



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Years Ended June 30, 2019 and 2018

State of Illinois
Community College District 516
Counties of Kane, Kendall, DeKalb, LaSalle and Will



WAUBONSEE
COMMUNITY COLLEGE

ROUTE 47 AT WAUBONSEE DRIVE SUGAR GROVE, ILLINOIS 60554-9454

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Years Ended
June 30, 2019 and 2018

Prepared by
Finance Department

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DISTRICT 516
SUGAR GROVE, ILLINOIS
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INTRODUCTORY SECTION



**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

PRINCIPAL OFFICIALS

June 30, 2019

<u>Board Members</u>	<u>Position</u>	<u>Term Expires</u>
Rebecca D. Oliver	Chair	2021
Jimmie Delgado	Vice Chair	2023
Patrick Kelsey	Trustee	2021
Rick Guzman	Trustee	2025
James K. Michels, P.E.	Trustee	2023
Greg Thomas	Trustee	2023
Tina Willson	Trustee	2025
Angela Nwalie	Student Trustee	2020

OFFICERS OF THE COLLEGE

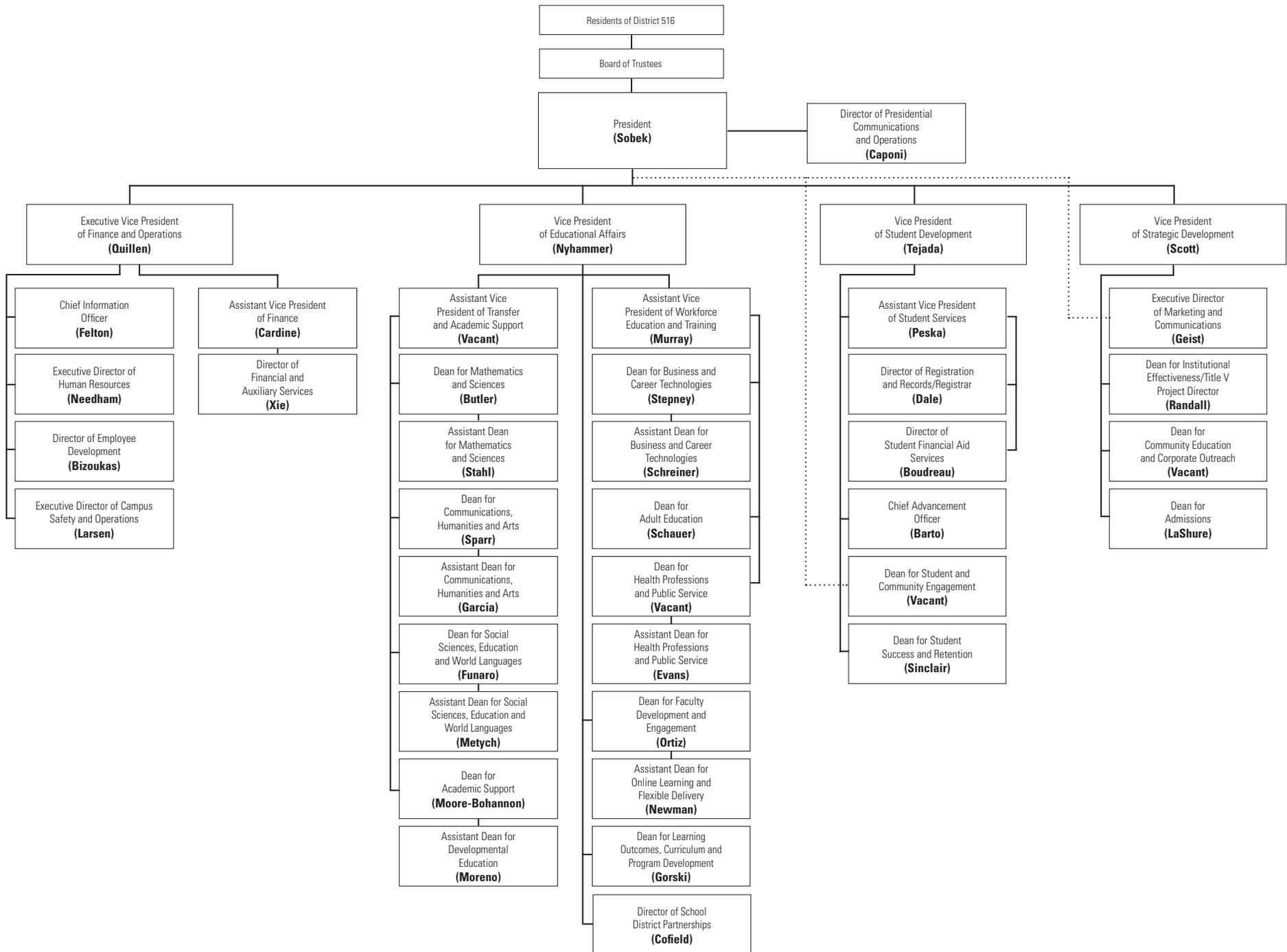
Dr. Christine J. Sobek	President
David B. Quillen	Executive Vice President of Finance and Operations/ Chief Financial Officer and Treasurer
Dr. Diane L. Nyhammer	Vice President of Educational Affairs
Dr. Jamal J. Scott	Vice President of Strategic Development
Dr. Melinda L. Tejada	Vice President of Student Development

OFFICIALS ISSUING REPORT

David B. Quillen	Executive Vice President of Finance and Operations/ Chief Financial Officer and Treasurer
Darla S. Cardine	Assistant Vice President of Finance
Lei Xie	Director of Financial and Auxiliary Services

DIVISION ISSUING REPORT

Finance Department





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Waubonsee Community College
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO



October 10, 2019

Members of the Board of Trustees and
Residents of Waubonsee Community College District 516:

The Comprehensive Annual Financial Report (CAFR) of Waubonsee Community College District 516 (the College), for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and changes in financial position of the College. All disclosures necessary have been included to enable the reader to gain an understanding of the College's financial activities in relation to its mission.

FINANCIAL STATEMENTS

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis, which provides an analytical overview of the College's financial activity.

