due to Student Groups	169,237
Unearned Revenue	308,886
Current Portion of Bonds Payable	1,470,000
Total Current Liabilities	2,648,328

Long-Term Liabilities

Bonds Payable, Net of Current Portion	4,760,000
Total Liabilities	7,408,328

Net Position

Net Investment in Capital Assets	16,937,110
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Restricted for:

Expendable Trust	5,030,178
Capital Projects	961,079
Debt Service	823,102
Other	1,019,586

Unrestricted	9,239,344
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Total Net Position	34,010,399
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Total Liabilities and Net Position	\$ 41,418,727
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See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2015

Operating Revenues

Student Tuition and Fees, Net of Scholarship	
Allowance of \$2,236,646	\$ 2,364,480
Auxiliary Enterprises Revenue	829,793
Other Operating Revenues	417,449
Total Operating Revenues	<u>3,611,722</u>

Operating Expenses

Instruction	5,513,266
Academic Support	293,497
Student Services	1,627,702
Public Service	549,567
Auxiliary Expenses	1,197,326
Operation and Maintenance of Plant	1,210,706
Grants and Scholarships	3,362,910
Institutional Support	2,623,690
On-Behalf Payments	2,958,448
Depreciation	660,277
Total Operating Expenses	<u>19,997,389</u>

Operating Income (Loss)	<u>(16,385,667)</u>
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Non-Operating Revenues (Expenses)

State Grants and Contracts	6,503,602
Local Property Tax Revenues	4,501,007
Federal Grants and Contracts	4,284,694
On-Behalf Payments	2,958,448
Investment Income Earned	51,169
Interest Expense	(300,694)
Total Non-Operating Revenues (Expenses)	<u>17,998,226</u>

Increase (Decrease) in Net Position	1,612,559
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Net Position, Beginning of Year	<u>32,397,840</u>
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Net Position, End of Year	<u><u>\$ 34,010,399</u></u>
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See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Cash Flows
For the Year Ended June 30, 2015

Cash Flows from Operating Activities

Student Tuition and Fees	\$ 2,189,261
Payments to Suppliers	(4,140,800)
Payments to Employees and Benefits Paid	(9,012,568)
Payments for Financial Aid and Scholarships	(3,362,910)
Auxiliary Enterprise Charges	829,793
Other Receipts	417,449
	<hr/>

Net Cash Provided by (Used in) Operating Activities (13,079,775)

Cash Flows from Non-Capital Financing Activities

Local Property Taxes	4,500,667
State Grants and Contracts	6,920,013
Federal Grants and Contracts	4,437,683
	<hr/>

Net Cash Provided by (Used in) Non-Capital Financing Activities 15,858,363

Cash Flows from Capital and Related Financing Activities

Principal Paid on Bonds	(1,395,000)
Interest Paid on Bonds	(304,223)
Purchase of Capital Assets	(74,723)
	<hr/>

Net Cash Provided by (Used in)
Capital and Related Financing Activities (1,773,946)

Cash Flows from Investing Activities

Purchases of Investments	(5,000,000)
Interest on Investments	51,169
	<hr/>

Net Cash Provided by (Used in) Investing Activities (4,948,831)

Net Increase (Decrease) in Cash and Cash Equivalents (3,944,189)

Cash and Cash Equivalents, Beginning of Year 15,464,694

Cash and Cash Equivalents, End of Year \$ 11,520,505

On the Statement of Net Position as:

Unrestricted - Cash and Cash Equivalents	\$ 6,916,175
Restricted - Cash and Cash Equivalents	4,604,330
	<hr/>

Cash and Cash Equivalents, End of Year \$ 11,520,505

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531

Statement of Cash Flows
For the Year Ended June 30, 2015

**Reconciliation of Operating Income (Loss) to Net Cash Provided by
(Used in) Operating Activities**

Operating Income (Loss)	\$ (16,385,667)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	660,277
On-Behalf Payments	2,958,448
Changes in Assets, Deferred Outflows, and Liabilities:	
Student Tuition and Fees Receivables	1,173,614
Inventories	(31,831)
Prepaid Expenses	(2,671)
Pension Related Deferred Outflows	(52,110)
Accounts Payable	(79,117)
Accrued Liabilities	16,938
Due to Student Groups	11,177
Unearned Revenue	<u>(1,348,833)</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (13,079,775)</u></u>

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to Basic Financial Statements
June 30, 2015

Shawnee Community College, Community College District #531 (the College) is a governmental unit that provides post-secondary school education and vocational training for six counties in Southern Illinois. The summary of accounting policies is presented to assist you in understanding the College's financial statements.

1. Reporting Entity

The accompanying financial statements include all entities for which the Board of Trustees of the District has financial accountability. Financial accountability is defined by GASB and below:

The College is a community college governed by an elected eight-member Board of Trustees. The College's district includes the counties of Alexander, Jackson, Johnson, Massac, Pulaski, and Union. The College's mission is to provide affordable vocational, technical, and academic education.

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements should present the financial reporting entity of the College, which consists of the College (the primary government of the reporting entity) and Shawnee Community College Foundation (the Foundation), a discretely presented component unit of the College. The Foundation is a discretely presented component unit because the resources received and held by the Foundation are entirely for the direct benefit of the College and those resources are significant to the College. The Foundation is not included in the accompanying basic financial statements; thus, resulting in a disclaimer of an auditor's opinion on the financial reporting entity.

2. Basis of Accounting and Significant Accounting Policies

- a. The financial statements of the College are prepared in accordance with GAAP. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 55, *The Hierarchy of GAAP for State and Local Governments*.
- b. For the year ended June 30, 2015, the College implemented GASB Statement Number 68, *Accounting and Financial Reporting for Pensions*. The adoption of this standard did not cause the College to record a prior period adjustment. The College has disclosed pension information in this fiscal year based on the requirements of GASB Statement Number 68.
- c. For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual

basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Non-exchange transactions, in which the College 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 grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and, expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

- d. Cash includes deposits held at banks and small amounts of cash held for change funds. Cash equivalents include deposits held in the Illinois Funds Money Market Fund.
- e. Cash and cash equivalents that are subject to certain limitations as to their uses are reported as restricted. These amounts include property taxes received for specific purposes, grant funds, bond proceeds for capital projects and amounts held by the College as an agent for student organizations.
- f. Investments consist of certificates of deposit with maturities greater than three months. These certificates of deposit are carried at cost.
- g. Student tuition and fees receivables include uncollateralized student obligations, which generally require payment by the first day of classes. These receivable are stated at the invoice amount.

Student balances unpaid at the middle of the term are considered delinquent. Collection costs may be applied to account balances still outstanding 30 days following the end of the semester. Payments of accounts receivable are applied to the specific invoices identified on the students' remittance advice or, if unspecified, to the earliest unpaid invoices.

The carrying amount of student tuition and fees receivables is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of accounts based on the aging of the accounts receivable by semesters. If the actual defaults are higher than the historical experience, management's estimates of recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. The total allowance as of June 30, 2015, was \$109,437.

Receivables also include outstanding balances from property and replacement taxes, federal and state funding sources, and other miscellaneous items. No allowance has been provided for these receivables, as management believes these are fully collectible based on past experience with these funding sources.

- h. Inventories are stated at the lower of average cost or market. Cost is determined on a first-in, first-out (FIFO) basis. Inventories consist of food supplies, textbooks, college apparel, and school supplies.
- i. Capital assets include property, plant equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation is computed by the straight-line method over the estimated lives as follows:

Land Improvements	10 Years
Buildings	50 Years
Equipment	7 Years
Vehicles	5 Years
Computer Technology Equipment	5 Years

- j. The financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The College has one item that qualifies for reporting in this category. This item, deferred outflows, is reported in the Statement of Net Position. The pension related deferred outflow item is the amount of contributions made by the College to the State Universities Retirement System (SURS or the System) for retirement benefits on grant funded salaries during the year ended June 30, 2015. These contributions occurred after the SURS measurement date of June 30, 2014 for the net pension liability and will be included in the net pension liability measurement at June 30, 2015, and pension expense in fiscal year 2016.

The financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College has no item that qualifies for reporting in this category at June 30, 2015.

- k. Accrued liabilities include accrued vacation, which is accumulated unused vacation days up to a maximum of 20 days that employees are allowed to accumulate. Those days are guaranteed to be paid to employees upon termination of employment. The rate of accrued compensated absence is calculated based on the employee's equivalent hourly rate as of Statement of Net Position date.
- l. Unearned revenue includes amounts received which represent payments for services to be provided in future periods for which asset recognition criteria has been met, but for which revenue recognition criteria have not been met. These amounts consist of unexpended grant funds and tuition and fee charges for a portion of the in progress Summer semester and all of the upcoming Fall semester. The tuition and fee charges are prorated according to the timing of the semester.

m. The College's net position is classified as follows:

- Net Investment in Capital Assets – This represents the College's total investment in capital assets net of accumulated depreciation and related debt that has been used as of the statement of net position date to finance capital additions.
- Restricted Net Position – This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or enabling legislation.
- Unrestricted Net Position – This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources may be used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

When both restricted and unrestricted resources are available to finance expenses for which restricted resources exist, it is the College's policy to first apply restricted resources to such expenses.

- n. Operating revenues include all activities that have the characteristics of exchange transactions, such as student tuition and fees, and sales and services of auxiliary enterprises, net of scholarship discounts and allowances. All other revenues are considered non-operating.
- o. The College's property taxes are levied each calendar year on all taxable real estate located in the District. The District's boundaries overlap six counties with each serving as a local taxing authority for the College. Property taxes are recorded on an accrual basis of accounting. Pursuant to Board of Trustee's resolutions, property tax levies passed in December 2013 and 2014, were allocated 70 percent and 30 percent, respectively, for fiscal year 2015. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1 of the levy year. Collection dates vary according to the schedules of the individual counties with disbursements to the District normally made within 30 days of collection. Act 89-1 placed limitations on the annual growth of most local governments' property tax collections. Currently, the limitation is 5 percent, or the rate of inflation, whichever is less.

