

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531

Ullin, Illinois

Comprehensive Annual Financial Report

For the Year Ended

June 30, 2017

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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, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

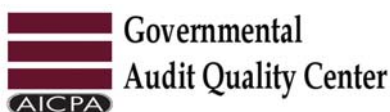
Management's Responsibility for the Financial Statements

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 (GAAP); 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



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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, 2017, 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 on pages 5 through 9 and the Schedule of Proportionate Share of Net Pension Liability – SURS and Schedule of Contributions – SURS on page 29 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, 2017. 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, 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.

Schedules 1 through 22 and Schedules 34 through 36, including the schedule of expenditures of federal awards, are the responsibility of management. Schedules 1 through 22, except Schedule 16, and Schedules 34 through 36, were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on Schedules 1 through 22, except Schedule 16, and Schedules 34 through 36, including the schedule of expenditures of federal awards, 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 3, 2017, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the College's 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 3, 2017

**SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

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, 2017. 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 10-28). 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, 2017 the College's Net Position was \$34.6 million, an increase of \$1.8 million over the prior year's Net Position of \$32.8 million. The increase is mainly the result of the decrease in long term debt by \$1.6 million.

The largest concern in the district is the 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 College has built significant reserves to be able to cover those delayed payments but those funds normally would be used for other operating expenditures including instructional equipment and preventive maintenance.

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

Financial Analysis of the College as a Whole

The following tables are prepared from the College's Statement of Net Position (page 10), 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>2017</u>	<u>2016</u>
Current Assets	\$ 18.5	\$ 17.7
Non-Current Assets		
Land	0.1	0.1
Capital Assets, Net of Depreciation	<u>20.5</u>	<u>20.7</u>
Total Assets	<u>39.1</u>	<u>38.5</u>
Deferred Outflows	<u>0.1</u>	<u>0.1</u>
Current Liabilities	3.0	2.6
Long Term Liabilities	<u>1.6</u>	<u>3.2</u>
Total Liabilities	<u>4.6</u>	<u>5.8</u>
Net Position		
Net Investment in Capital Assets	19.9	18.6
Restricted for:		
Expendable Trust	5.0	5.0
Capital Projects	1.0	0.8
Debt Service	0.9	0.8
Other	1.6	1.3
Unrestricted	<u>6.2</u>	<u>6.3</u>
Total Net Position	<u>\$ 34.6</u>	<u>\$ 32.8</u>

Operating expenses, excluding on-behalf payments, for the College over the fiscal year ending June 30, 2017 were \$14,315,017 compared to \$14,884,871 for the previous year.

Operating Expenses
As of June 30
(in millions)

	<u>2017</u>	<u>2016</u>
Instruction	\$ 4.9	\$ 5.4
Academic Support	0.3	0.3
Student Services	1.6	1.6
Public Services	0.5	0.5
Operation and Maintenance of Plant	1.0	0.9
Institutional Support	2.8	2.8
Grants and Scholarships	1.5	1.8
Auxiliary Enterprise	1.0	1.0
Depreciation	<u>0.7</u>	<u>0.6</u>
Total Operating Expenses	<u>\$ 14.3</u>	<u>\$ 14.9</u>

The operating revenue for fiscal year 2017 was \$2,539,806 compared to \$2,655,838 for 2016. Non-operating revenues (expenses) for fiscal year 2017, excluding on-behalf revenue, were \$13,570,467 compared to \$11,055,684 for 2016.

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

	<u>2017</u>	<u>2016</u>
Operating Revenues		
Tuition and Fees	\$ 1.6	\$ 1.3
Auxiliary Enterprise Revenues	0.6	0.7
Other	<u>0.3</u>	<u>0.7</u>
Total Operating Revenues	<u>2.5</u>	<u>2.7</u>
Non-Operating Revenue (Expenses)		
Local Property Taxes	4.8	4.5
Federal Grants and Contracts	3.5	3.8
State Grants and Contracts	5.3	2.9
Investment Income	0.1	0.1
Interest Expense	<u>(0.1)</u>	<u>(0.3)</u>
Total Non-Operating Revenues (Expenses)	<u>13.6</u>	<u>11.0</u>
Total Revenues	16.1	13.7
Operating Expenses	<u>14.3</u>	<u>14.9</u>
Increase (Decrease) in Net Position	1.8	(1.2)
Net Position, Beginning of Year	<u>32.8</u>	<u>34.0</u>
Net Position, End of Year	<u>\$ 34.6</u>	<u>\$ 32.8</u>

Significant Transactions and Changes in Individual Funds

The operating fund balance, as represented by both the education and the operation and maintenance funds, experienced a decrease of \$150,046 in 2017. Individually, the education fund balance decreased by \$522,835 and the operations and maintenance fund balance increased by \$372,789. The College budgeted and expended \$479,627 on the current student information system upgrade out of education fund reserves.

The liability, protection and settlement fund balance increased in 2017 by \$349,542 bringing that fund balance to a surplus of \$1,544,175 versus a surplus of \$1,194,633 in the prior year. Local property taxes are the only source of revenues for this fund.

The bond and interest fund was started in 2007. This fund ended fiscal year 2017 with an increase in fund balance of \$47,615. The remaining fund balance of \$863,338 will be used to make future bond payments.

The capital projects fund balance increased by \$173,360. This increase is due to the current year expenditures coming in under budget. The remaining fund balance of \$990,508 will be used for future capital expenditures.

Capital Asset Administration

At the end of fiscal year 2017, the College had \$20.7 million invested in a broad range of capital assets (see table below). This amount represents a net increase (including additions and depreciation) of \$.1 million. More detailed information about capital assets can be found in Note 4 to the Basic Financial Statements.

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

	2017	2016
Land	\$ 0.1	\$ 0.1
Software in Progress	0.0	0.4
Land Improvements	0.1	0.1
Buildings	19.5	20.0
Equipment	0.2	0.2
Computer Equipment	0.1	0.1
Vehicles	0.0	0.0
Software	0.7	0.0
Total	<u>\$ 20.7</u>	<u>\$ 20.8</u>

Long-Term Debt Activity

The College's long-term debt decreased during FY2017 from \$4.8 million to \$3.2 million. The bonds payable decreased \$1.6 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 7 to the Basic Financial Statements.

In fiscal year 2018, the college plans to issue long-term debt in the amount of \$5,945,000. These funds will be used for operating fund expenditures and for capital expenditure. With the fiscal situation of the state of Illinois, the College has not been able to replace equipment as needed and has not been able to complete building upgrades/preventive maintenance as needed.

Economic Factors That Will Affect the Future

For fiscal year 2018, the College's Board of Trustees has authorized a tuition increase of \$6.00 - \$33.00 per credit hour depending on a student's residency status. The Board held the technology fee at \$5 per credit hour. This equates to a reasonable increase in tuition revenues assuming the residency mix stays constant for the upcoming fiscal year. The state of Illinois did pass a budget for fiscal year 2017 and 2018, therefore allowing the college to avoid significant reductions in fund balance.

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's approved operating budget for fiscal year 2018 is \$13.6 million. The total College budget is \$23.3 million. Administration will continue to be proactive in monitoring all areas of its operating budget.

The College's Administration and its Board continue to monitor other major factors related to its financial state including declining student enrollment and limited state funding. Shawnee will continue capital improvements on its grounds and facilities as needed. This includes ongoing annual protection, health and safety projects.

Shawnee Community College is mid implementation of a new student information system. The College's legacy student information system used "green screens" which are very out dated. That system had limited functionality and did not support data driven decision making. 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 was selected in 2016 and the reserved funds are being spent for this project which will span over FY2016, FY2017 and early FY2018. This project will be completed by June 30, 2018.

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, 2017

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

Unrestricted:

Cash and Cash Equivalents	\$ 5,665,776
Receivables:	
Property Taxes	567,098
Replacement Taxes	84,333
Student Tuition and Fees, Net of Allowance of \$114,247	622,341
Prepaid Expenses	133,553
Inventories	331,065

Restricted:

Cash and Cash Equivalents	5,363,576
Investments	2,473,512
Receivables:	
Property Taxes	856,009
Governmental Grants and Contracts	2,424,679
Total Current Assets	<u>18,521,942</u>

Property and Equipment, Net

20,676,047

Total Assets

39,197,989

Deferred Outflows of Resources

Pension Related Deferred Outflows

55,477

Total Assets and Deferred Outflows of Resources

\$ 39,253,466

LIABILITIES AND NET POSITION

Current Liabilities

Accounts Payable	\$ 240,827
Accrued Liabilities	407,840
Due to Student Groups	167,319
Accrued Contingency Loss	80,000
Unearned Revenue	573,144
Current Portion of Bonds Payable	1,595,000
Total Current Liabilities	<u>3,064,130</u>

Long-Term Liabilities

Bonds Payable, Net of Current Portion	<u>1,640,000</u>
Total Liabilities	<u>4,704,130</u>

Net Position

Net Investment in Capital Assets	19,941,047
Restricted for:	
Expendable Trust	5,030,178
Capital Projects	990,508
Debt Service	863,338
Other	1,611,006
Unrestricted	6,113,259
Total Net Position	<u>34,549,336</u>