The College is a separate legal entity established under Illinois Compiled Statutes (ILCS) and governed by a locally elected board of trustees. The College is fiscally independent and is considered a primary unit of local government pursuant to GASB Statement No. 14 as amended by GASB Statement No. 61. The College has determined that the Waubonsee Community College Foundation meets the requirements of GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14, which has resulted in the Waubonsee Community College Foundation (the Foundation) being reported as a discretely presented component unit of the College as it is legally separate from the College. Separate financial statements of the Foundation are available from the Foundation's Executive Treasurer, Darla S. Cardine, at Route 47 at Waubonsee Drive, Sugar Grove, Illinois 60554, (630) 466-7900.

BACKGROUND INFORMATION

Our Mission

Waubonsee Community College is a public, comprehensive community college, which was organized in 1966 as mandated by the Illinois Community College Act to provide education and training services for individuals in portions of Kane, Kendall, DeKalb, LaSalle and Will counties of District 516.

The philosophy of Waubonsee Community College is based on the premise that education is the cornerstone of a literate, democratic society; that learning is a lifelong process; and that the pursuit of knowledge must be supported by institutional policies that demonstrate the values of quality, value, innovation, service and accessibility.

Sugar Grove
Rt. 47 at Waubonsee Drive
Sugar Grove, IL 60554-9454
(630) 466-7900

Aurora Downtown
18 S. River St.
Aurora, IL 60506-4131
(630) 801-7900

Aurora Fox Valley
2060 Ogden Ave.
Aurora, IL 60504-7222
(630) 585-7900

Plano
100 Waubonsee Drive
Plano, IL 60545-2276
(630) 552-7900

Our Commitments

- Provide quality educational programs and services, which are academically, geographically, financially, technologically and physically accessible to meet the educational and training needs of a diverse, multicultural population and the organizations within our community.
- Maintain institutional policies, programs, practices and efforts that provide an emphasis on a learning-centered college for students and the community.
- Develop the intellectual, physical, social, cultural and career potential of the individual.
- Promote diversity in faculty, staff and student recruitment; staff development; and cultural enrichment activities.
- Contribute to the economic, workforce, social, recreational and cultural quality of life of the community.
- Cooperate with other local, state and national organizations and provide leadership that will enhance educational services and avoid duplication of services.

Our Programs and Services

Transfer Programs: Associate degree education consisting of communications, social and behavioral sciences, physical and life sciences, mathematics, humanities and fine arts, education, engineering and other pre-professional fields designed to prepare students for transfer to baccalaureate degree-granting institutions.



Occupational Programs: Business, health care, technical and professional education consisting of associate degrees, certificates, courses, workshops and seminars designed for career, entry-level employment, transitioning, retraining and/or upgrading of skills to meet current and emerging employment needs and trends.

Developmental Education: Courses, programs and services designed to assist academically underprepared students to be successful in the next level of education, including reading, mathematics, writing, college success, literacy, high school equivalency exam preparation (HSE), Adult Basic Education (ABE) and English Language Acquisition (ELA)/English as a Second Language (ESL).

Community Education: Courses, trips, tours, special events and experiences designed for the personal enrichment of the lives of learners of all ages and to promote lifelong learning.

Student Services: Services designed to meet the needs of a diverse student population that include counseling, advising, transfer planning, admissions, registration and records, assessment, financial aid, career development, student life programming, intercollegiate athletics and assistance for those students with disabilities.

Our Program Support

Instructional Support: Services designed to facilitate and provide support to the instructional process, including alternative delivery systems such as online courses; tutoring; the use of computer technology; the libraries; and media and learning laboratories.

Administrative Support: Organizational support that provides services for staff selection and development, financial services, facilities, operational management, technology advancements and training, research, planning, marketing and communications.

Community Support: Service to communities, organizations, and businesses may be provided by the College to meet local needs. These combined efforts may include programming in the community, workforce development, and partnership activities that will improve the quality of life.

Our Vision

Waubonsee Community College opens the door of knowledge, sparks imaginations and enlightens lives through learning. We welcome the diverse abilities, goals and experiences of individuals standing on the threshold of discovery. Our success is defined by the dreams we help shape, the opportunities we help design, and the futures we help create.

Our Values

Quality: We constantly redefine what it means to be “the best,” seeking to improve in every area and exceed the expectations of those we serve.

Value: We focus every resource directly on the search for learning, creating tangible benefits in everything we do.

Innovation: We are actively engaged on the frontiers of education, continuously improving the learning environment for our students and communities.

Service: We view the world from the perspective of those we serve, anticipating needs and striving to exceed expectations while demonstrating a caring, knowledgeable, consistent connection with each individual every time they meet us.

Accessibility: We remove barriers to learning formed by time, geography, education, culture, experience or beliefs to provide a full range of quality educational opportunities for all who can benefit.



PROFILE OF THE COLLEGE

Waubonsee was established in August 1966, when the electorate of 12 school districts in most of Kane and portions of Kendall, DeKalb, LaSalle and Will counties voted to establish Community College District 516. A naming contest held in March 1967 drew 600 entries, resulting in the current name, which means “early dawn” or “early day” and comes from a Pottawatomie Native American chief who lived in the Fox River Valley during the 1800s.

Waubonsee Community College draws its students from a vast community of learners that today includes 452,958 residents encompassing a 624-square-mile geographic area. Those residents live in or near 22 municipalities and may attend one of 12 public or several private school districts that draw the outline of the community college district. Five decades later, the college has proudly served over 310,000 students and has grown to four campuses, as well as providing online offerings.

Waubonsee’s network of four campuses offers students everything they need to succeed. At our Sugar Grove Campus, students access classrooms, labs and services via peaceful walkways that wind through a lush canopy of oaks and around beautiful Huntoon Lake. Located in the heart of Illinois’ second largest city, our Aurora Downtown Campus offers one-stop student services and signature Associate in Applied Science (AAS) Degree and Certificate Programs. Our Aurora Fox Valley Campus is focused on health care programs and features state-of-the-art labs with professional medical equipment, giving students a hands-on, realistic experience with current equipment and procedures. Located in the southwest portion of Waubonsee’s district, our Plano Campus was approved for a reinvention in late 2018 as Waubonsee’s Innovation and Design Center. This new focus will include the expansion of our Welding program, re-designed space to provide maximum flexibility for additional programming and training in related areas such as Production Technology and Computer Aided Design and Drafting (CADD), as well as the development of a Cybersecurity program set to launch in fall 2020.