The following are the statutory maximum tax rates permitted and the actual rates levied per \$100 of assessed valuation:

	Maximum Rate	Actual Rate	
		2014 Levy Payable 2015	2013 Levy Payable 2014
Education	.20000	.19850	.20000
Building	.10000	.10000	.10000
Tort Immunity	Unlimited	.11663	.11917
Social Security	Unlimited	.02068	.02111
Audit	.0050	.00500	.00500
Health and Safety	.05000	.04291	.04375
Bond and Interest	Unlimited	.29415	.29699
		<u>.77787</u>	<u>.78602</u>

- p. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of SURS and additions to/deduction from SURS' plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

- q. Although the College adopts an expanded operational budget, the budget legally required by the Illinois Community College Board contains only a statement of cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such year.
- r. The preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

3. Over Expenditure of Legal Budgets

The College overexpended its legally adopted budget for the following fund in fiscal year 2015.

- The Restricted Purpose Fund was overexpended by \$196,356. The overexpenditure was due to a capital outlay and an approved carryover of funds from the fiscal year 2014 Student Support Service budget and additional grants awarded to the College that were not included in the original Board approved budget.

4. Deposits and Investments

The College is authorized to invest in instruments outlined under Chapter 30, Section 235 of the Illinois Compiled Statutes. Such instruments include: direct obligations of federally insured banks and savings and loan associations; insured obligations of Illinois credit unions; securities issued or guaranteed by the U.S. Government; money market mutual funds investing only in U.S. Government based securities; commercial paper of U.S. corporations with assets over \$500 million; short-term obligations as defined in the Public Fund Investment Act; and the investment pools managed by the State Treasurer of Illinois.

Investments

At June 30, 2015, the College held the following investments:

Certificates of Deposit	
Non-Negotiable	\$ 4,254,341
Negotiable	745,659
Total Investments	<u>\$ 5,000,000</u>

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College's investment policy requires that funds on deposit in excess of federal deposit insurance limits must be secured by collateral pledged by the financial institution. At June 30, 2015, \$7,005,385 of the College's \$11,009,504 bank balance, including certificates of deposits, was exposed to custodial credit risk. The assets exposed to custodial credit risk were fully collateralized by securities pledged by the depository banks, but such securities are not held in the name of the College.

Credit Risk and Interest Rate Risk – External Investment Pools

At June 30, 2015, the College held \$5,835,333 in the Illinois Funds Money Market Fund. The fair value of the College's position in this fund is equal to the value of the College's fund shares. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private rating agencies. The portfolio has an AAAM rating from Standard and Poor's. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States. Assets of the fund that are not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year.

Interest Rate Risk – Investments

Interest rate risk is the risk that a change in the market rate of interest for a category of debt securities will negatively impact the market value of a debt security. Interest rate risk is not directly addressed by the College's investment policy except for the general goal to "remain sufficiently liquid to meet the College's reasonably anticipated operating requirements".

At June 30, 2015, the District held the following investments subject to interest rate risk:

	<u>Carrying Value</u>	<u>Weighted Average Maturity (Years)</u>
Negotiable Certificates of Deposit	\$ 745,659	2.37

5. Property and Equipment, Net

The following is a summary of changes in property and equipment for the year ended June 30, 2015:

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2015</u>
Assets Not Being Depreciated:				
Land	\$ 89,166	\$ -	\$ -	\$ 89,166
Assets Being Depreciated:				
Land Improvements	116,529	-	-	116,529
Buildings	28,299,884	-	-	28,299,884
Equipment	930,348	18,419	-	948,767
Vehicles	462,263	45,063	-	507,326
Computer Technology Equipment	584,133	11,241	-	595,374
Total Property and Equipment	<u>30,482,323</u>	<u>74,723</u>	<u>-</u>	<u>30,557,046</u>
Less: Accumulated Depreciation				
Land Improvements	(105,206)	(5,403)	-	(110,609)
Buildings	(7,490,592)	(565,998)	-	(8,056,590)
Equipment	(722,108)	(51,284)	-	(773,392)
Vehicles	(416,141)	(12,481)	-	(428,622)
Computer Technology Equipment	(495,612)	(25,111)	-	(520,723)
Total Accumulated Depreciation	<u>(9,229,659)</u>	<u>(660,277)</u>	<u>-</u>	<u>(9,889,936)</u>
Property and Equipment, Net	<u>\$ 21,252,664</u>	<u>\$ (585,554)</u>	<u>\$ -</u>	<u>\$ 20,667,110</u>

6. Accrued Liabilities

Accrued liabilities consist of the following at June 30, 2015:

Accrued Wages	\$ 297,360
Accrued Vacation	153,191
Accrued Interest	22,816
Total Accrued Liabilities	<u>\$ 473,367</u>

7. Unearned Revenue

Unearned revenue consists of the following at June 30, 2015:

Unearned Student Tuition	\$ 216,269
Unearned Student Fees	72,144
Other Unearned Revenue	20,473
Total Unearned Revenue	<u>\$ 308,886</u>

8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

	June 30, 2014	Additions	Retired	June 30, 2015	Due Within One Year
2009 Series B Bond	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ 100,000
2010 Bond	3,935,000	-	895,000	3,040,000	830,000
2010 Series A Bond	940,000	-	500,000	440,000	440,000
2011 Series B Bond	2,500,000	-	-	2,500,000	100,000
Total Long-Term Debt	<u>\$ 7,625,000</u>	<u>\$ -</u>	<u>\$ 1,395,000</u>	<u>\$ 6,230,000</u>	<u>\$ 1,470,000</u>

The College issued 2009B general obligation community college bonds in December 2009. Principal payments are made annually beginning December 1, 2010 and run through December 1, 2016. Interest rates on the bonds range from 4.10 percent to 4.20 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2010.

The College issued 2010 general obligation community college bonds in January 2010. Principal payments are made annually beginning December 1, 2010, and run through December 1, 2018. Interest rates on the bonds range from 3.70 percent to 3.95 percent. Interest is payable semiannually on June 1 and December 1 beginning June 1, 2010.

The College issued 2010A general obligation community college bonds in December 2010. Principal payments are made annually beginning December 1, 2011, and run through December 1, 2015. Interest rates on the bonds range from 4.40 percent to 4.75 percent. Interest is payable semiannually on June 1 and December 1 beginning June 1, 2011.

The College issued 2011B general obligation community college bonds in May 2011. Principal payments are made annually beginning December 1, 2011, and run through December 1, 2018. Interest rates on the bonds range from 3.60 percent to 5.50 percent. Interest is payable semiannually on June 1 and December 1 beginning June 1, 2011.

Maturities of the bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2016	\$ 1,470,000	\$ 243,878	\$ 1,713,878
2017	1,525,000	185,325	1,710,325
2018	1,595,000	120,420	1,715,420
2019	1,640,000	42,078	1,682,078
	<u>\$ 6,230,000</u>	<u>\$ 591,701</u>	<u>\$ 6,821,701</u>

9. Lease Commitments

The College is obligated under two non-cancellable operating leases for office building, classroom and activity space, with terms running through June 2016 and February 2018, respectively. An operating lease does not give rise to property rights or purchase obligations; therefore these lease agreements are not reflected in the College's property and equipment.

Future minimum lease payments under these operating leases are as follows:

Fiscal Year Ending June 30,	
2016	\$ 85,200
2017	63,960
2018	42,640
Total	<u>\$ 191,800</u>

Total rental expense for the leased facilities above and other short-term leases for the year ending June 30, 2015 was \$87,745.

10. Pension Plan

Plan Description

The College contributes to SURS, a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2014, can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions

The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90 percent of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The College's normal cost for fiscal year 2015 was 11.71 percent of employee payroll. The normal cost is equal to the value of the current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0 percent of their annual covered salary. The contribution requirements of plan members and the College are established and may be amended by the Illinois General Assembly.

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

Net Pension Liability

At June 30, 2014, SURS reported a net pension liability (NPL) of \$21,790,983,139. The net pension liability was measured as of June 30, 2013.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the State of Illinois' net pension liability associated with the College is \$38,542,019 or 0.1769 percent. This amount should not be recognized in the financial statements. The net pension liability was measured as of June 30, 2014, and the total pension used to calculate the net pension liability was determined based on the June 30,

2013, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2014.

Pension Expense

At June 30, 2014 SURS reported a collective net pension expense of \$1,650,338,263.

Employer Proportionate Share of Pension Expense

The College's proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2014. As a result, the College recognized on-behalf revenue and pension expense of \$2,918,977 for the fiscal year ended June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Deferred Outflows of Resources are the consumption of net position by the system that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumption	88,940,815	-
Net difference between projected and actual earnings on pension plan investments	-	1,271,105,952
Total	\$88,940,815	\$1,271,105,952

Employer Deferral of Fiscal Year 2015 Pension Expense

The College paid \$52,110 in federal, trust or grant contributions for the fiscal year ended June 30, 2015. These contributions were made subsequent to the pension liability measurement date of June 30, 2014, and are recognized as Deferred Outflows of Resources as of June 30, 2015.

Assumptions and Other Inputs

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period June 30, 2006 – 2010 and an economic study completed June 2014. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.75 percent
Salary increases 3.75 to 12.00 percent, including inflation
Investment rate of return 7.25 percent beginning with the actuarial valuation as of June 30, 2014

Mortality rates were based on the RP2000 Combined Mortality Table, projected with Scale AA to 2017, sex-distinct, with rates multiplied by 0.80 for males and 0.85 for females.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2014, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	31%	7.65%
Private Equity	6%	8.65%
Non-U.S. Equity	21%	7.85%
Global Equity	8%	7.90%
Fixed Income	19%	2.50%
Treasury-Inflation Protected Securities	4%	2.30%
Real Estate	6%	6.20%
REITS	4%	6.20%
Opportunity Fund	1%	2.50%
Total	100%	5.00%
Inflation		2.75%
Expected Geometrical Normal Return		7.75%

Discount Rate

A single discount rate of 7.09 percent was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 4.29 percent (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2065. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2065, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate

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

1% Decrease 6.09%	Current Single Discount Rate Assumption 7.09%	1% Increase 8.09%
\$26,583,701,134	\$21,790,983,139	\$17,796,570,836

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at www.SURS.org.

The College provides no other financially significant postemployment benefits to employees.

11. Other Risk Management Issues

The College is exposed to various risks of loss due to torts, theft, or damage to assets, errors and omissions, and natural disasters. The College purchases commercial insurance for these risks. There has been no significant reduction in coverage over the past two years and settlements have not exceeded insurance coverage in any of the past three years.