Total Liabilities and Net Position

\$ 39,253,466

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, 2017

Operating Revenues

Student Tuition and Fees, Net of Scholarship	
Allowance of \$2,961,711	\$ 1,588,256
Auxiliary Enterprises Revenue	619,814
Other Operating Revenues	328,766
Total Operating Revenues	<u>2,536,836</u>

Operating Expenses

Instruction	4,945,208
Academic Support	251,059
Student Services	1,588,258
Public Service	465,595
Auxiliary Expenses	1,009,370
Operation and Maintenance of Plant	1,017,661
Grants and Scholarships	1,497,630
Institutional Support	2,939,085
On-Behalf Payments	4,633,226
Depreciation	681,151
Total Operating Expenses	<u>19,028,243</u>

Operating Income (Loss)	<u>(16,491,407)</u>
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Non-Operating Revenues (Expenses)

State Grants and Contracts	5,322,176
Local Property Tax Revenues	4,758,820
Federal Grants and Contracts	3,526,492
On-Behalf Payments	4,633,226
Investment Income Earned	120,302
Interest Expense	(157,323)
Total Non-Operating Revenues (Expenses)	<u>18,203,693</u>

Increase (Decrease) in Net Position	1,712,286
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Net Position, Beginning of Year	<u>32,837,050</u>
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Net Position, End of Year	<u><u>\$ 34,549,336</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, 2017

Cash Flows from Operating Activities	
Student Tuition and Fees	\$ 1,528,905
Payments to Suppliers	(3,611,109)
Payments to Employees and Benefits Paid	(8,447,833)
Payments for Financial Aid and Scholarships	(1,497,630)
Auxiliary Enterprise Charges	619,814
Other Receipts	328,766
	<hr/>
Net Cash Provided by (Used in) Operating Activities	(11,079,087)
Cash Flows from Non-Capital Financing Activities	
Local Property Taxes	4,726,708
State Grants and Contracts	3,158,984
Federal Grants and Contracts	3,459,736
	<hr/>
Net Cash Provided by (Used in) Non-Capital Financing Activities	11,345,428
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Bonds	(1,525,000)
Interest Paid on Bonds	(186,824)
Purchase of Capital Assets	(488,368)
	<hr/>
Net Cash Provided by (Used in)	
Capital and Related Financing Activities	(2,200,192)
	<hr/>
Cash Flows from Investing Activities	
Maturity of Investments	2,526,488
Interest on Investments	120,302
	<hr/>
Net Cash Provided by (Used in) Investing Activities	2,646,790
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	712,939
Cash and Cash Equivalents, Beginning of Year	10,316,413
	<hr/>
Cash and Cash Equivalents, End of Year	\$ 11,029,352
	<hr/>
On the Statement of Net Position as:	
Unrestricted - Cash and Cash Equivalents	\$ 5,665,776
Restricted - Cash and Cash Equivalents	5,363,576
	<hr/>
Cash and Cash Equivalents, End of Year	\$ 11,029,352
	<hr/>

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Cash Flows
For the Year Ended June 30, 2017

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

Operating Income (Loss)	\$ (16,491,407)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	681,151
On-Behalf Payments	4,633,226
Changes in Assets, Deferred Outflows, and Liabilities:	
Student Tuition and Fees Receivables	(331,353)
Inventories	39,378
Prepaid Expenses	(30,451)
Pension Related Deferred Outflows	5,212
Accounts Payable	140,749
Accrued Liabilities	(65,473)
Due to Student Groups	(12,121)
Accrued Contingency Loss	80,000
Unearned Revenue	272,002
	<hr/>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (11,079,087)</u></u>

Supplemental Disclosure of Non-Cash Capital and Related Financing Activity

Property and Equipment Additions from Capitalized Interest	<u><u>\$ 24,728</u></u>
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See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to Basic Financial Statements
June 30, 2017

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 Governmental Accounting Standards Board (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 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 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.
- b. 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.

- c. 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.
- d. 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.
- e. Investments consist of certificates of deposit with maturities greater than three months. These certificates of deposit are carried at cost. The difference between the cost and fair value of the negotiable certificates of deposit is insignificant.
- f. Student tuition and fees receivables include uncollateralized student obligations, which generally require payment by the first day of classes. These receivables 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, 2017, was \$114,247.

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.

- g. 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.

- h. 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 acquisition 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	10-12.5 Years
Buildings	50 Years
Equipment	7-8 Years
Vehicles	5 Years
Computer Technology Equipment	5 Years

- i. 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, the pension related 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, 2017. These contributions occurred after the SURS measurement date of June 30, 2016 for the net pension liability and will be included in the net pension liability measurement at June 30, 2017, and pension expense in fiscal year 2018.

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, 2017.

- j. 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.
- k. 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.

1. 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.

- m. 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.
- n. 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 2015 and 2016, were allocated 70 percent and 30 percent, respectively, for fiscal year 2017. 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	
		2016 Levy Payable 2017	2015 Levy Payable 2016
Education	.20000	.20000	.20000
Building	.10000	.10000	.10000
Tort Immunity	Unlimited	.12210	.11824
Social Security	Unlimited	.02170	.02097
Audit	.0050	.00500	.00500
Health and Safety	.05000	.04310	.04351
Bond and Interest	Unlimited	.29440	.29823
		<u>.78630</u>	<u>.78595</u>

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.

- o. 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.
- p. The preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions that affect the reported number 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.

The most sensitive estimates affecting the financial statements were:

- 1. The valuation of the student tuition receivable
- 2. The useful lives of depreciable capital assets

3. 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, 2017, the College held the following investments:

Certificates of Deposit	
Non-Negotiable	\$ 1,976,100
Negotiable	497,412
Total Investments	<u>\$ 2,473,512</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, 2017, \$8,545,103 of the College's \$11,836,800 bank balance, including certificates of deposits, was exposed to custodial credit risk. The entire exposed balance was fully collateralized by securities pledged by two of 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, 2017, the College held \$1,963,035 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, which maintain a \$1 net asset value. 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. The College has no restrictions on withdrawing funds from this external investment pool.

At June 30, 2017, the College held a total of \$201 in the Illinois School District Liquid Asset Fund Plus. The reported value of the College's position in this fund is equal to the value of the College's fund shares, which maintain a \$1 net asset value. The Illinois School District Liquid Asset Fund Plus is regulated by private rating agencies. The portfolio has an AAAM rating from Standard and Poor's. The assets of the fund are mainly invested in money market instruments having maximum remaining maturities of one year or less, except investments in U.S. Government securities, which may have up to two years remaining to maturity and are valued

at amortized cost. Assets of the fund are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The College has no restrictions on withdrawing funds from this external investment pool.

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, 2017, 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	\$ 497,412	0.70

4. Property and Equipment, Net

The following is a summary of changes in property and equipment for the year ended June 30, 2017:

	<u>June 30, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2017</u>
Assets Not Being Depreciated:				
Land	\$ 89,166	\$ -	\$ -	\$ 89,166
Software in Progress	376,635	-	376,635	-
Buildings in Progress	-	64,456	-	64,456
Assets Being Depreciated:				
Land Improvements	116,529	-	-	116,529
Buildings	28,658,117	-	-	28,658,117
Equipment	1,057,418	70,156	-	1,127,574
Vehicles	507,326	-	-	507,326
Software	-	755,118	-	755,118
Computer Technology Equipment	595,374	-	-	595,374
Total Property and Equipment	<u>31,400,565</u>	<u>889,730</u>	<u>376,635</u>	<u>31,913,660</u>
Less: Accumulated Depreciation and Amortization				
Land Improvements	(115,804)	(726)	-	(116,530)
Buildings	(8,625,032)	(573,162)	-	(9,198,194)
Equipment	(830,532)	(53,189)	-	(883,721)
Vehicles	(444,234)	(15,612)	-	(459,846)
Software	-	(17,979)	-	(17,979)
Computer Technology Equipment	(540,860)	(20,483)	-	(561,343)
Total Accumulated Depreciation and Amortization	<u>(10,556,462)</u>	<u>(681,151)</u>	<u>-</u>	<u>(11,237,613)</u>
Property and Equipment, Net	<u>\$ 20,844,103</u>	<u>\$ 208,579</u>	<u>\$ 376,635</u>	<u>\$ 20,676,047</u>

5. Accrued Liabilities

Accrued liabilities consist of the following at June 30, 2017:

Accrued Wages	\$	260,314
Accrued Vacation		134,469
Accrued Interest		13,057
	\$	<u>407,840</u>

6. Unearned Revenue

Unearned revenue consists of the following at June 30, 2017:

Unearned Student Tuition	\$	310,928
Unearned Student Fees		87,927
Other Unearned Revenue		174,289
	\$	<u>573,144</u>

7. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2017:

	June 30, 2016	Additions	Retired	June 30, 2017	Due Within One Year
2009 Series B Bond	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -
2010 Bond	2,210,000	-	815,000	1,395,000	1,005,000
2011 Series B Bond	2,400,000	-	560,000	1,840,000	590,000
Accrued Vacation	155,458	212,452	233,441	134,469	134,469
Total Long-Term Debt	<u>\$ 4,915,458</u>	<u>\$ 212,452</u>	<u>\$ 1,758,441</u>	<u>\$ 3,369,469</u>	<u>\$ 1,729,469</u>

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 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.