The College offers associate degrees and certificates in today's most desirable career fields, and a general studies associate degree and certificate designed primarily for students who have chosen to pursue a broad general program. District residents are able to complete their degrees or certificates conveniently with a multitude of flexible learning options. Online courses, blended courses with online and select classroom meetings and accelerated courses are in place and provide flexibility for students. The College offers dual credit programs where enrolled students earn both high school and college credit. In addition, summer school programs for high school students, honors courses and international study opportunities are offered.

The College offers non-credit community education programs for personal enrichment and professional development and learning, in addition to, workforce training services to local organizations. Adult Basic Education and English Language Acquisition curricula opens doors to personal achievement for those who need to strengthen their educational foundation. The College's Adult Education Department served 1,776 individual students during FY2019 and collaborated with numerous agencies, organizations and schools to provide adult education and family literacy services.

Waubonsee also provides career development programs for job seekers and career changers, as well as skill enhancement for employees seeking professional development. Through customized training programs, Waubonsee partners with corporate clients (i.e. businesses, industries and government agencies) to develop and deliver training solutions that improve the skills of the corporation's most important resource, its employees.

Waubonsee Community College continues to build upon new technologies used for distance learning to keep the College on the leading edge of utilizing technology in higher education. In FY2019, 211 different online credit courses were offered.



Student enrollment and headcount of credit students during FY2019 experienced a slight decrease with more than 17,500 students enrolled in over 143,000 credit hours. The number of full-time students attending the College averages approximately 31% of total enrollment each semester. The average age of students enrolled in credit classes is 24 and the average age of a noncredit student is 45. In 2019, 1,893 degrees and certificates were awarded and the college has conferred a total of 25,767 degrees since the first commencement ceremony in 1968.

Although there have been small decreases in enrollments over the past several years, the percentage of minority students enrolled in credit courses is growing overall. In the past 10 years, the minority percentage enrolled at Waubonsee has increased from 32% to 45% - a change reflective of the changing demographics of the college district.

From 2010 to 2018 the population in the five counties in Waubonsee Community College's district increased by 41,206. Since 2010, Kendall County experienced an 11.4% population growth and Kane County experienced a 3.7% increase in population, compared to a 6% estimated growth rate across the U.S. Many of the district's communities have major business parks. The district continues to see development in business parks in many communities and City of Aurora initiatives for downtown redevelopment. A City of Aurora TIF district expired in 2013 which included the Chicago Premium Outlet Mall, a financially successful outlet mall. In this same year, a new TIF was created by the City of Aurora that includes property adjacent to the outlet mall. The outlet mall also expanded and opened additional stores in 2016.

MAJOR INITIATIVES – FY2019 Highlights

Selected highlights from FY2019 initiatives include:

- Two members of Waubonsee's Board of Trustees, Mr. Richard "Shorty" W. Dickson and Dr. Richard C. Bodie retired. Mr. Dickson served 45 years on the college's board of trustees, from 1972 until 1987 and then again from 1989 until 2019. In those years he has served as an officer of the board for 40 years, 29 years as chair and 11 years as vice chair. During his time of service to the college, Dickson helped guide it from its rural beginning to one that serves one of Illinois' largest and most diverse population centers.

Dr. Bodie served on the college's board of trustees since 1998. He was originally appointed to the position when his wife, Janet Bodie, passed away. Mrs. Bodie had served on the college's board of trustees since 1980. Dr. Bodie ran for election to the position after his initial appointed term. The Bodie family service to Waubonsee Community College spans 38 years. He served as the college's representative to the Illinois Community College Trustees Association (ICCTA) and was on the Executive Committee from 2009 to 2011 and again from 2016 to 2018.

- Waubonsee partners with the Aurora Area Interfaith Food Pantry to fight food insecurity for college students and for people across the community. Waubonsee students volunteer at the pantry and the college's Empty Bowls Project raises money for the pantry. The food pantry also provides sack meals on campuses for all Waubonsee students who need them, as well as a mobile food pantry to the Sugar Grove Campus.
- The Waubonsee Honors Program gives students the opportunity to tailor their studies to match their interests. Waubonsee's partnership with Elmhurst College provides a scholarship each year to one Waubonsee Honors Program student to continue their education at Elmhurst.
- Waubonsee offers many events, programs and activities for our community. In the fall, the college hosted Shrek The Musical for family entertainment. In the summer, Youth Enrichment Programs (YEP!) provided educational opportunities for kids of all ages.

- In the spring, the Volunteer Income Tax Assistance (VITA) Program marked its 15th year of helping people complete their income tax returns.
- Waubonsee hosts and participates in many events throughout every year. This year the college hosted visits by government leaders, a community Veterans Day event, alumni activities at Kane County Cougars and Chicago Steel games and signing events for students. Students and employees participated in activities such as the Community-Wide Day of Service, Aurora's First Fridays and helping people of Houston recover from Hurricane Harvey on the Alternative Spring Break.
- The Waubonsee Foundation created the Aurora Strong Scholarship in response to the shooting at the Henry Pratt Company in Aurora on February 15, 2019. This scholarship will be awarded each year to a student who studies fire science, EMT/paramedic or criminal justice with the intent to become a police officer.

Transformational Plan (FY2017-FY2019)

The five goals of our Transformational Plan: Prepare Learners, Provide Access, Design Opportunities, Strengthen Connections and Expand Knowledge, speak to our mission, which centers on providing education and training and that education is the cornerstone of a literate, democratic society. As we transform across the college, from our website to our academic programs and services, our primary focus remains on serving our students and our community.

In April 2018, the college embarked on a reinvention to highlight the work we must do in the coming years to develop a new, innovative approach to providing services to our district. Waubonsee's goal is to be the top choice for learning in our community and to do that, we are reinventing – 1) the processes for attracting, recruiting, enrolling and retaining students; 2) the career and technical education area by removing barriers and redundancies that are no longer meeting student needs; 3) our processes for program growth and development; 4) faculty and employee professional development; 5) our relationships with our high school districts; and 6) the way that we gather feedback and information from our internal and external stakeholders.