The District is insured under a retrospectively-rated policy for workers' compensation coverage whereas the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the current fiscal year, there were no significant adjustments in premiums based on actual experience.

12. Inter-Sub-Fund Balances and Transfers

The College maintains various sub-funds to track the activity of the primary government. Following is a summary of the balances and transactions among these sub-funds as of and for the year ended June 30, 2015.

	Due to	Due from
Education Fund	\$ -	\$ 200,000
Restricted Purposes Fund	200,000	-
Total Inter-Sub-Fund Balances	<u>\$ 200,000</u>	<u>\$ 200,000</u>
	Transfer in	Transfer out
Auxiliary Enterprise Funds	\$ 313,420	\$ -
Education Fund	-	277,039
Working Cash Fund	-	36,381
Total Transfers	<u>\$ 313,420</u>	<u>\$ 313,420</u>

The inter-sub-fund balances and transactions are eliminated for the preparation of the basic financial statements of the primary government of the College.

13. Commitments

The College approved a project in August 2015 for a new Student Information System. Total implementation and training costs for the new system is approximately \$1,300,000. The project is expected to be completed during fiscal year 2016.

Also in August 2015, the College entered into a project for various exterior updates to campus buildings. The project is expected to cost approximately \$276,000 and to be completed during fiscal year 2016.

14. Supplemental Information

Schedules 1 through 3, Schedules 6 through 9, Schedules 11 through 13, Schedule 17, and Schedules 19 through 21 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities.

In the schedules noted, the modified accrual basis of accounting differs from GAAP for a special-purpose government engaged only in business-type activities because:

- Capital assets are not depreciated and depreciation expense is not presented in the schedules, except for funds considered to be proprietary operations.
- Payments of principal on long-term debt are reported as expenditures in the schedules.

- In the schedules, the full amount of summer school revenue is recognized in the fiscal year in which the related term is completed.
- Expenditures in the schedules include the cost of capital asset acquisitions, except for funds considered to be proprietary operations.
- Debt service expenditures in the schedules are recorded only when payment is due, except for funds considered to be proprietary operations.
- Pension expenditures in the schedules include payments made by the College in the current fiscal year for federal, trust, or grant funded salaries in the current fiscal year.

SHAWNEE COMMUNITY COLLEGE
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability – SURS
For the Year Ended June 30, 2014
(Unaudited)

	Fiscal Year 2014
(a) Shawnee's Proportionate Percentage of the Collective Net Pension Liability	0%
(b) Shawnee's Proportionate Amount of the Collective Net Pension Liability	\$ -
(c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability Associated with Shawnee	38,542,019
Total (b) + (c)	38,542,019
Shawnee Covered-employee Payroll	6,836,826
Shawnee's Proportionate Share of Collective Net Pension Liability as a Percentage of Covered-employee Payroll	0%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%

Required Supplementary Information
Schedule of Contributions – SURS
For the Year Ended June 30, 2014
(Unaudited)

	Fiscal Year 2014
Shawnee's Federal, Trust, and Other Contribution	\$ 52,110
Shawnee's Contribution in relation to required contribution	52,110
Contribution deficiency (excess)	-
Shawnee's Covered-employee payroll	445,005
Contributions as a percentage of covered-employee payroll	11.71%

Note: The System implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The Schedule is intended to show information for 10 years.

SHAWNEE COMMUNITY COLLEGE
Notes to Required Supplementary Information – Pension Liability
For the Year Ended June 30, 2014
(Unaudited)

Changes of Benefit Terms

There were no benefit changes in the Total Pension Liability as of June 30, 2014.

Changes of Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every five years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest, and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015. There are no changes of assumptions that affect measurement of the total collective pension liability since the prior measurement date.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combined Balance Sheet -
Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types)
All Fund Types and Account Groups
June 30, 2015

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	
ASSETS									
Cash and Cash Equivalents	\$ 6,799,146	\$ 687,081	\$ 331,755	\$ 886,079	\$ 117,029	\$ 2,699,415	\$ -	\$ -	\$ 11,520,505
Investments	2,500,000	-	-	-	-	2,500,000	-	-	5,000,000
Receivables:									
Property Taxes	521,790	249,044	514,163	75,000	-	-	-	-	1,359,997
Replacement Taxes	86,647	-	-	-	-	-	-	-	86,647
Student Tuition and Fees, Net of Allowance	266,185	-	-	-	746	-	-	-	266,931
Governmental Grants and Contracts	1,726,796	197,716	-	-	-	-	-	-	1,924,512
Prepaid Expenses	18,115	85,745	-	-	-	-	-	-	103,860
Due from Other Funds	200,000	-	-	-	-	-	-	-	200,000
Inventory	-	-	-	-	437,055	-	-	-	437,055
Property and Equipment, Net	-	-	-	-	13,594	-	20,653,516	-	20,667,110
OTHER DEBITS									
Amount Available to Retire Debt	-	-	-	-	-	-	-	823,102	823,102
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	5,406,898	5,406,898
Total Assets and Other Debits	\$ 12,118,679	\$ 1,219,586	\$ 845,918	\$ 961,079	\$ 568,424	\$ 5,199,415	\$ 20,653,516	\$ 6,230,000	\$ 47,796,617

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combined Balance Sheet -
Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types)
All Fund Types and Account Groups
June 30, 2015

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	
LIABILITIES									
Accounts Payable	\$ 226,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,838
Accrued Liabilities	450,551	-	22,816	-	-	-	-	-	473,367
Unearned Revenue	288,413	-	-	-	20,473	-	-	-	308,886
Due to Other Funds	-	200,000	-	-	-	-	-	-	200,000
Due to Student Groups	-	-	-	-	-	169,237	-	-	169,237
Bonds Payable	-	-	-	-	-	-	-	6,230,000	6,230,000
Total Liabilities	965,802	200,000	22,816	-	20,473	169,237	-	6,230,000	7,608,328
COLLEGE EQUITY									
Investment in General Fixed Assets	-	-	-	-	-	-	20,653,516	-	20,653,516
Fund Balance:									
Reserved	-	1,019,586	823,102	961,079	-	5,030,178	-	-	7,833,945
Unreserved, Designated	2,500,000	-	-	-	-	-	-	-	2,500,000
Unreserved, Undesignated	8,652,877	-	-	-	-	-	-	-	8,652,877
Retained Earnings	-	-	-	-	547,951	-	-	-	547,951
Total College Equity	11,152,877	1,019,586	823,102	961,079	547,951	5,030,178	20,653,516	-	40,188,289
Total Liabilities and College Equity	<u>\$ 12,118,679</u>	<u>\$ 1,219,586</u>	<u>\$ 845,918</u>	<u>\$ 961,079</u>	<u>\$ 568,424</u>	<u>\$ 5,199,415</u>	<u>\$ 20,653,516</u>	<u>\$ 6,230,000</u>	<u>\$ 47,796,617</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Modified Accrual Basis
All Governmental Fund Types
For the Year Ended June 30, 2015

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
Revenues					
Local Sources	\$ 2,251,973	\$ 828,626	\$ 1,698,716	\$ 249,529	\$ 5,028,844
State Sources	5,723,732	248,033	-	-	5,971,765
Federal Sources	-	4,284,694	-	-	4,284,694
Tuition and Fees	4,601,126	-	-	-	4,601,126
Facilities	102,649	-	-	-	102,649
Investment Income	14,748	-	-	40	14,788
Other Revenue	314,800	4,000	-	-	318,800
On-Behalf Payments	2,958,448	-	-	-	2,958,448
Total Revenues	<u>15,967,476</u>	<u>5,365,353</u>	<u>1,698,716</u>	<u>249,569</u>	<u>23,281,114</u>
Expenditures					
Instruction	5,205,380	307,886	-	-	5,513,266
Academic Support	278,828	14,669	-	-	293,497
Student Services	1,170,800	456,902	-	-	1,627,702
Public Service	246,517	303,050	-	-	549,567
Operation and Maintenance of Plant	1,245,429	40,000	-	-	1,285,429
Scholarships and Grants	2,236,646	3,414,220	-	-	5,650,866
Institutional Support	1,908,885	601,872	-	112,933	2,623,690
Principal	-	-	1,395,000	-	1,395,000
Interest	-	-	300,694	-	300,694
On-Behalf Payments	2,958,448	-	-	-	2,958,448
Total Expenditures	<u>15,250,933</u>	<u>5,138,599</u>	<u>1,695,694</u>	<u>112,933</u>	<u>22,198,159</u>
Revenue Over (Under) Expenditures	<u>716,543</u>	<u>226,754</u>	<u>3,022</u>	<u>136,636</u>	<u>1,082,955</u>
Other Financing Sources (Uses)					
Operating Transfers, Net	(277,039)	-	-	-	(277,039)
Total Other Financing Sources (Uses)	<u>(277,039)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(277,039)</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	439,504	226,754	3,022	136,636	805,916
Fund Balance, July 1, 2014	<u>10,713,373</u>	<u>792,832</u>	<u>820,080</u>	<u>824,443</u>	<u>13,150,728</u>
Fund Balance, June 30, 2015	<u>\$ 11,152,877</u>	<u>\$ 1,019,586</u>	<u>\$ 823,102</u>	<u>\$ 961,079</u>	<u>\$ 13,956,644</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual - Modified Accrual Basis
All Budgeted Governmental Fund Types
For the Year Ended June 30, 2015