Total interest incurred for all long term debt for the year ended June 30, 2017 was \$182,051. Of this amount, \$24,728 was capitalized as part of the cost of a capital project that was placed in service in the current fiscal year. The remaining \$157,323 of interest has been expensed on the statement of revenues, expenses, and changes in net position.

Maturities of the bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2018	\$ 1,595,000	\$ 120,420	\$ 1,715,420
2019	1,640,000	42,078	1,682,078
	<u>\$ 3,235,000</u>	<u>\$ 162,498</u>	<u>\$ 3,397,498</u>

8. Lease Commitments

The College is obligated under one non-cancellable operating lease for office building, classroom and activity space, with terms running through February 2018. The College is also obligated under eleven non-cancellable operating leases for office equipment with terms ending from March 2019 to March 2021, 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	
2018	\$ 69,555
2019	22,452
2020	13,526
2021	9,017
	<u>\$ 114,550</u>

Total rental expense for the leases above and other short-term leases for the year ending June 30, 2017 was \$80,518.

9. 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, 2016, 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 2017 was 12.53 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, 2016, SURS reported a net pension liability (NPL) of \$25,965,271,744. The net pension liability was measured as of June 30, 2016.

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 \$46,570,743 or 0.1794 percent. This amount should not be recognized in the financial statements. The net pension liability was measured as of June 30, 2016, and the total pension used to calculate the net pension liability was determined based on the June 30,

2015, 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 2016.

Pension Expense

At June 30, 2016, SURS reported a collective net pension expense of \$2,566,164,865.

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 2016. As a result, the College recognized on-behalf revenue and pension expense of \$4,602,617 for the fiscal year ended June 30, 2017.

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	\$ 14,215,882	\$ 2,298,574
Changes in assumption	655,463,758	-
Net difference between projected and actual earnings on pension plan investments	1,431,081,306	635,552,976
Total	\$2,100,760,946	\$637,851,550

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses:

Fiscal Year Ending June 30,	Net Deferred Outflows of Resources
2017	\$ 539,536,680
2018	275,426,885
2019	401,520,624
2020	246,425,207
	<u>\$ 1,462,909,396</u>

Employer Deferral of Fiscal Year 2017 Pension Expense

The College paid \$55,477 in federal, trust or grant contributions for the fiscal year ended June 30, 2017. These contributions were made subsequent to the pension liability measurement date of June 30, 2016, and are recognized as Deferred Outflows of Resources as of June 30, 2017.

Assumptions and Other Inputs

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period June 30, 2010 – 2014. The total pension liability in the June 30, 2016, 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 15.00 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 RP2014 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

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, 2016, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	6.95%
Global Equity	8%	6.78%
Fixed Income	19%	1.17%
Treasury-Inflation Protected Securities	4%	1.41%
Emerging Market Debt	3%	4.44%
Real Estate REITS	4%	5.75%
Direct Real Estate	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	4.00%
Opportunity Fund	1%	6.54%
Weighted Average		5.09%
Inflation		2.75%
Expected Arithmetic Return		7.84%

Discount Rate

A single discount rate of 7.01 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 2.85 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 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, 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 7.01 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher:

1% Decrease 6.01%	Current Single Discount Rate Assumption 7.01%	1% Increase 8.01%
\$31,348,831,631	\$25,965,271,744	\$21,502,421,700

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.

10. On-Behalf Payments for Fringe Benefits

For the year ending June 30, 2017, payments for fringe benefits made to SURS by the State of Illinois on behalf of the College were \$4,602,617 for pensions and \$30,609 for health insurance program payments.

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.

The College was involved in arbitration with a former employee. The arbitrator ruled in favor of the former employee, and awarded backpay and benefits. The College estimates the backpay and related benefits to be approximately \$80,000, which has been accrued on Exhibit A. The College has also submitted the case for Judicial Review, and is also working on other settlement options with the former employee. However, it appears probable that the College will at least have to pay the amount accrued above.

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, 2017.

	Due to	Due from
Education Fund	\$ -	\$ 210,000
Restricted Purposes Fund	210,000	-
	<u>\$ 210,000</u>	<u>\$ 210,000</u>
	Transfer in	Transfer out
Auxiliary Enterprise Fund	\$ 411,489	\$ -
Education Fund	-	385,183
Working Cash Fund	-	26,306
	<u>\$ 411,489</u>	<u>\$ 411,489</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 \$1,340,000. As of June 30, 2017, the College had expended approximately \$1,112,000 on the project. The remaining commitment of \$228,000 is expected to be completed during fiscal year 2018.

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
COMMUNITY COLLEGE DISTRICT #531
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability - SURS
For the Year Ended June 30, 2017
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
a) Shawnee's Proportionate Percentage of the Collective Net Pension Liability	0%	0%	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	42,413,468	46,570,743
Total b) + c)	<u>\$ 38,542,019</u>	<u>\$ 42,413,468</u>	<u>\$ 46,570,743</u>
Shawnee Defined Benefit Covered Payroll	<u>\$ 6,467,888</u>	<u>\$ 6,554,621</u>	<u>\$ 6,498,556</u>
Proportion of Collective Net Pension Liability Associated with Shawnee as a Percentage of Defined Benefit Covered Payroll	596%	647%	717%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%

Required Supplementary Information
Schedule of Contributions - SURS
For the Year Ended June 30, 2017
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Shawnee's Federal, Trust, and Other Contribution	\$ 57,061	\$ 52,110	\$ 60,689	\$ 55,477
Shawnee's Contribution in relation to required contribution	57,061	52,110	60,689	55,477
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Shawnee's Covered Payroll	<u>\$ 479,102</u>	<u>\$ 445,004</u>	<u>\$ 478,243</u>	<u>\$ 442,753</u>
Contributions as a Percentage of Covered Payroll	11.91%	11.71%	12.69%	12.53%

NOTE: The system implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedules are intended to show information for 10 years.

COMMUNITY COLLEGE DISTRICT #531
Notes to Required Supplementary Information – Pension Liability
For the Year Ended June 30, 2017
(Unaudited)

Changes of Benefit Terms

There were no benefit changes in the Total Pension Liability as of June 30, 2016.

Changes of Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three 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.

- Mortality Rates – Change from the RP 2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- Salary Increase – Change assumption to service-based rates, ranging from 3.75 percent to 15 percent based on years of service, with underlying wage inflation of 3.75 percent.
- Normal Retirement Rates – Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.
- Early Retirement Rates – Change to a slight increase to the rates at ages 55 and 56.
- Turnover Rates – Change to produce lower expected turnover for members with less than 10 years of service than the currently assumed rates.
- Disability Rates – Decrease rates and have separate rates for males and females to reflect observed experience.
- Dependent Assumption – Maintain the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

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, 2017

	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	\$ 5,307,400	\$ 1,363,156	\$ 361,769	\$ 914,666	\$ 358,376	\$ 2,723,985	\$ -	\$ -	\$ 11,029,352
Investments	-	-	-	-	-	2,473,512	-	-	2,473,512
Receivables:									
Property Taxes	567,098	265,541	514,626	75,842	-	-	-	-	1,423,107
Replacement Taxes	84,333	-	-	-	-	-	-	-	84,333
Agency Tuition	40,730	-	-	-	-	-	-	-	40,730
Student Tuition and Fees, Net of Allowance	582,533	-	-	-	(922)	-	-	-	581,611
Governmental Grants and Contracts	2,165,863	258,816	-	-	-	-	-	-	2,424,679
Prepaid Expenses	47,971	85,582	-	-	-	-	-	-	133,553
Due from Other Funds	210,000	-	-	-	-	-	-	-	210,000
Inventory	-	-	-	-	331,065	-	-	-	331,065
Property and Equipment, Net	-	-	-	-	9,731	-	20,666,316	-	20,676,047
OTHER DEBITS									
Amount Available to Retire Debt	-	-	-	-	-	-	-	863,338	863,338
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	2,371,662	2,371,662
Total Assets and Other Debits	<u>\$ 9,005,928</u>	<u>\$ 1,973,095</u>	<u>\$ 876,395</u>	<u>\$ 990,508</u>	<u>\$ 698,250</u>	<u>\$ 5,197,497</u>	<u>\$ 20,666,316</u>	<u>\$ 3,235,000</u>	<u>\$ 42,642,989</u>