With the reinvention drivers outlined, each Vice President worked with their administrative team to develop a list of institutional priorities that supported that work. Each department used those priority lists to develop their FY2019 goals and associated strategies. We then looked ahead to ensure that the reinvention drivers, and the successes of the Transformational Plan, would be reflected in the next iteration of our strategic plan. We want to continue to meet the needs of our community and our students by institutionalizing the processes and procedures developed during the Transformational Plan, while looking forward and defining a vision for the college over the next three years. The results from the current Transformational Plan provided a starting point for the development of the college's next Three-year Strategic Plan which will guide us from FY2020 through FY2022.



TRANSFORMATIONAL STATEMENT: *Waubonsee shapes futures through global, amplified learning that creates lifetime connections and knowledge growth.*

GUIDING PRINCIPLES



Personal Touch - Waubonsee maintains a high-touch learning environment while integrating technology into the human experience.

Diversity - Waubonsee develops and values the ability to perceive and appreciate diverse perspectives and provides learning environments aligned with the divergent needs of its global community.

Sustainability - Waubonsee is committed to the integration of sustainable practices, methods and materials in the academic, financial and physical operations of the college.

Community Engagement - Waubonsee executes its mission with the insight, understanding and sensitivity that come from community engagement.

Holistic Education - Waubonsee empowers learners with the broad knowledge and skills essential for making positive contributions in an interconnected world.

The following graphic illustrates Waubonsee's five transformational goals and ten major initiatives:

Goal 1: Prepare Learners for success in the 21st century by raising student achievement and completion through technological innovation and academic quality.

- **1.1 Improve digital literacy** with a focus on tailored, curriculum-embedded projects.
- **1.2 Support the execution of a Student Success Framework** with a continued focus on student persistence and completion.

Goal 2: Provide Access for all prospective and current students as an interconnector of global cultures and diversity.

- **2.1 Redesign the website** to demonstrate our commitment to access and diversity.
- **2.2 Help students acquire** the competencies necessary to be successful in an ever-changing world.

Goal 3: Design Opportunities by anticipating needs and removing barriers to learning with a focus on personalization and experiential learning.

- **3.1 Establish new opportunities** for students which reduce time to completion.
- **3.2 Investigate flexible learning models** to adapt to students' needs.

Goal 4: Strengthen Connections through ongoing career development and continuous learning by building an alumni infrastructure to support and maintain engagement.

- **4.1 Develop an alumni strategy** which will be a community resource network.
- **4.2 Design a mentoring program** for successful graduates who can serve as an inspiration to current students and keep them engaged.

Goal 5: Expand Knowledge by being responsive and adaptive to the needs of a changing workforce and society.

- **5.1 Refine noncredit programs and related services** to more effectively meet constituents' learning needs.
- **Invest in becoming a data-informed, research-based culture** to respond more quickly to our environment and surrounding communities.

TRANSFORMATIVE REINVENTION: *Putting Enrollment First*

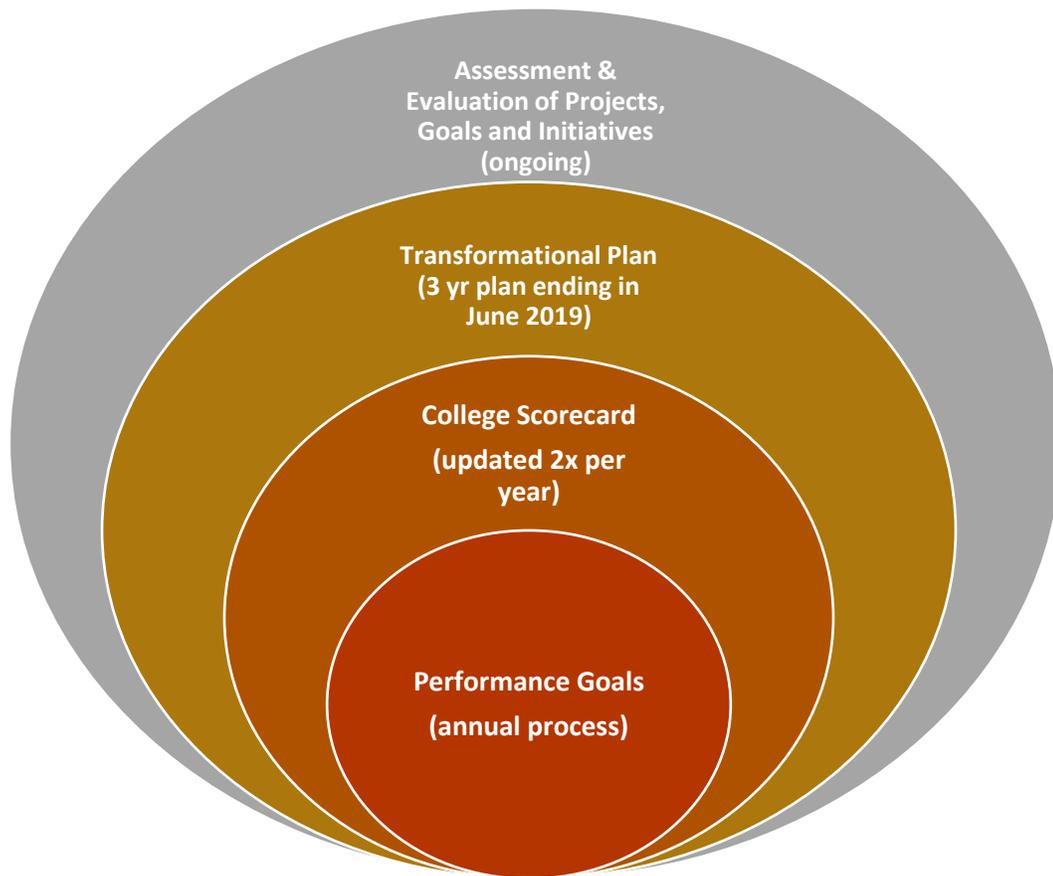
Waubonsee Community College's reinvention focused on ways to better serve our students and our community. As technology and education have evolved, our transformation was necessary to innovate and provide more relevant programs and services. We identified six reinvention drivers which we believe are hallmarks of student and community engagement and success:

- 1) New student recruitment and admission; refinement of student intake process, and student retention (including new counseling and advising model)
- 2) Integrated approach to delivery of Workforce Education and Training; and Corporate Sales Team model
- 3) New program development
- 4) Launch of a Faculty Development and Engagement Department and an Employee Development Department
- 5) Enhancement and documentation of school district partnerships
- 6) Design thinking as a tool for transformation

The following pyramid provides our framework for our organizational leadership and planning process at Waubonsee Community College. The most important thing to us, which drives all of our decisions, is the success of the students. We understand that success is different for everyone, and we have committed to gathering as much information as possible to better identify exactly what the needs of our students are when they get to Waubonsee. Based on that information, we can put a more effective strategy (Transformational Plan) into place and identify specifically what we need to change or improve at a departmental level (Organizational Unit Plans). Our process of goal setting for all employees and the professional development needed to meet these goals are what helps us to measure our success in better servicing our students and our community.