	General		Special Revenue		Debt Service - Bond and Interest Fund		Capital Projects Fund - Operation and Maintenance Restricted Fund		Total (Memorandum Only)	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues										
Local Sources	\$ 2,128,215	\$ 2,251,973	\$ 831,852	\$ 828,626	\$ 1,697,203	\$ 1,698,716	\$ 250,000	\$ 249,529	\$ 4,907,270	\$ 5,028,844
State Sources	5,751,318	5,723,732	257,281	248,033	-	-	-	-	6,008,599	5,971,765
Federal Sources	100	-	4,213,724	4,284,694	-	-	-	-	4,213,824	4,284,694
Tuition and Fees	5,000,795	4,601,126	-	-	-	-	-	-	5,000,795	4,601,126
Facilities	75,017	102,649	-	-	-	-	-	-	75,017	102,649
Investment Income	-	14,748	-	-	-	-	-	40	-	14,788
Other Revenue	-	314,800	-	4,000	-	-	1,000	-	1,000	318,800
Total Revenues	12,955,445	13,009,028	5,302,857	5,365,353	1,697,203	1,698,716	251,000	249,569	20,206,505	20,322,666
Expenditures										
Instruction	5,441,736	5,205,380	300,158	307,886	-	-	-	-	5,741,894	5,513,266
Academic Support	281,446	278,828	17,274	14,669	-	-	-	-	298,720	293,497
Student Services	1,193,390	1,170,800	465,782	456,902	-	-	-	-	1,659,172	1,627,702
Public Service	258,624	246,517	319,000	303,050	-	-	-	-	577,624	549,567
Operation and Maintenance of Plant	1,333,832	1,245,429	40,000	40,000	-	-	-	-	1,373,832	1,285,429
Scholarships and Grants	2,212,000	2,236,646	3,322,560	3,414,220	-	-	-	-	5,534,560	5,650,866
Institutional Support	2,094,100	1,908,885	761,811	601,872	-	-	251,000	112,933	3,106,911	2,623,690
Principal	-	-	-	-	1,395,000	1,395,000	-	-	1,395,000	1,395,000
Interest	220,000	-	76,272	-	302,203	300,694	-	-	598,475	300,694
Total Expenditures	13,035,128	12,292,485	5,302,857	5,138,599	1,697,203	1,695,694	251,000	112,933	20,286,188	19,239,711
Revenue Over (Under) Expenditures	(79,683)	716,543	-	226,754	-	3,022	-	136,636	(79,683)	1,082,955
Other Financing Sources (Uses)										
Operating Transfers, Net	(328,587)	(277,039)	-	-	-	-	-	-	(328,587)	(277,039)
Total Other Financing Sources (Uses)	(328,587)	(277,039)	-	-	-	-	-	-	(328,587)	(277,039)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (408,270)	439,504	\$ -	226,754	\$ -	3,022	\$ -	136,636	\$ (408,270)	805,916
Fund Balance, July 1, 2014		10,713,373		792,832		820,080		824,443		13,150,728
Fund Balance, June 30, 2015		<u>\$ 11,152,877</u>		<u>\$ 1,019,586</u>		<u>\$ 823,102</u>		<u>\$ 961,079</u>		<u>\$ 13,956,644</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combined Statement of Revenues, Expenses,
and Changes in College Equity - Budget and Actual
Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 2015

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenues				
Student and Community Services	\$ -	\$ -	\$ 970,000	\$ 829,793
Student Tuition and Fees	-	-	-	-
State Sources	-	-	-	-
Other Revenue	-	-	-	-
Investment Income	1,000	36,381	-	-
Total Operating Revenues	1,000	36,381	970,000	829,793
Operating Expenses				
Salaries	-	-	191,331	179,625
Employee Benefits	-	-	10,483	8,363
Contractual Services	-	-	83,000	67,386
General Materials and Supplies	-	-	674,152	612,138
Conference and Meeting	-	-	34,305	34,057
Fixed Charges	-	-	12,000	63,846
Depreciation	-	-	-	1,931
Other	-	-	293,316	232,711
Total Operating Expenses	-	-	1,298,587	1,200,057
Operating Income (Loss)	1,000	36,381	(328,587)	(370,264)
Other Financing Sources (Uses)				
Operating Transfers, Net	(1,000)	(36,381)	328,587	313,420
Net Income (Loss)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(56,844)</u>
College Equity, July 1, 2014		<u>5,030,178</u>		<u>604,795</u>
College Equity, June 30, 2015		<u>\$ 5,030,178</u>		<u>\$ 547,951</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combined Statement of Cash Flows
Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 2015

	Fiduciary Fund Type Working Cash Fund	Proprietary Fund Type Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	\$ -	\$ 829,793
Student Tuition and Fees	-	3,490
Payments to Suppliers	-	(1,041,969)
Payments to Employees and Benefits Paid	-	(187,988)
Interest on Investments	36,381	-
Net Cash Provided by (Used in) Operating Activities	36,381	(396,674)
Cash Flows from Non-Capital Financing Activities		
Operating Transfers In (Out)	(36,381)	313,420
Cash Flows from Investing Activities		
Purchase of Investments	(2,500,000)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(2,500,000)	(83,254)
Cash and Cash Equivalents, July 1, 2014	5,030,178	200,283
Cash and Cash Equivalents, June 30, 2015	\$ 2,530,178	\$ 117,029
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 36,381	\$ (370,264)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	-	1,931
Changes in Assets and Liabilities:		
Receivables	-	3,490
Inventories	-	(31,831)
Vacation Payable	-	-
Unearned Revenue	-	-
Net Cash Provided by (Used in) Operating Activities	\$ 36,381	\$ (396,674)

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet - Modified Accrual Basis
General Funds
June 30, 2015

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,119,085	\$ 680,061	\$ 6,799,146
Receivables:			
Property Taxes	346,961	174,829	521,790
Replacement Taxes	60,653	25,994	86,647
Student Tuition and Fees, Net of Allowance	266,185	-	266,185
Governmental Grants and Contracts	1,640,471	86,325	1,726,796
Prepaid Expenses	18,115	-	18,115
Investments	2,500,000	-	2,500,000
Due From Other Funds	200,000	-	200,000
	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total Assets	<u>\$ 11,151,470</u>	<u>\$ 967,209</u>	<u>\$ 12,118,679</u>
LIABILITIES			
Accounts Payable	\$ 226,838	\$ -	\$ 226,838
Accrued Liabilities	450,551	-	450,551
Unearned Revenue	288,413	-	288,413
Total Liabilities	<u>965,802</u>	<u>-</u>	<u>965,802</u>
FUND BALANCE			
Unreserved, Designated	2,500,000	-	2,500,000
Unreserved, Undesignated	7,685,668	967,209	8,652,877
Total Fund Balance	<u>10,185,668</u>	<u>967,209</u>	<u>11,152,877</u>
Total Liabilities and Fund Balance	<u>\$ 11,151,470</u>	<u>\$ 967,209</u>	<u>\$ 12,118,679</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Modified Accrual Basis
General Funds
For the Year Ended June 30, 2015

	Education Fund	Operation and Maintenance Fund	Total
Revenues			
Local Sources	\$ 1,519,356	\$ 732,617	\$ 2,251,973
State Sources	5,138,418	585,314	5,723,732
Tuition and Fees	4,601,126	-	4,601,126
Facilities	-	102,649	102,649
Investment Income	14,748	-	14,748
Other Revenue	314,800	-	314,800
On-Behalf Payments	2,958,448	-	2,958,448
Total Revenues	<u>14,546,896</u>	<u>1,420,580</u>	<u>15,967,476</u>
Expenditures			
Instruction	5,205,380	-	5,205,380
Academic Support	278,828	-	278,828
Student Services	1,170,800	-	1,170,800
Public Service	246,517	-	246,517
Operation and Maintenance of Plant	-	1,245,429	1,245,429
Institutional Support	1,908,885	-	1,908,885
On-Behalf Payments	2,958,448	-	2,958,448
Scholarships and Grants	2,236,646	-	2,236,646
Total Expenditures	<u>14,005,504</u>	<u>1,245,429</u>	<u>15,250,933</u>
Revenue Over (Under) Expenditures	<u>541,392</u>	<u>175,151</u>	<u>716,543</u>
Other Financing Sources (Uses)			
Operating Transfers, Net	(277,039)	-	(277,039)
Total Other Financing Sources (Uses)	<u>(277,039)</u>	<u>-</u>	<u>(277,039)</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	264,353	175,151	439,504
Fund Balance, July 1, 2014	<u>9,921,315</u>	<u>792,058</u>	<u>10,713,373</u>
Fund Balance, June 30, 2015	<u>\$ 10,185,668</u>	<u>\$ 967,209</u>	<u>\$ 11,152,877</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet - Modified Accrual Basis
Special Revenue Funds
June 30, 2015

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 2,284	\$ 56,133	\$ 628,664	\$ 687,081
Receivables:				
Property Taxes	-	9,043	240,001	249,044
Governmental Grants and Contracts	197,716	-	-	197,716
Prepaid Expenses	-	-	85,745	85,745
Total Assets	<u>\$ 200,000</u>	<u>\$ 65,176</u>	<u>\$ 954,410</u>	<u>\$ 1,219,586</u>
LIABILITIES				
Unearned Revenue	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	200,000	-	-	200,000
Total Liabilities	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
FUND BALANCE				
Reserved	-	65,176	954,410	1,019,586
Total Fund Balance	<u>-</u>	<u>65,176</u>	<u>954,410</u>	<u>1,019,586</u>
Total Liabilities and Fund Balance	<u>\$ 200,000</u>	<u>\$ 65,176</u>	<u>\$ 954,410</u>	<u>\$ 1,219,586</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - Modified Accrual Basis
Special Revenue Funds
For the Year Ended June 30, 2015

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenues				
Local Sources	\$ -	\$ 29,126	\$ 799,500	\$ 828,626
State Sources	248,033	-	-	248,033
Federal Sources	4,284,694	-	-	4,284,694
Other Revenue	4,000	-	-	4,000
Total Revenues	4,536,727	29,126	799,500	5,365,353
Expenditures				
Instruction	307,886	-	-	307,886
Academic Support	14,669	-	-	14,669
Student Services	456,902	-	-	456,902
Public Service	303,050	-	-	303,050
Auxiliary Services	-	-	-	-
Operations and Maintenance of Plant	40,000	-	-	40,000
Institutional Support	-	22,500	579,372	601,872
Scholarships and Grants	3,414,220	-	-	3,414,220
Total Expenditures	4,536,727	22,500	579,372	5,138,599
Revenue Over (Under) Expenditures	-	6,626	220,128	226,754
Other Financing Sources (Uses)				
Operating Transfers (Net)	-	-	-	-
Revenue Over (Under) Expenditures and Other Financing Uses	-	6,626	220,128	226,754
Fund Balance, July 1, 2014	-	58,550	734,282	792,832
Fund Balance, June 30, 2015	\$ -	\$ 65,176	\$ 954,410	\$ 1,019,586

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet
Fiduciary Funds
June 30, 2015