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, 2017

	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	\$ 237,857	\$ -	\$ -	\$ -	\$ 2,970	\$ -	\$ -	\$ -	\$ 240,827
Accrued Liabilities	394,783	-	13,057	-	-	-	-	-	407,840
Unearned Revenue	398,855	152,089	-	-	22,200	-	-	-	573,144
Due to Other Funds	-	210,000	-	-	-	-	-	-	210,000
Due to Student Groups	-	-	-	-	-	167,319	-	-	167,319
Bonds Payable	-	-	-	-	-	-	-	3,235,000	3,235,000
Total Liabilities	1,031,495	362,089	13,057	-	25,170	167,319	-	3,235,000	4,834,130
COLLEGE EQUITY									
Investment in General Fixed Assets	-	-	-	-	-	-	20,666,316	-	20,666,316
Fund Balance:									
Reserved	-	1,611,006	863,338	990,508	-	5,030,178	-	-	8,495,030
Unreserved, Designated	659,856	-	-	-	-	-	-	-	659,856
Unreserved, Undesignated	7,314,577	-	-	-	-	-	-	-	7,314,577
Retained Earnings	-	-	-	-	673,080	-	-	-	673,080
Total College Equity	7,974,433	1,611,006	863,338	990,508	673,080	5,030,178	20,666,316	-	37,808,859
Total Liabilities and College Equity	\$ 9,005,928	\$ 1,973,095	\$ 876,395	\$ 990,508	\$ 698,250	\$ 5,197,497	\$ 20,666,316	\$ 3,235,000	\$ 42,642,989

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, 2017

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
Revenues					
Local Sources	\$ 2,388,148	\$ 892,522	\$ 1,754,666	\$ 257,201	\$ 5,292,537
State Sources	4,642,746	145,713	-	-	4,788,459
Federal Sources	-	3,526,492	-	-	3,526,492
Tuition and Fees	4,549,967	-	-	-	4,549,967
Facilities	60,904	-	-	-	60,904
Investment Income	92,309	-	-	1,687	93,996
Other Revenue	267,862	-	-	-	267,862
On-Behalf Payments	4,633,226	-	-	-	4,633,226
Total Revenues	<u>16,635,162</u>	<u>4,564,727</u>	<u>1,754,666</u>	<u>258,888</u>	<u>23,213,443</u>
Expenditures					
Instruction	4,688,383	256,826	-	-	4,945,209
Academic Support	240,303	10,756	-	-	251,059
Student Services	1,135,154	447,892	-	-	1,583,046
Public Service	150,727	314,868	-	-	465,595
Operation and Maintenance of Plant	1,095,728	-	-	56,545	1,152,273
Scholarships and Grants	1,814,897	2,641,863	-	-	4,456,760
Institutional Support	2,641,607	542,249	-	28,983	3,212,839
Principal	-	-	1,525,000	-	1,525,000
Interest	-	-	182,051	-	182,051
On-Behalf Payments	4,633,226	-	-	-	4,633,226
Total Expenditures	<u>16,400,025</u>	<u>4,214,454</u>	<u>1,707,051</u>	<u>85,528</u>	<u>22,407,058</u>
Revenue Over (Under) Expenditures	<u>235,137</u>	<u>350,273</u>	<u>47,615</u>	<u>173,360</u>	<u>806,385</u>
Other Financing Sources (Uses)					
Operating Transfers, Net	<u>(385,183)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(385,183)</u>
Total Other Financing Sources (Uses)	<u>(385,183)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(385,183)</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(150,046)</u>	<u>350,273</u>	<u>47,615</u>	<u>173,360</u>	<u>421,202</u>
Fund Balance, July 1, 2016	<u>8,124,479</u>	<u>1,260,733</u>	<u>815,723</u>	<u>817,148</u>	<u>11,018,083</u>
Fund Balance, June 30, 2017	<u>\$ 7,974,433</u>	<u>\$ 1,611,006</u>	<u>\$ 863,338</u>	<u>\$ 990,508</u>	<u>\$ 11,439,285</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, 2017

	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	\$ 2,145,415	\$ 2,388,148	\$ 809,000	\$ 892,522	\$ 1,710,325	\$ 1,754,666	\$ 251,000	\$ 257,201	\$ 4,915,740	\$ 5,292,537
State Sources	5,167,455	4,642,746	251,910	145,713	-	-	-	-	5,419,365	4,788,459
Federal Sources	100	-	5,219,231	3,526,492	-	-	-	-	5,219,331	3,526,492
Tuition and Fees	4,868,999	4,549,967	-	-	-	-	-	-	4,868,999	4,549,967
Facilities	60,000	60,904	-	-	-	-	-	-	60,000	60,904
Investment Income	15,100	92,309	-	-	-	-	-	1,687	15,100	93,996
Other Revenue	236,845	267,862	-	-	-	-	-	-	236,845	267,862
Total Revenues	12,493,914	12,001,936	6,280,141	4,564,727	1,710,325	1,754,666	251,000	258,888	20,735,380	18,580,217
Expenditures										
Instruction	5,105,510	4,688,383	315,432	256,826		-	-	-	5,420,942	4,945,209
Academic Support	285,396	240,303	16,051	10,756	-	-	-	-	301,447	251,059
Student Services	1,161,090	1,135,154	457,595	447,892	-	-	-	-	1,618,685	1,583,046
Public Service	182,286	150,727	278,298	314,868	-	-	-	-	460,584	465,595
Operation and Maintenance of Plant	1,128,314	1,095,728	40,000	-	-	-	311,657	56,545	1,479,971	1,152,273
Scholarships and Grants	2,220,150	1,814,897	4,340,000	2,641,863	-	-	-	-	6,560,150	4,456,760
Institutional Support	2,849,703	2,641,607	757,448	542,249	-	-	258,783	28,983	3,865,934	3,212,839
Principal	-	-	-	-	1,631,983	1,525,000	-	-	1,631,983	1,525,000
Interest	-	-	-	-	78,342	182,051	-	-	78,342	182,051
Total Expenditures	12,932,449	11,766,799	6,204,824	4,214,454	1,710,325	1,707,051	570,440	85,528	21,418,038	17,773,832
Revenue Over (Under) Expenditures	(438,535)	235,137	75,317	350,273	-	47,615	(319,440)	173,360	(682,658)	806,385
Other Financing Sources (Uses)										
Operating Transfers, Net	(344,310)	(385,183)	-	-	-	-	-	-	(344,310)	(385,183)
Total Other Financing Sources (Uses)	(344,310)	(385,183)	-	-	-	-	-	-	(344,310)	(385,183)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (782,845)</u>	<u>(150,046)</u>	<u>\$ 75,317</u>	<u>350,273</u>	<u>\$ -</u>	<u>47,615</u>	<u>\$ (319,440)</u>	<u>173,360</u>	<u>\$ (1,026,968)</u>	<u>421,202</u>
Fund Balance, July 1, 2016		8,124,479		1,260,733		815,723		817,148		11,018,083
Fund Balance, June 30, 2017		<u>\$ 7,974,433</u>		<u>\$ 1,611,006</u>		<u>\$ 863,338</u>		<u>\$ 990,508</u>		<u>\$ 11,439,285</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, 2017

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenues				
Student and Community Services	\$ -	\$ -	\$ 806,000	\$ 619,814
Student Tuition and Fees	-	-	-	-
State Sources	-	-	-	-
Other Revenue	-	-	-	-
Investment Income	40,000	26,306	-	-
Total Operating Revenues	40,000	26,306	806,000	619,814
Operating Expenses				
Salaries	-	-	199,235	170,744
Employee Benefits	-	-	8,042	11,638
Contractual Services	-	-	62,357	58,816
General Materials and Supplies	-	-	578,030	477,112
Conference and Meeting	-	-	33,805	30,899
Fixed Charges	-	-	38,500	26,356
Depreciation	-	-	-	1,931
Capital Outlay	-	-	1,500	1,226
Other	-	-	266,841	235,160
Total Operating Expenses	-	-	1,188,310	1,013,882
Operating Income (Loss)	40,000	26,306	(382,310)	(394,068)
Other Financing Sources (Uses)				
Operating Transfers, Net	-	(26,306)	384,310	411,489
Net Income (Loss)	<u>\$ 40,000</u>	<u>-</u>	<u>\$ 2,000</u>	<u>17,421</u>
College Equity, July 1, 2016		<u>5,030,178</u>		<u>655,660</u>
College Equity, June 30, 2017		<u>\$ 5,030,178</u>		<u>\$ 673,081</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, 2017

	Fiduciary Fund Type <u>Working Cash Fund</u>	Proprietary Fund Type <u>Enterprise Funds</u>
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	\$ -	\$ 619,814
Student Tuition and Fees	-	2,100
Payments to Suppliers	-	(787,221)
Payments to Employees and Benefits Paid	-	(182,382)
Interest on Investments	26,306	-
Net Cash Provided by (Used in) Operating Activities	<u>26,306</u>	<u>(347,689)</u>
Cash Flows from Non-Capital Financing Activities		
Operating Transfers In (Out)	<u>(26,306)</u>	<u>411,489</u>
Cash Flows from Investing Activities		
Maturity of Investments	<u>26,488</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	26,488	63,800
Cash and Cash Equivalents, July 1, 2016	<u>2,530,178</u>	<u>294,576</u>
Cash and Cash Equivalents, June 30, 2017	<u><u>\$ 2,556,666</u></u>	<u><u>\$ 358,376</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 26,306	\$ (394,068)
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	-	2,100
Inventories	-	39,378
Payables	-	2,970
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 26,306</u></u>	<u><u>\$ (347,689)</u></u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet - Modified Accrual Basis
General Funds
June 30, 2017