As part of our ongoing commitment to quality and continuous improvement, Waubonsee also identified 15 institutional metrics on our College Scorecard. The College Scorecard allows us to measure ourselves internally, ensuring that we are maximizing our potential and performance, while concurrently benchmarking ourselves against other community colleges with metrics focused on student success, student and employee satisfaction, enrollment, and financial stewardship. Both the Transformational Plan and the associated metrics tracked on the College Scorecard are part of an intentional strategic planning process that includes annual goal setting, bi-annual review and evaluation of the College Scorecard, and reporting on the last year of the Transformational Plan initiatives. The entire process will be informed by ongoing assessment and evaluation of the Transformational Goals and Initiatives.



The development of our College Scorecard included research which focused on five community colleges which have similar, public facing, documents; Elgin Community College, Jackson College, Parkland College, William Rainey Harper College, and the City Colleges of Chicago system. Fifteen metrics were selected that are directly linked to federal reports and benchmarking to ensure that we could gather external comparison data. Each scorecard metric has a target for FY2019, so that it aligns with the three-year Transformational Plan. Waubonsee's scorecard can be found on the Institutional Data and Reports webpage (<http://www.waubonsee.edu/about-waubonsee/why-waubonsee/glance/institutional-reports>).

Aligning Budgeting and Strategy

For the FY2019 budget and planning process, Waubonsee's Assistant Vice President of Finance and Dean for Institutional Effectiveness continued to focus on developing intentional connections between the annual budgeting and planning, and ensuring that both processes were aligned with the Transformational Plan. During the budget and planning process, each college department was asked to identify budget requests or proposed projects for FY2019 that were directly linked to the Transformational Plan. In addition, each unit documented their resource needs, which included not only personnel and financial resources, but also support from four institutional support departments – Campus Safety and Operations, Information Technology, Institutional Effectiveness, and Marketing and Communications.

To further integrate the budgeting and planning processes, for FY2019 each department was asked to align any budget requests with one of the following options:

1. **Additional priorities:** alignment with one of the additional college priorities for FY2019
2. **Enrollment and/or retention:** coded as either direct or indirect impact
3. **Personnel resources needed and the impact on the college:** assessed as low, moderate or high impact depending on how many additional offices/staff were needed to implement a project; if a project request impacted all faculty it was automatically coded as moderate impact.
4. **Requirement/enhancement:** requirements were things that were needed for compliance, legal or technical reasons, or to ensure the quality of a program or service; anything else was coded as an enhancement.

After the initial submissions, the Assistant Vice President of Finance and the Dean for Institutional Effectiveness met to review and cross-reference the budget and planning requests to see if there were any gaps or inconsistencies in the submissions. The senior leadership team received the lists in March 2018 and were asked to review the final prioritizations with their teams. They verified the coding and provided feedback and changes as needed. This discussion and prioritization process resulted in a Major Projects list that guided further budget discussions related to personnel and equipment requests.

To further recognize the synergy between the budgeting and planning processes and the academic side of the college, in 2017 Waubonsee adjusted our annual program review process for credit degree and certificate programs to align with the institutional processes. Academic program review reports are now due annually on December 1, so that the academic deans and Vice President of Educational Affairs will be able to better integrate that information into their budget and planning requests moving forward.

Annual Timeline for Aligning Budget and Planning with Institutional Strategy



ACCOUNTABILITY

Planning and Accreditation

Waubonsee Community College is accredited by The Higher Learning Commission (Commission). The college was accepted into the Commission's Academic Quality Improvement Program (AQIP) in August 2003. AQIP is an alternative process through which an organization can maintain its accredited status with the Commission. In spring 2017, the recommendation from the Commission was that Waubonsee receive full reaffirmation of accreditation.

In 2016, the Commission began an internal review of their own processes, and the college was notified in June 2018 of the decision to sunset the AQIP Pathway and move all institutions to either the Open or Standard Pathways. Waubonsee will be moving to the Open Pathway during FY2019. The Open Pathway follows a ten-year cycle and remains focused on quality assurance and institutional improvement. The Open Pathway is unique in that its improvement component, the Quality Initiative, affords institutions the opportunity to pursue improvement projects that meet their current needs and aspirations.

Years 1-3: Prepare Assurance Filing – Institutions determine what documents to provide as part of their Evidence File and begin writing their Assurance Argument for Year Four.

Year 4: Assurance Review - Institutions complete an Assurance Review to ensure they are continuing to meet the Commission's Criteria for Accreditation. The institution provides documentation demonstrating how it fulfills each Criterion and Core Component. A peer review team evaluates these materials and recommends whether the institution should continue in the cycle or whether additional monitoring is required. The Commission's Institutional Actions Council (IAC) reviews and takes official action on the recommendation.

Years 5-9: Quality Initiative - Institutions design and undertake a Quality Initiative project. HLC peer reviewers approve an initial project proposal, as well as a report on the outcomes of the project.

Year 10: Comprehensive Evaluation - Institutions undergo a comprehensive evaluation to ensure they are meeting the Criteria for Accreditation, pursuing institutional improvement and complying with certain requirements set by the U.S. Department of Education. This review leads to an action regarding the reaffirmation of the institution's accreditation.

The College will continue to participate in the Assessment Academy, which has continued to provide meaningful structure to the work of the faculty-led Outcomes Advisory Council (OAC). A college team attended the mid-point roundtable in June 2018 and defined five new goals that will be addressed during the final two years of the academy.