	Non-Expendable Trust		
	Working	Trust and	
	Cash Fund	Agency Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,530,178	\$ 169,237	\$ 2,699,415
Investments	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>
Total Assets	<u>\$ 5,030,178</u>	<u>\$ 169,237</u>	<u>\$ 5,199,415</u>
LIABILITIES			
Due to Student Groups	\$ -	\$ 169,237	\$ 169,237
FUND BALANCE			
Reserved	<u>5,030,178</u>	<u>-</u>	<u>5,030,178</u>
Total Liabilities and Fund Balance	<u>\$ 5,030,178</u>	<u>\$ 169,237</u>	<u>\$ 5,199,415</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Balance Sheet - Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types)
All Funds and Account Groups
June 30, 2015

	Education Fund	Operations and Maintenance Funds						Trust and Agency Fund	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	Account Groups		Total (Memorandum Only)
		Operational	Restricted	Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	General Fixed Assets					General Long-Term Debt		
ASSETS														
Cash and Cash Equivalents	\$ 6,119,085	\$ 680,061	\$ 886,079	\$ 117,029	\$ 2,284	\$ 2,530,178	\$ 169,237	\$ 331,755	\$ 56,133	\$ 628,664	\$ -	\$ -	\$ 11,520,505	
Investments	2,500,000	-	-	-	-	2,500,000	-	-	-	-	-	-	5,000,000	
Receivables:														
Property Taxes	346,961	174,829	75,000	-	-	-	-	514,163	9,043	240,001	-	-	1,359,997	
Replacement Taxes	60,653	25,994	-	-	-	-	-	-	-	-	-	-	86,647	
Student Tuition and Fees, Net of Allowance	266,185	-	-	746	-	-	-	-	-	-	-	-	266,931	
Governmental Grants and Contracts	1,640,471	86,325	-	-	197,716	-	-	-	-	-	-	-	1,924,512	
Due from Other Funds	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000	
Prepaid Expenses	18,115	-	-	-	-	-	-	-	-	85,745	-	-	103,860	
Inventory	-	-	-	437,055	-	-	-	-	-	-	-	-	437,055	
Property and Equipment at Cost, Net	-	-	-	13,594	-	-	-	-	-	-	20,653,516	-	20,667,110	
Amounts Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	823,102	823,102	
Amounts to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	5,406,898	5,406,898	
Total Assets	\$ 11,151,470	\$ 967,209	\$ 961,079	\$ 568,424	\$ 200,000	\$ 5,030,178	\$ 169,237	\$ 845,918	\$ 65,176	\$ 954,410	\$ 20,653,516	\$ 6,230,000	\$ 47,796,617	
LIABILITIES														
Accounts Payable	\$ 226,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,838	
Accrued Liabilities	450,551	-	-	-	-	-	-	22,816	-	-	-	-	473,367	
Due to Other Funds	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	
Unearned Revenue	288,413	-	-	20,473	-	-	-	-	-	-	-	-	308,886	
Due to Student Groups	-	-	-	-	-	-	169,237	-	-	-	-	-	169,237	
Bonds	-	-	-	-	-	-	-	-	-	-	-	6,230,000	6,230,000	
Total Liabilities	965,802	-	-	20,473	200,000	-	169,237	22,816	-	-	-	6,230,000	7,608,328	
COLLEGE EQUITY														
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	20,653,516	-	20,653,516	
Fund Balance:														
Reserved	-	-	961,079	-	-	5,030,178	-	823,102	65,176	954,410	-	-	7,833,945	
Unreserved, Designated	2,500,000	-	-	-	-	-	-	-	-	-	-	-	2,500,000	
Unreserved, Undesignated	7,685,668	967,209	-	-	-	-	-	-	-	-	-	-	8,652,877	
Retained Earnings (Accumulated Deficit)	-	-	-	547,951	-	-	-	-	-	-	-	-	547,951	
Total College Equity (Deficit)	10,185,668	967,209	961,079	547,951	-	5,030,178	-	823,102	65,176	954,410	20,653,516	-	40,188,289	
Total Liabilities and College Equity	\$ 11,151,470	\$ 967,209	\$ 961,079	\$ 568,424	\$ 200,000	\$ 5,030,178	\$ 169,237	\$ 845,918	\$ 65,176	\$ 954,410	\$ 20,653,516	\$ 6,230,000	\$ 47,796,617	

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Revenues, Expenditures, and Changes in College Equity -
Modified Accrual Basis (Governmental Fund Types)
and GAAP Basis (Proprietary Fund Type)
All Funds
For the Year Ended June 30, 2015

		Operations and Maintenance Funds		Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total (Memorandum Only)
	Education Fund	Operational	Restricted							
Revenues										
Local Sources	\$ 1,519,356	\$ 732,617	\$ 249,529	\$ -	\$ -	\$ -	\$ 1,698,716	\$ 29,126	\$ 799,500	\$ 5,028,844
State Sources	5,138,418	585,314	-	-	248,033	-	-	-	-	5,971,765
Federal Sources	-	-	-	-	4,284,694	-	-	-	-	4,284,694
Tuition and Fees	4,601,126	-	-	-	-	-	-	-	-	4,601,126
Facilities	-	102,649	-	-	-	-	-	-	-	102,649
Investment Income	14,748	-	40	-	-	36,381	-	-	-	51,169
Other Revenue	314,800	-	-	829,793	4,000	-	-	-	-	1,148,593
On-Behalf Payments	2,958,448	-	-	-	-	-	-	-	-	2,958,448
Total Revenues	<u>14,546,896</u>	<u>1,420,580</u>	<u>249,569</u>	<u>829,793</u>	<u>4,536,727</u>	<u>36,381</u>	<u>1,698,716</u>	<u>29,126</u>	<u>799,500</u>	<u>24,147,288</u>
Expenditures										
Instruction	5,205,380	-	-	-	307,886	-	-	-	-	5,513,266
Academic Support	278,828	-	-	-	14,669	-	-	-	-	293,497
Student Services	1,170,800	-	-	-	456,902	-	-	-	-	1,627,702
Public Service	246,517	-	-	-	303,050	-	-	-	-	549,567
Auxiliary Services	-	-	-	1,198,126	-	-	-	-	-	1,198,126
Operation and Maintenance of Plant	-	1,245,429	-	-	40,000	-	-	-	-	1,285,429
Institutional Support	1,908,885	-	112,933	-	-	-	-	22,500	579,372	2,623,690
Scholarships and Grants	2,236,646	-	-	-	3,414,220	-	-	-	-	5,650,866
Principal	-	-	-	-	-	-	1,395,000	-	-	1,395,000
Interest	-	-	-	-	-	-	300,694	-	-	300,694
Depreciation	-	-	-	1,931	-	-	-	-	-	1,931
On-Behalf Payments	2,958,448	-	-	-	-	-	-	-	-	2,958,448
Total Expenditures	<u>14,005,504</u>	<u>1,245,429</u>	<u>112,933</u>	<u>1,200,057</u>	<u>4,536,727</u>	<u>-</u>	<u>1,695,694</u>	<u>22,500</u>	<u>579,372</u>	<u>23,398,216</u>
Revenue Over (Under) Expenditures	<u>541,392</u>	<u>175,151</u>	<u>136,636</u>	<u>(370,264)</u>	<u>-</u>	<u>36,381</u>	<u>3,022</u>	<u>6,626</u>	<u>220,128</u>	<u>749,072</u>
Other Financing Sources (Uses)										
Operating Transfers, Net	<u>(277,039)</u>	<u>-</u>	<u>-</u>	<u>313,420</u>	<u>-</u>	<u>(36,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(277,039)</u>	<u>-</u>	<u>-</u>	<u>313,420</u>	<u>-</u>	<u>(36,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	264,353	175,151	136,636	(56,844)	-	-	3,022	6,626	220,128	749,072
College Equity, Beginning of Year	<u>9,921,315</u>	<u>792,058</u>	<u>824,443</u>	<u>604,795</u>	<u>-</u>	<u>5,030,178</u>	<u>820,080</u>	<u>58,550</u>	<u>734,282</u>	<u>18,785,701</u>
College Equity, End of Year	<u>\$ 10,185,668</u>	<u>\$ 967,209</u>	<u>\$ 961,079</u>	<u>\$ 547,951</u>	<u>\$ -</u>	<u>\$ 5,030,178</u>	<u>\$ 823,102</u>	<u>\$ 65,176</u>	<u>\$ 954,410</u>	<u>\$ 19,534,773</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Reconciliations to the Basic Financial Statements

Reconciliation of the Balance Sheet -
Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types) to the Statement of Net Position
June 30, 2015

College Equity	\$ 40,188,289
Reconciling Items:	
Reclassification of Long Term Debt	(6,230,000)
Deferred Retirement Plan Contributions	<u>52,110</u>
Net Position	<u><u>\$ 34,010,399</u></u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in College Equity -
Modified Accrual Basis (Governmental Fund Types) and GAAP Basis (Proprietary Fund Types)
to the Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2015

Change in College Equity	\$ 749,072
Reconciling Items:	
General Obligation Debt Retired	1,395,000
Record Depreciation on the Capital Assets	(658,346)
Remove Capital Expenditures related to Capital Assets	74,723
Change in Deferred Retirement Plan Contributions	<u>52,110</u>
Change in Net Position	<u><u>\$ 1,612,559</u></u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2015