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,573,959	\$ 733,441	\$ 5,307,400
Receivables:			
Property Taxes	382,096	185,002	567,098
Replacement Taxes	59,033	25,300	84,333
Agency Tuition	40,730	-	40,730
Student Tuition and Fees, Net of Allowance	582,533	-	582,533
Governmental Grants and Contracts	1,856,361	309,502	2,165,863
Prepaid Expenses	47,971	-	47,971
Due From Other Funds	210,000	-	210,000
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 7,752,683</u>	<u>\$ 1,253,245</u>	<u>\$ 9,005,928</u>
LIABILITIES			
Accounts Payable	\$ 237,857	\$ -	\$ 237,857
Accrued Liabilities	394,783	-	394,783
Unearned Revenue	398,855	-	398,855
Total Liabilities	<u>1,031,495</u>	<u>-</u>	<u>1,031,495</u>
FUND BALANCE			
Unreserved, Designated	659,856	-	659,856
Unreserved, Undesignated	6,061,332	1,253,245	7,314,577
Total Fund Balance	<u>6,721,188</u>	<u>1,253,245</u>	<u>7,974,433</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 7,752,683</u>	<u>\$ 1,253,245</u>	<u>\$ 9,005,928</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, 2017

	Education Fund	Operation and Maintenance Fund	Total
Revenues			
Local Sources	\$ 1,623,976	\$ 764,172	\$ 2,388,148
State Sources	4,002,305	640,441	4,642,746
Tuition and Fees	4,549,967	-	4,549,967
Facilities	-	60,904	60,904
Investment Income	92,309	-	92,309
Other Revenue	264,862	3,000	267,862
On-Behalf Payments	4,633,226	-	4,633,226
Total Revenues	<u>15,166,645</u>	<u>1,468,517</u>	<u>16,635,162</u>
Expenditures			
Instruction	4,688,383	-	4,688,383
Academic Support	240,303	-	240,303
Student Services	1,135,154	-	1,135,154
Public Service	150,727	-	150,727
Operation and Maintenance of Plant	-	1,095,728	1,095,728
Institutional Support	2,641,607	-	2,641,607
On-Behalf Payments	4,633,226	-	4,633,226
Scholarships and Grants	1,814,897	-	1,814,897
Total Expenditures	<u>15,304,297</u>	<u>1,095,728</u>	<u>16,400,025</u>
Revenue Over (Under) Expenditures	<u>(137,652)</u>	<u>372,789</u>	<u>235,137</u>
Other Financing Sources (Uses)			
Operating Transfers, Net	(385,183)	-	(385,183)
Total Other Financing Sources (Uses)	<u>(385,183)</u>	<u>-</u>	<u>(385,183)</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(522,835)</u>	<u>372,789</u>	<u>(150,046)</u>
Fund Balance, July 1, 2016	<u>7,244,023</u>	<u>880,456</u>	<u>8,124,479</u>
Fund Balance, June 30, 2017	<u><u>\$ 6,721,188</u></u>	<u><u>\$ 1,253,245</u></u>	<u><u>\$ 7,974,433</u></u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet - Modified Accrual Basis
Special Revenue Funds
June 30, 2017

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 103,273	\$ 57,560	\$ 1,202,323	\$ 1,363,156
Receivables:				
Property Taxes	-	9,271	256,270	265,541
Governmental Grants and Contracts	258,816	-	-	258,816
Prepaid Expenses	-	-	85,582	85,582
Total Assets	<u>\$ 362,089</u>	<u>\$ 66,831</u>	<u>\$ 1,544,175</u>	<u>\$ 1,973,095</u>
LIABILITIES				
Unearned Revenue	\$ 152,089	\$ -	\$ -	\$ 152,089
Due to Other Funds	210,000	-	-	210,000
Total Liabilities	<u>362,089</u>	<u>-</u>	<u>-</u>	<u>362,089</u>
FUND BALANCE				
Reserved	-	66,831	1,544,175	1,611,006
Total Fund Balance	<u>-</u>	<u>66,831</u>	<u>1,544,175</u>	<u>1,611,006</u>
Total Liabilities and Fund Balance	<u>\$ 362,089</u>	<u>\$ 66,831</u>	<u>\$ 1,544,175</u>	<u>\$ 1,973,095</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, 2017

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenues				
Local Sources	\$ -	\$ 30,611	\$ 861,911	\$ 892,522
State Sources	145,713	-	-	145,713
Federal Sources	3,526,492	-	-	3,526,492
Other Revenue	-	-	-	-
Total Revenues	3,672,205	30,611	861,911	4,564,727
Expenditures				
Instruction	256,826	-	-	256,826
Academic Support	10,756	-	-	10,756
Student Services	447,892	-	-	447,892
Public Service	314,868	-	-	314,868
Auxiliary Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Institutional Support	-	29,880	512,369	542,249
Scholarships and Grants	2,641,863	-	-	2,641,863
Total Expenditures	3,672,205	29,880	512,369	4,214,454
Revenue Over (Under) Expenditures	-	731	349,542	350,273
Other Financing Sources (Uses)				
Operating Transfers (Net)	-	-	-	-
Revenue Over (Under) Expenditures and Other Financing Uses	-	731	349,542	350,273
Fund Balance, July 1, 2016	-	66,100	1,194,633	1,260,733
Fund Balance, June 30, 2017	\$ -	\$ 66,831	\$ 1,544,175	\$ 1,611,006

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet
Fiduciary Funds
June 30, 2017

	Non-Expendable Trust		
	Working Cash Fund	Trust and Agency Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,556,666	\$ 167,319	\$ 2,723,985
Investments	2,473,512	-	2,473,512
Total Assets	<u>\$ 5,030,178</u>	<u>\$ 167,319</u>	<u>\$ 5,197,497</u>
LIABILITIES			
Due to Student Groups	\$ -	\$ 167,319	\$ 167,319
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>\$ 167,319</u>	<u>\$ 5,197,497</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, 2017

	Education Fund	Operations and Maintenance Funds		Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Trust and Agency Fund	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	Account Groups		Total (Memorandum Only)
		Operational	Restricted								General Fixed Assets	General Long- Term Debt	
ASSETS													
Cash and Cash Equivalents	\$ 4,573,959	\$ 733,441	\$ 914,666	\$ 358,376	\$ 103,273	\$ 2,556,666	\$ 167,319	\$ 361,769	\$ 57,560	\$ 1,202,323	\$ -	\$ -	\$ 11,029,352
Investments	-	-	-	-	-	2,473,512	-	-	-	-	-	-	2,473,512
Receivables:													
Property Taxes	382,096	185,002	75,842	-	-	-	-	514,626	9,271	256,270	-	-	1,423,107
Replacement Taxes	59,033	25,300	-	-	-	-	-	-	-	-	-	-	84,333
Agency Tuition	40,730	-	-	-	-	-	-	-	-	-	-	-	40,730
Student Tuition and Fees, Net of Allowance	582,533	-	-	(922)	-	-	-	-	-	-	-	-	581,611
Governmental Grants and Contracts	1,856,361	309,502	-	-	258,816	-	-	-	-	-	-	-	2,424,679
Due from Other Funds	210,000	-	-	-	-	-	-	-	-	-	-	-	210,000
Prepaid Expenses	47,971	-	-	-	-	-	-	-	-	85,582	-	-	133,553
Inventory	-	-	-	331,065	-	-	-	-	-	-	-	-	331,065
Property and Equipment at Cost, Net	-	-	-	9,731	-	-	-	-	-	-	20,666,316	-	20,676,047
Amounts Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	863,338	863,338
Amounts to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	2,371,662	2,371,662
Total Assets	<u>\$ 7,752,683</u>	<u>\$ 1,253,245</u>	<u>\$ 990,508</u>	<u>\$ 698,250</u>	<u>\$ 362,089</u>	<u>\$ 5,030,178</u>	<u>\$ 167,319</u>	<u>\$ 876,395</u>	<u>\$ 66,831</u>	<u>\$ 1,544,175</u>	<u>\$ 20,666,316</u>	<u>\$ 3,235,000</u>	<u>\$ 42,642,989</u>
LIABILITIES													
Accounts Payable	\$ 237,857	\$ -	\$ -	\$ 2,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,827
Accrued Liabilities	394,783	-	-	-	-	-	-	13,057	-	-	-	-	407,840
Due to Other Funds	-	-	-	-	210,000	-	-	-	-	-	-	-	210,000
Unearned Revenue	398,855	-	-	22,200	152,089	-	-	-	-	-	-	-	573,144
Due to Student Groups	-	-	-	-	-	-	167,319	-	-	-	-	-	167,319
Bonds	-	-	-	-	-	-	-	-	-	-	-	3,235,000	3,235,000
Total Liabilities	<u>1,031,495</u>	<u>-</u>	<u>-</u>	<u>25,170</u>	<u>362,089</u>	<u>-</u>	<u>167,319</u>	<u>13,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,235,000</u>	<u>4,834,130</u>
COLLEGE EQUITY													
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	20,666,316	-	20,666,316
Fund Balance:													
Reserved	-	-	990,508	-	-	5,030,178	-	863,338	66,831	1,544,175	-	-	8,495,030
Unreserved, Designated	659,856	-	-	-	-	-	-	-	-	-	-	-	659,856
Unreserved, Undesignated	6,061,332	1,253,245	-	-	-	-	-	-	-	-	-	-	7,314,577
Retained Earnings (Accumulated Deficit)	-	-	-	673,080	-	-	-	-	-	-	-	-	673,080
Total College Equity (Deficit)	<u>6,721,188</u>	<u>1,253,245</u>	<u>990,508</u>	<u>673,080</u>	<u>-</u>	<u>5,030,178</u>	<u>-</u>	<u>863,338</u>	<u>66,831</u>	<u>1,544,175</u>	<u>20,666,316</u>	<u>-</u>	<u>37,808,859</u>
Total Liabilities and College Equity	<u>\$ 7,752,683</u>	<u>\$ 1,253,245</u>	<u>\$ 990,508</u>	<u>\$ 698,250</u>	<u>\$ 362,089</u>	<u>\$ 5,030,178</u>	<u>\$ 167,319</u>	<u>\$ 876,395</u>	<u>\$ 66,831</u>	<u>\$ 1,544,175</u>	<u>\$ 20,666,316</u>	<u>\$ 3,235,000</u>	<u>\$ 42,642,989</u>