FISCAL RESPONSIBILITY

As a testament to Waubensee's diligence and skill in financial stewardship, the Government Finance Officers Association of the United States and Canada (GFOA), a non-profit professional organization, awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Waubensee Community College District 516 for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Each CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Waubensee Community College District 516 has received the Certificate of Achievement for 20 consecutive years beginning in 1999.

The College received the GFOA *Award for Best Practice in Community College Budgeting* for fiscal year 2018. This award is presented to community colleges demonstrating a budget process aligned with GFOA's best practice recommendations. The College's FY2019 budget is currently under review by the GFOA for this award and the FY2020 budget will also be submitted to the GFOA. The College previously received the *Distinguished Budget Presentation Award* for four years for fiscal years 2014 through 2017.

The College's bond rating has remained stable since 2010. Due to a bond refunding in 2011, Moody's Investor Service, Inc. conducted a financial review of the College which resulted in an upgrade of the College's bond rating from "Aa2" to "Aa1". This rating was reaffirmed in 2016. In 2010, S&P Global Ratings upgraded the College's bond rating from "AA-" to "AA+" and in 2016 reaffirmed the College's bond rating. Ratings by both of these agencies have placed the College just below the top rating of "AAA".

Internal Control. Management of the College is responsible for establishing and maintaining internal controls designed to ensure that the assets of the College are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States and those prescribed by the Illinois Community College Board. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls. The College maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's board of trustees. The legal level of budgetary control, the level at which expenditures cannot exceed the budget amount, is established at the sub-fund level. Transfers are allowed between various accounts within a fund but may not exceed in aggregate 10 percent of the total budget for that fund. If a transfer is needed in excess of the 10 percent aggregate for that fund, the board of trustees is required to amend the original budget. The College has a board guideline to adopt a balanced operating budget. A balanced budget has funding resources exceeding or equivalent to budgeted expenditures and may include the allocation of prior year excess or fund balance to offset current year anticipated expenditures. The College maintains an encumbrance accounting system as one technique to accomplish budgetary control. Encumbered amounts lapse at year-end.

State payments have become more predictable, however, future State funding continues to be unpredictable. State funding in actual cash paid to the college represents only 7.6% of total revenues in the operating budget for the College. The State has continued to recognize the need to fund higher education with the State's FY2020 budget including an overall 9% increase in funding for higher education. However, because the State is experiencing financial difficulties, funding remains unpredictable. The lack of stability at the State level continues to make it difficult for the College to rely on state funding or to know the status of potential changes in state legislation. Responsible budget planning for FY2020 included utilizing state funding only for one-time expenditures and FY2019 (as well as the past several years) had also budgeted conservatively without reliance on State revenues for salaries, benefits, supplies and other operating expenses. In addition to State funding considerations for operations, the State has failed to fully fund the College Insurance Program (community college retiree's health insurance program or CIP). The lack of funding the CIP program has resulted in the College reflecting a \$34.5 million liability as of June 30, 2019. This liability grew from a \$32 million liability as of June 30, 2018 and the College will continue to face a liability of approximately \$3 million each year if the underfunding for CIP does not change. Currently the College has fully reserved for the \$34.5 million liability. The College continually monitors State funding levels and its potential effects on the operations of the College.

The College's largest source of revenue is property taxes. Significant increases in property tax revenue occurred through 2008 due to the rapid growth in the College's equalized assessed valuation (EAV) and then declined through 2014. The EAV has now reflected increases between

3.9% to 7.3% each year for 2015 through 2018. The FY2020 budget was prepared with an overall 3.45% increase in property taxes. The growth is conservative and slightly higher than the Consumer Price Index (CPI) and also takes into consideration debt service requirements. Current property tax cap law allows for an increase in property taxes equal to the lesser of the CPI or 5%. The 2017 CPI applied to the 2018 tax levy was 2.1% and the 2018 CPI to be applied to the 2019 tax levy is also 1.9%. A portion of the College's tax levy subject to the property tax cap is also subject to statutory limiting rates which applies to the education, operations and maintenance and audit levies. The College monitors these rates and is currently under the maximum rate for these levies. Expiring Tax Increment Financing (TIF) districts are treated like new construction and provide additional funds to the College in the year after expiration. Past discussions at the State have included freezing future property tax revenues. Legislation relating to the property tax cap, if passed, would likely have a negative impact on the College's ability to levy increased taxes in the future. The College has the capacity to meet a portion of the revenue limitation as a result of this cap through increased tuition rates.

The College adopted a FY2020 balanced budget which was built on the basis of continuing operations at current operating levels, taking into account implementing the Strategic Plan, FY2020 additional institutional priorities and any other significant changes in operations.

Independent Audit. The Illinois statutes require an annual audit of the College's financial statements by independent certified public accountants. The College's board of trustees selected Sikich LLP to perform this function. The auditors' report, which contains an unmodified opinion on the College's financial statements for the years ended June 30, 2019 and 2018, is included in the financial section of this report.

Acknowledgments. The timely preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department as well as other administrative staff of the College.

In closing, without the leadership and support of the board of trustees of the College, preparation of this report would not have been possible.

Respectfully submitted,



Christine J. Sobek, Ed.D.
President



David B. Quillen
Executive Vice President of
Finance and Operations



FINANCIAL SECTION



1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Waubonsee Community College
District 516
Sugar Grove, Illinois

We have audited the accompanying financial statements of the business-type activities of Waubonsee Community College District 516 (the College) and the College's discretely presented component unit, Waubonsee Community College Foundation, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Waubonsee Community College Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Waubonsee Community College District 516 and the College's discretely presented component unit, Waubonsee Community College Foundation, as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

The College adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. The implementation of this guidance resulted in changes to the postemployment benefit related liability, revenue, expense, notes to financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

As discussed in Note 11 to the financial statements, the Foundation adopted new accounting guidance as issued by the Financial Accounting Standards Board (FASB) under Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 audits 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The introductory section, statistical section, supplementary information, supplemental financial information and uniform financial statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, supplemental financial information and uniform financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2019 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
October 10, 2019

Management's Discussion and Analysis

This section of Waubensee Community College District 516's (the College) Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2019, 2018 and 2017. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the transmittal letter, the College's basic financial statements and the notes to the financial statements. Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

The College's basic financial statements are designed to emulate corporate presentation models whereby all of the College's activities are consolidated into one total. The purpose of the Statement of Net Position is to present the bottom line results of the College. This statement combines and consolidates current financial resources with capital assets and long-term liabilities. The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of the College's activities, which are supported mainly by local property taxes, tuition and state revenues. This approach is intended to summarize and simplify the user's analysis of the cost of the various services which the College provides to its students and community.