	<u>2013 Levy</u>	<u>2012 Levy</u>	<u>2011 Levy</u>	<u>2010 Levy</u>
District Valuations	<u>\$ 572,818,519</u>	<u>\$ 575,086,019</u>	<u>\$ 566,119,649</u>	<u>\$ 563,869,093</u>
Tax Rates (Per \$100 Assessed Valuations)				
Education	0.2000	0.2000	0.2000	0.2000
Building	0.1000	0.0997	0.1000	0.1000
Liability Insurance	0.1192	0.1183	0.1095	0.1052
Social Security	0.0211	0.0210	0.0214	0.0205
Audit	0.0050	0.0050	0.0050	0.0050
Health and Safety	0.0438	0.0434	0.0485	0.0466
Bond and Interest	0.2970	0.2949	0.2931	0.3028
TOTAL	<u>0.7860</u>	<u>0.7822</u>	<u>0.7774</u>	<u>0.7800</u>
Tax Extensions				
Education	\$ 1,179,533	\$ 1,216,996	\$ 1,215,867	\$ 1,168,320
Building	573,582	591,557	591,390	583,989
Liability Insurance	681,007	648,586	621,659	592,966
Social Security	120,639	126,564	121,306	115,647
Audit	30,204	29,749	30,108	37,398
Health and Safety	250,000	287,179	275,356	262,662
Bond and Interest	1,697,223	1,693,252	1,664,787	1,707,291
	<u>\$ 4,532,188</u>	<u>\$ 4,593,883</u>	<u>\$ 4,520,473</u>	<u>\$ 4,468,273</u>
Collections				
Education	\$ 1,161,571	\$ 1,125,048	\$ 1,197,474	\$ 1,122,807
Building	573,847	553,242	596,125	562,381
Liability Insurance	682,399	638,685	663,013	602,911
Social Security	120,881	113,142	129,375	117,587
Audit	29,267	28,581	31,009	32,767
Health and Safety	250,524	276,513	292,856	267,003
Bond and Interest	1,700,629	1,653,118	1,775,777	1,734,690
	<u>\$ 4,519,118</u>	<u>\$ 4,388,329</u>	<u>\$ 4,685,629</u>	<u>\$ 4,440,146</u>
Percent of Extension Collected	<u>99.71%</u>	<u>95.53%</u>	<u>103.65%</u>	<u>99.37%</u>

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Schedule of Legal Debt Margin
 June 30, 2015

Assessed Valuations - 2013 Levy***	<u>\$ 572,818,519</u>
Debt Limit, 2.875 Percent of Assessed Valuation (50 ILCS 405/1)	\$ 16,468,532
Indebtedness:	
General Obligation Community College Bonds	<u>6,230,000</u>
Legal Debt Margin	<u>\$ 10,238,532</u>

*** - Most Current Assessed Valuation Available

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Student Enrollment and Full-Time Equivalency
 At Tenth Day
 For the Year Ended June 30, 2015
 (Unaudited)

School Quarter	Student Enrollment	Full-Time Equivalency
		Semester
Summer 2014	1,129	734
Fall 2014	1,799	1,075
Spring 2015	1,800	1,066
Semester Average (Exclusive of Summer School)	1,800	1,071

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
All Funds Summary - Modified Accrual Basis
Uniform Financial Statement No. 1
For the Year Ended June 30, 2015

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund Balance, July 1, 2014	\$ 9,921,315	\$ 792,058	\$ 824,443	\$ 820,080	\$ 604,795	\$ -	\$ 5,030,178	\$ 58,550	\$ 734,282	\$ 18,785,701
Revenues:										
Local Tax Revenue	1,149,870	574,266	249,529	1,698,716	-	-	-	29,126	799,500	4,501,007
All Other Local Revenue	-	-	-	-	-	-	-	-	-	-
ICCB Grants	5,138,418	585,314	-	-	-	162,759	-	-	-	5,886,491
All Other State Revenue	369,486	158,351	-	-	-	85,274	-	-	-	613,111
Federal Revenue	-	-	-	-	-	4,284,694	-	-	-	4,284,694
Student Tuition and Fees	4,601,126	-	-	-	-	-	-	-	-	4,601,126
All Other Revenue	329,548	102,649	40	-	829,793	4,000	36,381	-	-	1,302,411
Total Revenue	11,588,448	1,420,580	249,569	1,698,716	829,793	4,536,727	36,381	29,126	799,500	21,188,840
Expenditures:										
Instruction	5,205,380	-	-	-	-	307,886	-	-	-	5,513,266
Academic Support	278,828	-	-	-	-	14,669	-	-	-	293,497
Student Services	1,170,800	-	-	-	-	456,902	-	-	-	1,627,702
Public Service/Continuing Education	246,517	-	-	-	-	303,050	-	-	-	549,567
Organized Research	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	1,200,057	-	-	-	-	1,200,057
Operations and Maintenance	-	1,245,429	-	-	-	40,000	-	-	-	1,285,429
Institutional Support	1,908,885	-	112,933	1,695,694	-	-	-	22,500	579,372	4,319,384
Scholarships, Student Grants, and Waivers	2,236,646	-	-	-	-	3,414,220	-	-	-	5,650,866
Total Expenditures	11,047,056	1,245,429	112,933	1,695,694	1,200,057	4,536,727	-	22,500	579,372	20,439,768
Net Transfers	(277,039)	-	-	-	313,420	-	(36,381)	-	-	-
Fund Balance, June 30, 2015	\$ 10,185,668	\$ 967,209	\$ 961,079	\$ 823,102	\$ 547,951	\$ -	\$ 5,030,178	\$ 65,176	\$ 954,410	\$ 19,534,773

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
For the Year Ended June 30, 2015

	Capital Assets / Long Term Debt			
	July 1, 2014	Additions	Deletions	June 30, 2015
Fixed Assets:				
Land	\$ 89,166	\$ -	\$ -	\$ 89,166
Land Improvements	116,529	-	-	116,529
Buildings, Additions, and Improvements	28,299,884	-	-	28,299,884
Equipment	1,976,743	74,724	-	2,051,467
Accumulated Depreciation	(9,229,659)	(660,277)	-	(9,889,936)
Net Fixed Assets	<u>\$ 21,252,663</u>	<u>\$ (585,553)</u>	<u>\$ -</u>	<u>\$ 20,667,110</u>
Fixed Debt:				
Bonds	<u>\$ 7,625,000</u>	<u>\$ -</u>	<u>\$ (1,395,000)</u>	<u>\$ 6,230,000</u>
Total Fixed Liabilities	<u>\$ 7,625,000</u>	<u>\$ -</u>	<u>\$ (1,395,000)</u>	<u>\$ 6,230,000</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Operating Funds Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 3
For the Year Ended June 30, 2015

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Source:			
<i>Local Government Revenue</i>			
Local Taxes	\$ 1,149,870	\$ 574,266	\$ 1,724,136
Chargeback Revenue	-	-	-
Total Local Government	<u>1,149,870</u>	<u>574,266</u>	<u>1,724,136</u>
<i>State Government</i>			
ICCB Credit Hour Grants	1,447,166	585,314	2,032,480
ICCB Equalization Grant	3,568,709	-	3,568,709
ICCB Performance Grant	122,543	-	122,543
Corporate Personal Property Replacement Tax	369,486	158,351	527,837
Total State Government	<u>5,507,904</u>	<u>743,665</u>	<u>6,251,569</u>
<i>Federal Government</i>			
Department of Education	-	-	-
Total Federal Government	<u>-</u>	<u>-</u>	<u>-</u>
<i>Student Tuition and Fees</i>			
Tuition	4,257,100	-	4,257,100
Fees	344,026	-	344,026
Total Student Tuition and Fees	<u>4,601,126</u>	<u>-</u>	<u>4,601,126</u>
<i>Other Sources</i>			
Sales and Service Fees	12,199	-	12,199
Facilities Revenue	-	102,649	102,649
Investment Revenue	14,748	-	14,748
Other	302,601	-	302,601
Total Other Sources	<u>329,548</u>	<u>102,649</u>	<u>432,197</u>
Total Operating Revenues	11,588,448	1,420,580	13,009,028
<i>Less: Non-Operating Items</i>			
Tuition Chargeback Revenue	-	-	-
Adjusted Operating Revenue	<u>\$ 11,588,448</u>	<u>\$ 1,420,580</u>	<u>\$ 13,009,028</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Operating Funds Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 3
For the Year Ended June 30, 2015

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	\$ 5,205,380	\$ -	\$ 5,205,380
Academic Support	278,828	-	278,828
Student Services	1,170,800	-	1,170,800
Public Service/Continuing Education	246,517	-	246,517
Operations and Maintenance	-	1,245,429	1,245,429
Institutional Support	1,908,885	-	1,908,885
Scholarships, Grants, and Waivers	2,236,646	-	2,236,646
Transfers	277,039	-	277,039
Total Operating Expenditures by Program	11,324,095	1,245,429	12,569,524
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	<u>\$ 11,324,095</u>	<u>\$ 1,245,429</u>	<u>\$ 12,569,524</u>
Operating Expenditures by Object:			
Salaries	\$ 6,689,155	\$ 142,712	\$ 6,831,867
Employee Benefits	771,790	21,062	792,852
Contractual Services	446,112	412,270	858,382
General Materials and Supplies	487,831	73,146	560,977
Conference and Meeting Expenses	114,458	-	114,458
Fixed Charges	112,713	-	112,713
Utilities	55,835	537,692	593,527
Capital Outlay	132,516	56,863	189,379
Other	2,236,646	1,684	2,238,330
Transfers	277,039	-	277,039
Total Operating Expenditures by Object	11,324,095	1,245,429	12,569,524
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Object	<u>\$ 11,324,095</u>	<u>\$ 1,245,429</u>	<u>\$ 12,569,524</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2015

	<u>Restricted Purposes Fund</u>
Revenue by Source:	
<i>State Government</i>	
ICCB - Program Improvement Grant	\$ 32,902
ICCB - Adult Education	129,857
Illinois Secretary of State	26,260
Illinois Department of Commerce and Economic Opportunity	40,000
Illinois Board of Higher Education	19,014
Total State Government	<u>248,033</u>
<i>Federal Government</i>	
Department of Education	3,936,099
ICCB - Adult Education	76,854
ICCB - Carl Perkins	133,944
National Science Foundation	49,466
Department of Health and Human Services	7,216
Department of Commerce and Economic Opportunity	81,115
Total Federal Government	<u>4,284,694</u>
<i>Other Sources</i>	
Other	4,000
Total Other Sources	<u>4,000</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 4,536,727</u></u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2015

	<u>Restricted Purposes Fund</u>
Expenditures by Program:	
Instruction	\$ 307,886
Academic Support	14,669
Student Services	456,902
Public Service/Continuing Education	303,050
Auxiliary Services	-
Operations and Maintenance	40,000
Institutional Support	-
Scholarships, Grants, and Waivers	3,414,220
Total Restricted Purposes Fund Expenditures by Program	<u>\$ 4,536,727</u>
Expenditures by Object:	
Salaries	\$ 642,863
Employee Benefits	119,715
Contractual Services	46,423
General Materials and Supplies	120,648
Travel and Conference/Meeting Expenses	51,135
Utilities	450
Capital Outlay	134,759
Scholarships, Grants, and Waivers	3,414,220
Other	6,514
Total Restricted Purposes Fund Expenditures by Object	<u>\$ 4,536,727</u>