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 and Fiduciary Fund Types)
All Funds
For the Year Ended June 30, 2017

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	Education Fund	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)
		Operational	Restricted							
Revenues										
Local Sources	\$ 1,623,976	\$ 764,172	\$ 257,201	\$ -	\$ -	\$ -	\$ 1,754,666	\$ 30,611	\$ 861,911	\$ 5,292,537
State Sources	4,002,305	640,441	-	-	145,713	-	-	-	-	4,788,459
Federal Sources	-	-	-	-	3,526,492	-	-	-	-	3,526,492
Tuition and Fees	4,549,967	-	-	-	-	-	-	-	-	4,549,967
Facilities	-	60,904	-	-	-	-	-	-	-	60,904
Investment Income	92,309	-	1,687	-	-	26,306	-	-	-	120,302
Other Revenue	264,862	3,000	-	619,814	-	-	-	-	-	887,676
On-Behalf Payments	4,633,226	-	-	-	-	-	-	-	-	4,633,226
Total Revenues	15,166,645	1,468,517	258,888	619,814	3,672,205	26,306	1,754,666	30,611	861,911	23,859,563
Expenditures										
Instruction	4,688,383	-	-	-	256,826	-	-	-	-	4,945,209
Academic Support	240,303	-	-	-	10,756	-	-	-	-	251,059
Student Services	1,135,154	-	-	-	447,892	-	-	-	-	1,583,046
Public Service	150,727	-	-	-	314,868	-	-	-	-	465,595
Auxiliary Services	-	-	-	1,011,952	-	-	-	-	-	1,011,952
Operation and Maintenance of Plant	-	1,095,728	56,545	-	-	-	-	-	-	1,152,273
Institutional Support	2,641,607	-	28,983	-	-	-	-	29,880	512,369	3,212,839
Scholarships and Grants	1,814,897	-	-	-	2,641,863	-	-	-	-	4,456,760
Principal	-	-	-	-	-	-	1,525,000	-	-	1,525,000
Interest	-	-	-	-	-	-	182,051	-	-	182,051
Depreciation	-	-	-	1,931	-	-	-	-	-	1,931
On-Behalf Payments	4,633,226	-	-	-	-	-	-	-	-	4,633,226
Total Expenditures	15,304,297	1,095,728	85,528	1,013,883	3,672,205	-	1,707,051	29,880	512,369	23,420,941
Revenue Over (Under) Expenditures	(137,652)	372,789	173,360	(394,069)	-	26,306	47,615	731	349,542	438,622
Other Financing Sources (Uses)										
Operating Transfers, Net	(385,183)	-	-	411,489	-	(26,306)	-	-	-	-
Total Other Financing Sources (Uses)	(385,183)	-	-	411,489	-	(26,306)	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(522,835)	372,789	173,360	17,420	-	-	47,615	731	349,542	438,622
College Equity, Beginning of Year	7,244,023	880,456	817,148	655,660	-	5,030,178	815,723	66,100	1,194,633	16,703,921
College Equity, End of Year	\$ 6,721,188	\$ 1,253,245	\$ 990,508	\$ 673,080	\$ -	\$ 5,030,178	\$ 863,338	\$ 66,831	\$ 1,544,175	\$ 17,142,543

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, 2017

College Equity	\$ 37,808,859
Reconciling Items:	
Reclassification of Long Term Debt	(3,235,000)
Accrued Loss Contingency	(80,000)
Deferred Retirement Plan Contributions	<u>55,477</u>
Net Position	<u><u>\$ 34,549,336</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, 2017

Change in College Equity	\$ 438,622
Reconciling Items:	
General Obligation Debt Retired	1,525,000
Record Depreciation on the Capital Assets	(679,220)
Remove Capital Expenditures related to Capital Assets	513,096
Change in Loss Contingency Accrual	(80,000)
Change in Deferred Retirement Plan Contributions	<u>(5,212)</u>
Change in Net Position	<u><u>\$ 1,712,286</u></u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2017

	2015 Levy	2014 Levy	2013 Levy	2012 Levy
District Valuations	\$ 587,294,095	\$ 576,047,867	\$ 572,818,519	\$ 575,086,019
Tax Rates (Per \$100 Assessed Valuations)				
Education	0.20000	0.20000	0.20000	0.20000
Building	0.10000	0.10000	0.10000	0.09965
Liability Insurance	0.12210	0.11824	0.11917	0.11831
Social Security	0.02170	0.02097	0.02111	0.02096
Audit	0.00500	0.00500	0.00500	0.00500
Health and Safety	0.04310	0.04354	0.04375	0.04343
Bond and Interest	0.29440	0.29823	0.29699	0.29486
TOTAL	0.78630	0.78598	0.78602	0.78221
Tax Extensions				
Education	\$ 1,206,125	\$ 1,156,537	\$ 1,179,533	\$ 1,216,996
Building	604,562	582,762	573,582	591,557
Liability Insurance	709,496	679,522	681,007	648,586
Social Security	125,824	120,481	120,639	126,564
Audit	30,314	30,144	30,204	29,749
Health and Safety	250,000	250,000	250,000	287,179
Bond and Interest	1,710,325	1,713,877	1,697,223	1,693,252
	\$ 4,636,646	\$ 4,533,323	\$ 4,532,188	\$ 4,593,883
Collections				
Education	\$ 1,234,935	\$ 1,153,635	\$ 1,161,571	\$ 1,125,048
Building	602,761	577,038	573,847	553,242
Liability Insurance	729,682	678,463	682,399	638,685
Social Security	129,681	120,326	120,881	113,142
Audit	30,556	29,346	29,267	28,581
Health and Safety	257,570	249,839	250,524	276,513
Bond and Interest	1,759,972	1,711,488	1,700,629	1,653,118
	\$ 4,745,158	\$ 4,520,135	\$ 4,519,118	\$ 4,388,329
Percent of Extension Collected	102.34%	99.71%	99.71%	95.53%

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Legal Debt Margin
June 30, 2017

Assessed Valuations - 2016 Levy***	\$ 603,418,627
	<u><u> </u></u>
Debt Limit, 2.875 Percent of Assessed Valuation (50 ILCS 405/1)	\$ 17,348,286
Indebtedness:	
General Obligation Community College Bonds	<u>3,235,000</u>
Legal Debt Margin	<u><u>\$ 14,113,286</u></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, 2017
 (Unaudited)

School Quarter	Student Enrollment	Full-Time Equivalency
		Semester
Summer 2016	1,167	601
Fall 2016	1,824	1,041
Spring 2017	1,694	1,111
Semester Average (Exclusive of Summer School)	1,759	1,076

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
All Funds Summary - Modified Accrual Basis
Uniform Financial Statement No. 1
For the Year Ended June 30, 2017

	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, 2016	\$ 7,244,023	\$ 880,456	\$ 817,148	\$ 815,723	\$ 655,660	\$ -	\$ 5,030,178	\$ 66,100	\$ 1,194,633	\$ 16,703,921
Revenues:										
Local Tax Revenue	1,250,374	604,057	257,201	1,754,666	-	-	-	30,611	861,911	4,758,820
All Other Local Revenue	373,602	160,115	-	-	-	-	-	-	-	533,717
ICCB Grants	4,002,305	640,441	-	-	-	129,967	-	-	-	4,772,713
All Other State Revenue	-	-	-	-	-	15,746	-	-	-	15,746
Federal Revenue	-	-	-	-	-	3,526,492	-	-	-	3,526,492
Student Tuition and Fees	4,549,967	-	-	-	-	-	-	-	-	4,549,967
All Other Revenue	357,171	63,904	1,687	-	619,814	-	26,306	-	-	1,068,882
Total Revenues	10,533,419	1,468,517	258,888	1,754,666	619,814	3,672,205	26,306	30,611	861,911	19,226,337
Expenditures:										
Instruction	4,688,383	-	-	-	-	256,826	-	-	-	4,945,209
Academic Support	240,303	-	-	-	-	10,756	-	-	-	251,059
Student Services	1,135,154	-	-	-	-	447,892	-	-	-	1,583,046
Public Service/Continuing Education	150,727	-	-	-	-	314,868	-	-	-	465,595
Organized Research	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	1,013,883	-	-	-	-	1,013,883
Operations and Maintenance	-	1,095,728	56,545	-	-	-	-	-	-	1,152,273
Institutional Support	2,641,607	-	28,983	1,707,051	-	-	-	29,880	512,369	4,919,890
Scholarships, Student Grants, and Waivers	1,814,897	-	-	-	-	2,641,863	-	-	-	4,456,760
Total Expenditures	10,671,071	1,095,728	85,528	1,707,051	1,013,883	3,672,205	-	29,880	512,369	18,787,715
Net Transfers	(385,183)	-	-	-	411,489	-	(26,306)	-	-	-
Fund Balance, June 30, 2017	\$ 6,721,188	\$ 1,253,245	\$ 990,508	\$ 863,338	\$ 673,080	\$ -	\$ 5,030,178	\$ 66,831	\$ 1,544,175	\$ 17,142,543