In accordance with GASB Statement No. 39 and GASB Statement No. 61, the College has included the Waubensee Community College Foundation as a discretely presented component unit of the College as it is a separate legal entity. Additionally, the College has presented a comparative analysis of current and prior year College-wide information.

Financial Highlights

For the years ended June 30, 2019, 2018 and 2017, the College recorded total operating revenues of \$22,706,559, \$24,073,974 and \$24,314,124 and total operating expenses of \$106,825,669, \$105,600,837 and \$96,748,403, respectively. The difference produced an operating loss of \$84,119,110 for fiscal year 2019, \$81,526,863 for fiscal year 2018 and \$72,434,279 for fiscal year 2017. For the year ended June 30, 2019, net non-operating revenue of \$99,473,125 offset the loss and resulted in an overall increase in net position of \$15,354,015. For the year ended June 30, 2018, net non-operating revenue of \$90,981,857 offset the loss and resulted in an overall increase in net position of \$9,454,994. For the year ended June 30, 2017, net non-operating revenues of \$86,604,360 offset the loss and resulted in an overall increase in net position of \$14,170,081.

For the years ended June 30, 2019, 2018 and 2017, non-operating revenues included local property taxes of \$51,737,359, \$49,910,982 and \$48,424,979, state grants and contracts of \$33,301,767, \$31,212,793 and \$28,369, federal grants and contracts of \$10,657,188, \$10,367,760 and \$10,034,531, respectively. Non-operating miscellaneous revenue and expense included net revenues (expenses) of \$3,776,881, (\$509,678) and (\$224,737) for 2019, 2018 and 2017, respectively.

Both operating expenses and non-operating revenues include on-behalf revenues and expenses for pensions and other post-employment benefits from the State of Illinois as described in Note 1 to the financial statements.

For the year ended June 30, 2019, operating revenue accounted for 18.3 percent of the College's total revenue, while non-operating revenues accounted for the remaining 81.7 percent. Operating revenue consisted of tuition and fees totaling \$17,512,204, auxiliary enterprise revenue of \$3,290,671, and other miscellaneous revenue of \$1,903,684. For the year ended June 30, 2018, operating revenue accounted for 20.5 percent of the College's total revenue, while non-operating revenues accounted for the remaining 79.5 percent. Operating revenue consisted of tuition and fees totaling \$18,158,240, auxiliary enterprise revenue of \$3,639,636 and other miscellaneous revenue of \$2,276,098. For the year ended June 30, 2017, operating revenues accounted for 21.4 percent of the College's total revenue, while non-operating revenues accounted for the remaining 78.6 percent. Operating revenue consisted of tuition and fees totaling \$18,430,223, auxiliary enterprise revenue of \$3,927,071, and other miscellaneous revenue of \$1,956,830.

The increase in net position of \$15,354,015 for the year ended June 30, 2019 brought the total net position to \$165,044,648. The increase in net position for the year ended June 30, 2018 was \$9,454,994. A restatement in the amount of \$28,192,686 for the College's proportionate share of the State of Illinois' College Insurance Program (CIP), the community college retirees' health insurance plan, reduced net position as of July 1, 2017, resulting in total net position as of June 30, 2018 of \$149,690,633. Information on the change in accounting principal related to this restatement can be found in Note 11 to the financial statements. The increase in net position of \$14,170,081 for the year ended June 30, 2017 brought the total net position to \$168,428,325.

Financial Analysis of the College as a Whole

	Net Position As of June 30 (in millions)		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Current assets	\$ 188.8	\$ 172.9	\$ 160.7
Noncurrent assets	108.1	112.3	115.9
Deferred outflows of resources	<u>5.4</u>	<u>4.1</u>	<u>2.7</u>
Total assets and deferred outflows of resources	<u>302.3</u>	<u>289.3</u>	<u>279.0</u>
Current liabilities	19.9	20.3	18.7
Noncurrent liabilities	86.8	91.2	67.3
Deferred inflows of resources	<u>30.6</u>	<u>28.1</u>	<u>24.6</u>
Total liabilities and deferred inflows of resources	<u>137.3</u>	<u>139.6</u>	<u>110.6</u>
Net position			
Net investment in capital assets	72.8	73.3	73.7
Restricted	9.3	8.1	7.0
Unrestricted	<u>82.9</u>	<u>68.3</u>	<u>87.7</u>
Total Net Position	<u>\$ 165.0</u>	<u>\$ 149.7</u>	<u>\$ 168.4</u>

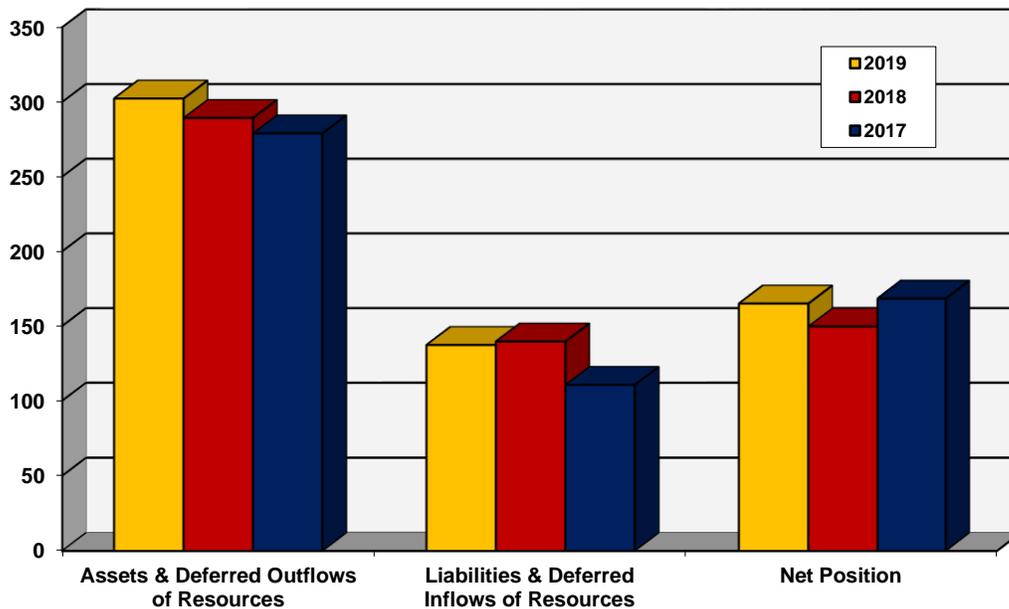
This schedule is prepared from the College's statement of net position which is presented on the accrual basis of accounting and the economic resources measurement focus.