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Current Funds* Expenditures by Activity - Modified Accrual Basis
 Uniform Financial Statement No. 5
 For the Year Ended June 30, 2015

Instruction:	
Instructional Programs	<u>\$ 5,513,266</u>
Academic Support:	
Library Center	121,740
Academic Computing Support	4,584
Academic Administration and Planning	152,504
Other	<u>14,669</u>
Total Academic Support	<u>293,497</u>
Student Services Support:	
Admissions and Records	52,232
Counseling and Career Services	918,670
Financial Aid Administration	199,898
Other	<u>456,902</u>
Total Student Services Support	<u>1,627,702</u>
Public Service/Continuing Education:	
Community Services	<u>549,567</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Current Funds* Expenditures by Activity - Modified Accrual Basis
Uniform Financial Statement No. 5
For the Year Ended June 30, 2015

Auxiliary Services	<u>1,200,057</u>
Operations and Maintenance of Plant:	
Maintenance	394,845
Custodial Services	331,194
Grounds	18,029
Campus Security	3,669
Transportation	-
Utilities	537,692
Administration	-
Other	-
Total Operations and Maintenance of Plant	<u>1,285,429</u>
Institutional Support:	
Executive Management	289,565
Fiscal Operations	366,901
Community Relations	241,809
Board of Trustees	35,270
General Institutional	988,663
Institutional Research	60,887
Administrative Data Processing	527,662
Other	1,695,694
Total Institutional Support	<u>4,206,451</u>
Scholarships, Student Grants, and Waivers	<u>5,650,866</u>
Total Current Funds Expenditures	<u><u>\$ 20,326,835</u></u>

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

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Certificate of Chargeback Reimbursement
For the Year Ended June 30, 2015

All Fiscal Year 2015 Non-Capital Audited Operating Expenditures
from the Following Funds:

Education

Operations and Maintenance Fund

Bond

Restr

Audit

Liabi

To

**All data needed to complete the form was not available before the audit was
published and an addendum page will be distributed when the form is available.**

Depreciation on Capital Outlay Expenditures from Sources

Other than State and Federal Funds

Total Costs Included

\$ -

Total Certified Semester Credit Hours for Fiscal Year 2015

Per Capita Cost

All Fiscal Year 2015 State and Federal Operating Grants
for Non-Capital Expenditures, Except ICCB Grants

Fiscal Year 2015 State and Federal Grants Per Semester Credit Hour

District's Average ICCB Grant Rate for Fiscal Year 2016

District's Student Tuition and Fee Rate Per Semester
Credit Hour for Fiscal Year 2016

Chargeback Reimbursement Per Semester Credit Hour

\$ -

Approved:

Chief Fiscal Officer

Approved:

Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE
REQUIREMENTS FOR CAREER AND TECHNICAL
EDUCATION-PROGRAM IMPROVEMENT GRANT AND ADULT
EDUCATION AND FAMILY LITERACY GRANTS

Board of Trustees
Shawnee Community College
Community College District #531
Ullin, Illinois

Report on the Financial Statements

We have audited the accompanying balance sheets of the Career and Technical Education Improvement and Adult Education and Family Literacy Grants of Shawnee Community College, Community College District #531 (the College) as of June 30, 2015, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended.

Management's Responsibility for the Financial Statements and Compliance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the financial reporting provisions of the Illinois Community College Board (ICCB). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. Management is also responsible for compliance with the requirements of the ICCB.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the ICCB's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit 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. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between the College and the State of Illinois and the ICCB. We believe that our audit provides a reasonable basis for our opinion on the financial statements and for our report on compliance.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Career and Technical Education-Program Improvement grant and Adult Education and Family Literacy grants of the College at June 30, 2015, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to comply with terms, covenants, provisions, or conditions of the Career and Technical Education-Program Improvement grant and Adult Education and Family Literacy grants as presented in the policy guidelines of the ICCB's *Fiscal Management Manual*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance.

Other Information

The accompanying balance sheets and statements of revenue and expenditures were prepared for the purpose of complying with the terms of the ICCB Grants and are not intended to be a complete presentation of the College's revenue and expenditures in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic grant program financial statements taken as a whole. The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant (Schedule 25) is presented for purposes of additional analysis as required by the ICCB and is not a required part of the basic grant program financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic grant program financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic grant program financial statements taken as a whole.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
October 08, 2015

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 State Adult Education Restricted Funds
 (State Basic, Public Assistance, and Performance)

Balance Sheet

June 30, 2015

ASSETS

	State Basic	Public Assistance	Performance	Total
Accounts Receivable	\$ -	\$ -	\$ -	\$ -

LIABILITIES AND FUND BALANCE

Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
Fund Balance	-	-	-	-
Total Liabilities and Fund Balance	\$ -	\$ -	\$ -	\$ -

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
State Adult Education Restricted Funds
(State Basic, Public Assistance, and Performance)
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2015

	State Basic	Public Assistance	Performance	Total
Revenues				
ICCB Grant	\$ 86,410	\$ 16,736	\$ 26,711	\$ 129,857
Expenditures				
Instructional Student Services:				
Instruction	61,098	9,503	9,321	79,922
Social Work Services	8,778	5,829	11,715	26,322
Guidance Services	-	-	-	-
Assistive and Adaptive Equipment	-	-	-	-
Assessment and Testing	1,800	600	66	2,466
Student Transportation Services	1,500	-	1,500	3,000
Literacy Services	-	-	-	-
Total Instructional Student Services	73,176	15,932	22,602	111,710
Program Support:				
Improvement of Instructional Services	4,098	534	1,308	5,940
General Administration	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Data and Information Services	9,136	270	2,801	12,207
Approved Indirect Costs	-	-	-	-
Total Program Support	13,234	804	4,109	18,147
Total Expenditures	86,410	16,736	26,711	129,857
Excess of Revenue Over Expenditures	-	-	-	-
Fund Balance, July 01, 2014	-	-	-	-
Fund Balance, June 30, 2015	\$ -	\$ -	\$ -	\$ -

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 ICCB Compliance Statement for the
 Adult Education and Family Literacy Grant
 Expenditure Amounts and Percentages for
 ICCB Grant Funds Only
 For the Year Ended June 30, 2015

	Audited Expenditure (Dollars)	Actual Expenditure (Percentage)
State Basic		
Instruction (45 Percent Minimum Required)	\$ 61,098	70.71%
General Administration (15 Percent Maximum Allowed)	-	0.00%
State Public Assistance		
Instruction (45 Percent Minimum Required)	9,503	56.78%
General Administration (15 Percent Maximum Allowed)	-	0.00%

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Career and Technical Education
(Program Improvement)
Balance Sheet
June 30, 2015

ASSETS

Cash	\$ -
------	------

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ -
------------------	------

Fund Balance	-
--------------	---

Total Liabilities and Fund Balance	\$ -
------------------------------------	------

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Career and Technical Education
 (Program Improvement)
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 For the Year Ended June 30, 2015

Revenue	
ICCB Grant	\$ 32,902
<hr/>	
Expenditures	
Salaries	-
Employee Benefits	-
Contractual Services	260
Instructional Materials	7,193
Staff Development	-
Instructional Equipment	25,449
Total Expenditures	<hr/> 32,902 <hr/>
 Excess of Revenues Over Expenditures	
	-
 Fund Balance, July 01, 2014	
	<hr/> -
 Fund Balance, June 30, 2015	
	<hr/> <hr/> \$ -

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to the ICCB Grant Financial Statements
June 30, 2015

The Career and Technical Education-Program Improvement and Adult Education and Family Literacy Grant Programs were established as special revenue sub-funds of Shawnee Community College, Community College District #531 (the College) to account for revenues and expenditures of the respective programs. These programs are administered by the Illinois Community College Board (ICCB). The following is a summary of the significant accounting policies followed by the College in respect to these funds.

Basis of Accounting

The statements have been prepared on the accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2015. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

Budgets and Budgetary Accounting

Each year the College prepares a budget for the grants. The budget is prepared on the same basis of accounting as the records are maintained.

Capital Outlay

Capital outlay is charged to expenditure in the period which it is purchased instead of being recognized as an asset and depreciated over its useful life. As a result, the expenditures reflected in the statements include the cost of capital outlay purchased during the year rather than a provision for depreciation.

Certain capital outlay expenditures are accumulated in the General Fixed Assets Account Group of the College, for reporting specific to ICCB and in capital assets for external financial reporting on the statement of net position.

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF ENROLLMENT
DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

Board of Trustees
Shawnee Community College
Community College District #531
Ullin, Illinois

We have audited the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Shawnee Community College, Community College District #531 (the College) for the year ended June 30, 2015.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Illinois Community College Board. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement, which is free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of the College for the year ended June 30, 2015 is fairly presented in accordance with the aforementioned guidelines.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statement noted above. The information on Schedules 29 through 33 is presented for purposes of additional analysis as required by the Illinois Community College Board and is not a required part of the financial statement. These schedules have been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
October 08, 2015

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Enrollment Data and Other Bases
Upon Which Claims are Filed
For the Year Ended June 30, 2015

Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	2,675.0	-	10,336.0	-	10,053.0	-	23,064.0	-
Business Occupational	225.5	-	1,514.0	-	1,647.0	-	3,386.5	-
Technical Occupational	191.5	-	1,095.0	-	1,137.5	-	2,424.0	-
Health Occupational	893.5	-	2,688.0	-	2,836.0	-	6,417.5	-
Remedial Developmental	202.0	-	1,179.0	-	1,140.0	-	2,521.0	-
Adult Basic/Secondary Education	620.0	-	1,411.0	1,196.0	1,913.0	1,239.0	3,944.0	2,435.0
TOTAL CREDIT HOURS CERTIFIED	4,807.5	-	18,223.0	1,196.0	18,726.5	1,239.0	41,757.0	2,435.0

	Attending In-District	Attending Out-of- District on Chargeback	Total
Reimbursable Semester Credit Hours (All Terms)	42,288.5	-	42,288.5

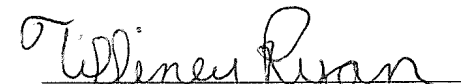
	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	7.0