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
For the Year Ended June 30, 2017

	Capital Assets / Long Term Debt			
	July 1, 2016	Additions	Deletions	June 30, 2017
Fixed Assets:				
Land	\$ 89,166	\$ -	\$ -	\$ 89,166
Land Improvements	116,529	-	-	116,529
Buildings, Additions, and Improvements	28,658,117	-	-	28,658,117
Equipment	2,160,118	825,274	-	2,985,392
Other Fixed Assets	376,635	64,456	(376,635)	64,456
Accumulated Depreciation	(10,556,462)	(681,151)	-	(11,237,613)
Net Fixed Assets	<u>\$ 20,844,103</u>	<u>\$ 208,579</u>	<u>\$ (376,635)</u>	<u>\$ 20,676,047</u>
Fixed Debt:				
Bonds	<u>\$ 4,760,000</u>	<u>\$ -</u>	<u>\$ (1,525,000)</u>	<u>\$ 3,235,000</u>
Total Fixed Liabilities	<u>\$ 4,760,000</u>	<u>\$ -</u>	<u>\$ (1,525,000)</u>	<u>\$ 3,235,000</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, 2017

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Source:			
<i>Local Government Revenue</i>			
Local Taxes	\$ 1,250,374	\$ 604,057	\$ 1,854,431
Corporate Personal Property Replacement Tax	373,602	160,115	533,717
Chargeback Revenue	-	-	-
Total Local Government	<u>1,623,976</u>	<u>764,172</u>	<u>2,388,148</u>
<i>State Government</i>			
ICCB Credit Hour Grants	1,494,362	640,441	2,134,803
ICCB Equalization Grant	2,269,463	-	2,269,463
ICCB Career & Technical Education	238,480	-	238,480
Total State Government	<u>4,002,305</u>	<u>640,441</u>	<u>4,642,746</u>
<i>Federal Government</i>			
Department of Education	-	-	-
Total Federal Government	<u>-</u>	<u>-</u>	<u>-</u>
<i>Student Tuition and Fees</i>			
Tuition	4,007,710	-	4,007,710
Fees	542,257	-	542,257
Total Student Tuition and Fees	<u>4,549,967</u>	<u>-</u>	<u>4,549,967</u>
<i>Other Sources</i>			
Sales and Service Fees	6,924	-	6,924
Facilities Revenue	-	60,904	60,904
Investment Revenue	92,309	-	92,309
Other	257,938	3,000	260,938
Total Other Sources	<u>357,171</u>	<u>63,904</u>	<u>421,075</u>
Total Operating Revenues	10,533,419	1,468,517	12,001,936
<i>Less: Non-Operating Items</i>			
Tuition Chargeback Revenue	-	-	-
Adjusted Operating Revenue	<u>\$ 10,533,419</u>	<u>\$ 1,468,517</u>	<u>\$ 12,001,936</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, 2017

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	\$ 4,688,383	\$ -	\$ 4,688,383
Academic Support	240,303	-	240,303
Student Services	1,135,154	-	1,135,154
Public Service/Continuing Education	150,727	-	150,727
Operations and Maintenance	-	1,095,728	1,095,728
Institutional Support	2,641,607	-	2,641,607
Scholarships, Grants, and Waivers	1,814,897	-	1,814,897
Transfers	385,183	-	385,183
Total Operating Expenditures by Program	11,056,254	1,095,728	12,151,982
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	<u>\$ 11,056,254</u>	<u>\$ 1,095,728</u>	<u>\$ 12,151,982</u>
Operating Expenditures by Object:			
Salaries	\$ 6,102,317	\$ 139,278	\$ 6,241,595
Employee Benefits	880,911	20,497	901,408
Contractual Services	1,083,916	402,150	1,486,066
General Materials and Supplies	382,001	39,733	421,734
Conference and Meeting Expenses	48,994	-	48,994
Fixed Charges	116,872	-	116,872
Utilities	54,498	492,858	547,356
Capital Outlay	45,522	-	45,522
Other	1,956,040	1,212	1,957,252
Transfers	385,183	-	385,183
Total Operating Expenditures by Object	11,056,254	1,095,728	12,151,982
Less: Non-Operating Items			
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Object	<u>\$ 11,056,254</u>	<u>\$ 1,095,728</u>	<u>\$ 12,151,982</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, 2017

	<u>Restricted Purposes Fund</u>
Revenue by Source:	
<i>State Government</i>	
ICCB - Adult Education	\$ 117,563
ICCB - Program Improvement Grant	12,404
Illinois Department of Commerce and Economic Opportunity	14,000
Illinois Board of Higher Education	1,746
Total State Government	<u>145,713</u>
<i>Federal Government</i>	
Department of Education	3,175,765
ICCB - Adult Education	88,650
ICCB - Carl Perkins	107,396
ICCB - Other Grants	44,500
National Science Foundation	37,157
Department of Health and Human Services	8,182
Department of Labor	3,626
Department of Commerce and Economic Opportunity	59,236
Other Federal Sources	1,980
Total Federal Government	<u>3,526,492</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 3,672,205</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, 2017

	Restricted Purposes Fund
Expenditures by Program:	
Instruction	\$ 256,826
Academic Support	10,756
Student Services	447,892
Public Service/Continuing Education	314,868
Auxiliary Services	-
Operations and Maintenance	-
Institutional Support	-
Scholarships, Grants, and Waivers	2,641,863
Total Restricted Purposes Fund Expenditures by Program	<u>\$ 3,672,205</u>
Expenditures by Object:	
Salaries	\$ 609,494
Employee Benefits	136,718
Contractual Services	39,589
General Materials and Supplies	98,200
Travel and Conference/Meeting Expenses	59,558
Utilities	350
Capital Outlay	57,920
Scholarships, Grants, and Waivers	2,641,863
Other	28,513
Total Restricted Purposes Fund Expenditures by Object	<u>\$ 3,672,205</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, 2017

Instruction:	
Instructional Programs	\$ 4,945,209
Academic Support:	
Library Center	114,928
Academic Computing Support	2,647
Academic Administration and Planning	122,728
Other	10,756
Total Academic Support	<u>251,059</u>
Student Services Support:	
Admissions and Records	55,317
Counseling and Career Services	857,596
Financial Aid Administration	222,241
Other	447,892
Total Student Services Support	<u>1,583,046</u>
Public Service/Continuing Education:	
Community Services	<u>465,595</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, 2017

Auxiliary Services	<u>1,013,883</u>
Operations and Maintenance of Plant:	
Maintenance	321,176
Custodial Services	273,582
Grounds	(104)
Campus Security	8,216
Transportation	-
Utilities	492,858
Administration	-
Other	-
Total Operations and Maintenance of Plant	<u>1,095,728</u>
Institutional Support:	
Executive Management	244,983
Fiscal Operations	524,041
Community Relations	90,335
Board of Trustees	23,934
General Institutional	1,116,804
Institutional Research	62,137
Administrative Data Processing	1,121,622
Other	-
Total Institutional Support	<u>3,183,856</u>
Scholarships, Student Grants, and Waivers	<u>4,456,760</u>
Total Current Funds Expenditures	<u><u>\$ 16,995,136</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, 2017

All Fiscal Year 2017 Non-Capital Audited Operating Expenditures
from the Following Funds:

Education	\$ 10,625,548
Operations and Maintenance Fund	1,095,728
Bond and Interest Fund	110,485
Restricted Purposes Fund	3,614,285
Audit Fund	29,881
Liability, Protection and Settlement Fund	512,369
Auxiliary Enterprise Fund (subsidy fund)	391,099
Total Non-Capital Expenditures	<u>16,379,395</u>

Depreciation on Capital Outlay Expenditures from Sources

Other than State and Federal Funds

499,134

Total Costs Included

\$ 16,878,529

Total Certified Semester Credit Hours for Fiscal Year 2017

36,567

Per Capita Cost

\$ 461.58

All Fiscal Year 2017 State and Federal Operating Grants
for Non-Capital Expenditures, Except ICCB Grants

\$ 3,542,238

Fiscal Year 2017 State and Federal Grants Per Semester Credit Hour

96.87

District's Average ICCB Grant Rate for Fiscal Year 2018

34.42

District's Student Tuition and Fee Rate Per Semester
Credit Hour for Fiscal Year 2018

120.00

Chargeback Reimbursement Per Semester Credit Hour

\$ 210.29

Approved:


Chief Fiscal Officer

Date: 10-12-17

Approved:


Chief Executive Officer

Date: 10-12-17

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

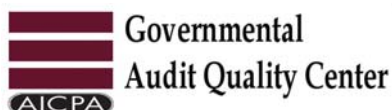
We have audited the accompanying balance sheets of the Career and Technical Education Program Improvement and Adult Education and Family Literacy Grants of Shawnee Community College, Community College District #531 (the College) as of June 30, 2017, and the related statements of revenues, expenditures, 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.



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Career and Technical Education-Program Improvement grant and Adult Education and Family Literacy grant of the College at June 30, 2017, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 is the responsibility of the College's management and was derived from and relates directly to the underlying accounting and other records used to prepare 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.

Report on Compliance

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 grant 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.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois

October 3, 2017

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
State Adult Education Restricted Funds
(State Basic)
Balance Sheet
June 30, 2017

ASSETS

	State Basic
	<hr/>
Accounts Receivable	\$ 69,152
	<hr/> <hr/>

LIABILITIES AND FUND BALANCE

Due to Other Funds	\$ 69,152
Total Liabilities	<hr/> 69,152
Fund Balance	<hr/> -
Total Liabilities and Fund Balance	<hr/> <hr/> \$ 69,152

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
State Adult Education Restricted Funds
(State Basic)
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2017

	State Basic
Revenues	
ICCB Grant	\$ 42,298
Expenditures	
Instructional Student Services:	
Instruction	38,927
Social Work Services	-
Guidance Services	-
Assistive and Adaptive Equipment	-
Assessment and Testing	1,150
Student Transportation Services	238
Literacy Services	-
Total Instructional Student Services	40,315
Program Support:	
Improvement of Instructional Services	1,983
General Administration	-
Operation and Maintenance of Plant	-
Data and Information Services	-
Approved Indirect Costs	-
Total Program Support	1,983
Total Expenditures	42,298
Excess of Revenue Over Expenditures	-
Fund Balance, July 01, 2016	-
Fund Balance, June 30, 2017	\$ -

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, 2017

	Audited Expenditure (Dollars)	Actual Expenditure (Percentage)
State Basic		
Instruction (45 Percent Minimum Required)	\$ 38,927	92.03%
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, 2017

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, 2017

Revenue	
ICCB Grant	\$ 12,404
	<hr/>
Expenditures	
Salaries	-
Employee Benefits	-
Contractual Services	-
Instructional Materials	-
Staff Development	618
Instructional Equipment	11,786
Total Expenditures	<hr/> 12,404 <hr/>
	<hr/>
Excess of Revenues Over Expenditures	-
	<hr/>
Fund Balance, July 01, 2016	-
	<hr/>
Fund Balance, June 30, 2017	<hr/> \$ - <hr/>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to the ICCB Grant Financial Statements
June 30, 2017

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, 2017. 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 grant. The budget is prepared on the same basis of accounting as the records are maintained.

Accounts Receivable

Accounts receivable includes outstanding balances from ICCB. No allowance has been provided for these receivables, as management believes these are fully collectible based on past experience with these ICCB.

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, 2017.

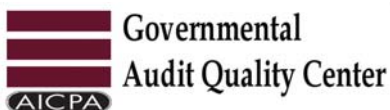
Management's Responsibility for the Financial Statement

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



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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, 2017 is fairly presented in accordance with the aforementioned guidelines.

Other Information

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 are the responsibility of the College's management and were derived from and related directly to the underlying accounting and other records used to prepare 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 3, 2017, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the College's 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 3, 2017

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, 2017

Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	1,926.0	-	8,582.0	-	8,671.0	-	19,179.0	-
Business Occupational	310.5	-	1,005.0	-	1,067.5	-	2,383.0	-
Technical Occupational	259.5	-	972.5	6.0	1,026.0	12.0	2,258.0	18.0
Health Occupational	750.5	-	1,931.5	-	2,324.5	-	5,006.5	-
Remedial Developmental	141.0	-	1,331.0	-	1,218.0	-	2,690.0	-
Adult Basic/Secondary Education	559.0	-	988.0	1,154.0	814.0	1,517.0	2,361.0	2,671.0
TOTAL CREDIT HOURS CERTIFIED	3,946.5	-	14,810.0	1,160.0	15,121.0	1,529.0	33,877.5	2,689.0


	Attending In-District	Attending Out-of-District on Chargeback	Total
Reimbursable Semester Credit Hours (All Terms)	<u>35,007.5</u>	<u>835.5</u>	<u>35,843.0</u>

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	<u>2,899.5</u>	<u>-</u>

District 2015 Equalized Assessed Valuation \$ 587,294,095

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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Signatures:


Chief Executive Officer (CEO)


Chief Financial Officer (CFO)

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
For the Year Ended June 30, 2017

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	19,179.0	19,179.0	-	-	-	-
Business Occupational	2,383.0	2,383.0	-	-	-	-
Technical Occupational	2,258.0	2,258.0	-	18	18	-
Health Occupational	5,006.5	5,006.5	-	-	-	-
Remedial Developmental	2,690.0	2,690.0	-	-	-	-
Adult Basic / Secondary						
Education	2,361.0	2,361.0	-	2,671.0	2,671.0	-
Total Credit Hours Certified	33,877.5	33,877.5	-	2,689.0	2,689.0	-

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

	Total Attending	Total Attending as Certified to the ICCB	Difference
In-District Residents	35,007.5	35,007.5	-
Out-of-District on Chargeback or Contractual Agreement	835.5	835.5	-
Total	35,843.0	35,843.0	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	2,899.5	2,899.5	-
Dual Enrollment	-	-	-
Total	2,899.5	2,899.5	-

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, 2017

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 six 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, 2017

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 Grants

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 acquire. 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.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Findings and Questioned Costs – ICCB Grant Compliance
For the Year Ended June 30, 2017

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, 2017

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, 2017

Federal Grantor/State Pass-Through Grantor/Program Title/Grant Name	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Provided to Subrecipients
Department of Education				
<i>Direct</i>				
<i>Student Financial Aid Cluster</i>				
Pell Grant Program (2017 Award Year)	84.063		\$ 2,552,977	\$ -
Federal Work Study	84.033		49,919	-
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		38,967	-
Total Student Financial Aid Cluster			* 2,641,863	-
<i>Trio Cluster</i>				
Trio Student Support Services	84.042A		294,250	-
Trio Talent Search Program	84.044A		239,652	-
Total Trio Cluster			533,902	-
<i>Passed through the Illinois Community College Board (ICCB)</i>				
<i>Career and Technical Education</i>				
Carl Perkins Act	84.048	CTE53117	107,396	-
Career and Technical Education - Basis Grants to States	84.048	PTR2-53117	19,500	-
Career and Technical Education - Basis Grants to States	84.048	SPS-53117	10,000	-
Career and Technical Education - Dual Credit Enhancement Grant	84.048	DCE-53117	10,000	-
Career and Technical Education - Basis Grants to States	84.048	CPE-53117	5,000	-
Total Career and Technical Education			151,896	-
Adult Education and Family Literacy: iCAPS	84.002a	53101	88,650	-
Total Passed through ICCB			240,546	-
Total Department of Education			3,416,311	-
Department of Agriculture				
<i>Passed through Southern Illinois University</i>				
National Good Safety Training, Education, Extension, Outreach and Technical Assistance Competitive Grants Program	10.328	SIUC 17-25	1,980	-
Department of Labor				
<i>Passed through Southern 14 Workforce Investment Board</i>				
WIA Dislocated Worker Formula Grant	17.278	AA-25351-14-55-A-17	3,626	-
National Science Foundation				
<i>Passed through Southern Illinois University</i>				
Noyce Master Fellowship Grant	47.076	DUE-1136414	34,583	-
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	59,236	-
Department of Health and Human Services				
<i>Passed through Southern Illinois University</i>				
S.I. Bridges to the Baccalaureate Program	93.859	1R25GM107760-01	10,756	-
Total Expenditures of Federal Awards			\$ 3,526,492	\$ -

* - 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, 2017

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, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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.

The College did not use the 10 percent de minimis indirect cost rate. The indirect allocations allowable under the TRIO Cluster was \$52,274 for the year ended June 30, 2017.

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, 2017.

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, 2017

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 2 CFR Section 200.516a
- (vii) Major Programs:
 - U.S. Department of Education:
 - Student Financial Aid Cluster
 - CFDA # 84.007
 - CFDA # 84.033
 - CFDA # 84.063
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$750,000.
- (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
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

The College has no prior audit findings.

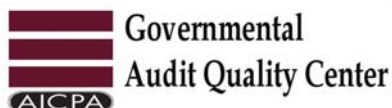
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

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, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the College's primary government and have issued our report thereon dated October 3, 2017.

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.



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
October 3, 2017

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

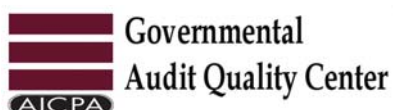
We have audited Shawnee Community College, Community College District #531's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended June 30, 2017. The College's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the College's major federal program 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 the audit requirement of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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 the 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 its major federal program for the year ended June 30, 2017.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
October 3, 2017