District 2013 Equalized Assessed Valuation \$ 572,818,519

Categories	Total Reimbursable Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	-	-	-	-
Business Occupational	-	-	-	-
Technical Occupational	-	-	-	-
Health Occupational	-	-	-	-
Remedial Developmental	-	-	-	-
Adult Basic/Secondary Education	-	-	-	-
TOTAL CREDIT HOURS CERTIFIED	-	-	-	-

Signatures:


Chief Executive Officer (CEO)


Chief Financial Officer (CFO)

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
For the Year Ended June 30, 2015

Reconciliation of Total Semester Credit Hours

Categories	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	23,064.0	23,064.0	-	-	-	-
Business Occupational	3,386.5	3,386.5	-	-	-	-
Technical Occupational	2,424.0	2,424.0	-	-	-	-
Health Occupational	6,417.5	6,417.5	-	-	-	-
Remedial Developmental	2,521.0	2,521.0	-	-	-	-
Adult Basic / Secondary Education	3,944.0	3,944.0	-	2,435.0	2,435.0	-
Total Credit Hours Certified	41,757.0	41,757.0	-	2,435.0	2,435.0	-

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

	Total Attending	Total Attending as Certified to the ICCB	Difference
In-District Residents	42,288.5	42,288.5	-
Out-of-District on Chargeback or Contractual Agreement	-	-	-
Total	42,288.5	42,288.5	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	3,145.0	3,145.0	-
Dual Enrollment	7.0	7.0	-
Total	3,152.0	3,152.0	-

Reconciliation of Total Correctional Semester Credit Hours

Categories	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupational	-	-	-
Health Occupational	-	-	-
Remedial Developmental	-	-	-
Adult Basic/Secondary Education	-	-	-
Total Credit Hours Certified	-	-	-

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Documentation of Residency Verification Steps
For the Year Ended June 30, 2015

The following procedures detail the process for verifying the residency status of the students of Shawnee Community College, Community College District #531.

In-District Student

Description: A student who has lived in Johnson, Alexander, Massac, Pulaski, or Union counties for at least 30 days prior to the beginning of the semester.

Residency Code: In-district

Acceptable Documentation: Includes driver's license, voter registration card, property tax statement, in-district high school transcript, utility or phone bill, automobile license registration, or statement from the student verifying his/her address. This statement must be verified by sending correspondence to the address.

Tuition Charge: Current in-district tuition charge

Student Employed Full-Time in the District

Description: An Illinois resident who lives outside the district but works at least 35 hours per week at a business or industry located in the district.

Residency Code: In-district

Acceptable Documentation: A signed letter from employer verifying that the student works at least 35 hours in the district.

Tuition Charge: Current in-district tuition charge

Out-of-District Student

Description: A student who has lived outside the district boundaries but within the state of Illinois for at least 30 days prior to the beginning of the semester.

Residency Code: Out-of-district

Acceptable Documentation: Includes driver's license, voter registration card, property tax statement, in-district high school transcript, utility or phone bill, automobile license registration, or statement from the student verifying his/her address. This statement must be verified by sending correspondence to the address.

Tuition Charge: Current out-of-district tuition charge

Chargeback Student

Description: A student who lives in Illinois outside the district boundaries but attends Shawnee Community College because his/her home Community College does not offer a specific degree/certificate program.

Residency Code: Out-of-district

Acceptable Documentation: A signed chargeback agreement from home community college. Documentation maintained by the Business Office.

Tuition Charge: Current in-district tuition charge

Reciprocal Agreement Student

Description: A student who lives in the John A. Logan College, Kaskaskia College, Southwestern Illinois College, Rend Lake College, or Southeastern Illinois Community College district but attends Shawnee Community College for the purpose of enrolling in a program or specific course not offered by the home community college. Since this is an agreement made among these four colleges, a chargeback request is not required.

Residency Code: Out-of-district

Acceptable Documentation: A letter of reciprocity from the home community college. Documentation maintained by the Business Office.

Tuition Charge: Current in-district tuition charge

Out-of-State Student

Description: A student who lives outside the state of Illinois.

Residency Code: Out-of-state

Acceptable Documentation: None is required.

Tuition Charge: Current out-of-state tuition charge

International Student

Description: A student who lives outside of the United States.

Residency Code: Out-of-country

Acceptable Documentation: None, other than the typical international student admission paperwork which is completed with the Dean of Student Services or Registrar.

Tuition Charge: Current foreign student tuition charge

International Athlete

Description: A student who lives outside of the United States but attends Shawnee Community College for the purpose of playing collegiate sports.

Residency Code: Out-of-country

Acceptable Documentation: None, other than the typical international student admission paperwork which is completed with the Dean of Student Services or Registrar.

Tuition Charge: Current foreign student tuition charge

International Student with U.S. In-District Sponsor

Description: A student whose permanent residence is outside of the United States but who lives with and is financially sponsored by a resident within the college district.

Residency Code: Out-of-country

Acceptable Documentation: None, other than the typical international student admission paperwork which is completed with the Dean of Student Services or Registrar.

Tuition Charge: Current foreign student tuition charge

Returned Mail

When mail is returned to the College in which the post office has provided a label indicating the forwarding address is out-of-district or out-of-state, the College will correct the address in the computer system.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Background Information on State Grant Activity
For the Year Ended June 30, 2015

Unrestricted Grants

Base Operating Grants General operating funds provided to colleges based upon credit enrollment.

Equalization Grants Grants provided to institutions with less than the statewide average local tax dollars available per full-time equivalent student.

Restricted Grant/Special Initiative

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 well-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.

Statewide Initiatives

Other Grants These other grants are additional contractual grants provided for special or specific system-related initiatives. These grants are supported by signed contracts between the college and the State of Illinois. A description of the grants supported by grant agreements may be found in the appendix of the grant agreement governing these grants.

Restricted Adult Education Grants/State

State Basic Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and over or persons under the age of 21 and not otherwise in attendance in public school for the purpose of providing adults in the community, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and General Education Development Review classes. Included in this grant are funds for support services, such as student transportation and child care facilities or provision.

Public Assistance Grant awarded to Adult Education and Family Literacy providers to pay for any fees, books, and materials incurred in the program for students who are identified as recipients of public assistance.

Performance Grant awarded to Adult Education and Family Literacy providers based on performance outcomes.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Findings and Questioned Costs – ICCB Grant Compliance
For the Year Ended June 30, 2015

Findings – ICCB Grant Compliance

No findings noted in the current fiscal year.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Prior Audit Findings – ICCB Grant Compliance
For the Year Ended June 30, 2015

Findings – ICCB Grant Compliance

No findings were noted in the prior fiscal year.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/State Pass-Through Grantor/Program Title/Grant Name	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Education			
<i>Student Financial Aid Cluster</i>			
Pell Grant Program (2015 Award Year)	84.063	P063P142989	\$ 3,058,838
Pell Grant Program (2014 Award Year)	84.063	P063P132989	222,516
Federal Work Study	84.033	P033A141281	57,090
Federal Supplemental Educational Opportunity Grant (FSEOG) (2015 Award Year)	84.007	P007A141281	42,574
Federal Supplemental Educational Opportunity Grant (FSEOG) (2014 Award Year)	84.007	P007A131281	33,202
Total Student Financial Aid Cluster			* <u>3,414,220</u>
<i>Trio Cluster</i>			
Trio Student Support Services	84.042A	P042A101012-14	303,944
Trio Talent Search Program	84.044A	P044A110927-14	217,935
Total Trio Cluster			* <u>521,879</u>
<i>Passed through the Illinois Community College Board (ICCB)</i>			
Carl Perkins Act	84.048	CTE53115	133,944
Adult Education and Family Literacy: iCAPS	84.002a	53101	76,854
Total Passed through ICCB			<u>210,798</u>
Total Department of Education			4,146,897
Department of Health and Human Services			
<i>Passed through Southern Illinois University</i>			
S.I. Bridges to the Baccalaureate Program	93.859	1R25GM107760-01	7,216
National Science Foundation			
<i>Passed through Southern Illinois University</i>			
Noyce Master Fellowship Grant	47.076	DUE-1136414	49,466
U.S. Small Business Administration			
<i>Passed through the Illinois Department of Commerce and Economic Opportunity:</i>			
Small Business Development Center	59.037	15-181174	<u>81,115</u>
Total Expenditures of Federal Awards			<u>\$ 4,284,694</u>

* - Denotes a major program.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (Schedule 34) includes the federal grant activity of Shawnee Community College (the College) for the year ended June 30, 2015. The information in this schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the College, which are presented in conformity with accounting principles generally accepted in the United States of America.

2. Basis of Accounting

The schedule has been prepared on the accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2015.

3. Property and Equipment

Property and equipment purchases that are presented as expenditures in the schedule may be capitalized by the College, if applicable.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

1. Summary of Auditor's Results

- (i) Type of audit report issued on the financial statements: Unmodified
- (ii) The audit did not disclose a significant deficiency or material weakness in internal control that is required to be reported in accordance with *Government Auditing Standards*.
- (iii) The audit did not disclose instances of noncompliance material to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.
- (iv) The audit did not disclose a significant deficiency or material weakness in internal control over major federal award programs.
- (v) Type of report issued on compliance for the major programs: Unmodified
- (vi) The audit did not disclose findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- (vii) Major Programs:
 - U.S. Department of Education:
 - Student Financial Aid Cluster
 - CFDA # 84.007
 - CFDA # 84.033
 - CFDA # 84.063
 - Trio Cluster
 - CFDA # 84.042A
 - CFDA # 84.044A
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$300,000.
- (ix) The College qualifies as a low risk auditee.

2. Findings – Financial Statement Audit

None noted

3. Findings and Questioned Costs – Major Federal Award Program Audit

None noted

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Prior Audit Findings for Federal Awards
For the Year Ended June 30, 2015

The College has no prior audit findings.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Shawnee Community College
Community College District #531
Ullin, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Shawnee Community College, Community College District #531 (the College) for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 08, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
October 08, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Trustees
Shawnee Community College
Community College District #531
Ullin, Illinois

Report on Compliance for Each Major Federal Program

We have audited Shawnee Community College, Community College District #531's (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2015. The College's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements

referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois

October 08, 2015