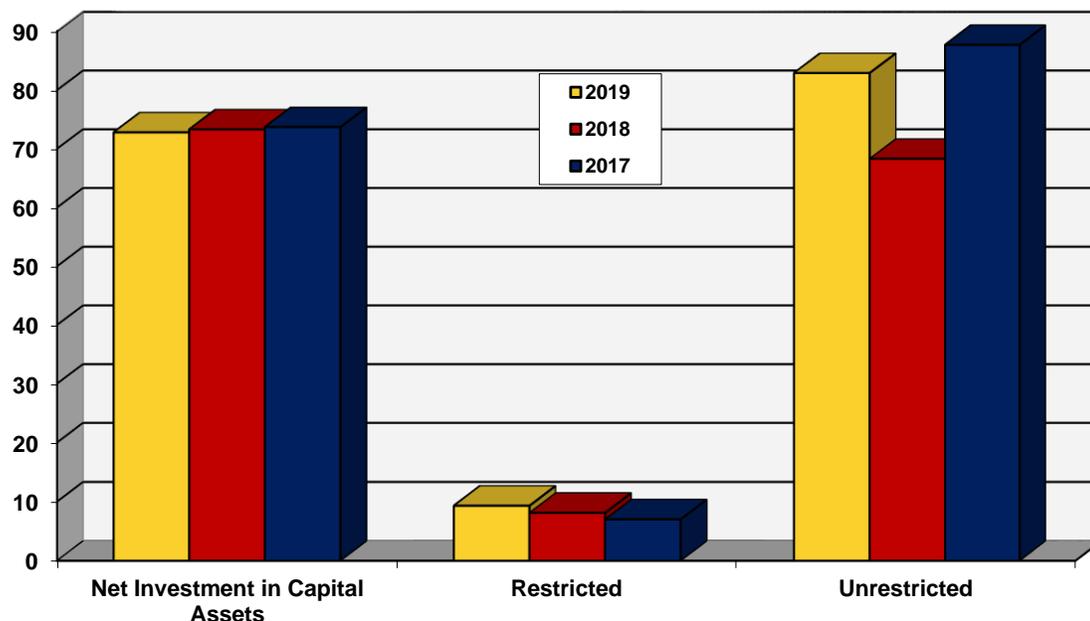
The increase in current assets as of June 30, 2019 was primarily due to an increase in the market value of investments and increase in property taxes receivable which is a result of the timing of remittances from the County Treasurers. The increase in current assets as of June 30, 2018 was primarily due to an increase in cash and investments resulting from the State of Illinois funding the College on a timely basis in the current year and funding fiscal year 2017 in the current year. The increase in current assets as

of June 30, 2017 was primarily due to the increase in State of Illinois accounts receivable which resulted from the passage of a state budget in July 2017 which allocated revenues to fiscal year 2017. The increase in noncurrent liabilities as of June 30, 2018 is primarily due to recording the College's proportionate share of CIP, in the amount of \$30,559,765 as previously noted and described in Note 7. Noncurrent liabilities related to bonds payable continue to decline each year due to payments on outstanding bonds.

Assets, Liabilities, and Net Position - As of June 30, 2019, 2018 and 2017
(in million dollars)



Analysis of Net Position - As of June 30, 2019, 2018 and 2017
(in million dollars)



Capital Assets, Net
June 30,
(in millions)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Capital Assets			
Land and Land Improvements	\$ 17.4	\$ 17.4	\$ 17.4
Buildings and Improvements	142.0	142.0	142.0
Equipment	11.2	11.0	11.7
Intangible Assets	1.2	1.1	1.1
Construction in Progress	<u>.1</u>	<u>-</u>	<u>-</u>
Total	171.9	171.5	172.2
Less Accumulated Depreciation	<u>(63.8)</u>	<u>(59.2)</u>	<u>(56.3)</u>
Net Capital Assets	<u>\$ 108.1</u>	<u>\$ 112.3</u>	<u>\$ 115.9</u>

As of June 30, 2019, 2018 and 2017, respectively, the College had recorded \$171.9, \$171.5 and \$172.2 million in capital assets, \$63.8, \$59.2 and \$56.3 million in accumulated depreciation and \$108.1, \$112.3 and \$115.9 million in net capital assets. The increase in construction in progress represents the beginning stages of the renovation of the Plano Campus. The decrease in equipment as of June 30, 2018 represents the replacement of older technologies with more cost-effective technologies. The detail changes in activities for capital assets are provided for in Note

4 to the financial statements.

As of June 30, 2019, 2018 and 2017, the College has \$52,510,000, \$58,005,000 and \$62,810,000 in long-term debt outstanding, respectively, excluding accrued compensated absences, Other Postemployment Benefits (OPEB) liability, special termination health insurance benefits payable and unamortized bond premium. Payment schedules, along with changes in activities of debt, are provided in Note 5 to the financial statements.

Operating Results for the Years Ended

**June 30,
(in millions)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating revenue			
Tuition and fees	\$ 17.5	\$ 18.2	\$ 18.4
Auxiliary	3.3	3.6	3.9
Other	<u>1.9</u>	<u>2.3</u>	<u>2.0</u>
Total operating revenue	<u>22.7</u>	<u>24.1</u>	<u>24.3</u>
Non-operating revenue			
Property taxes	51.7	49.9	48.4
State grants and contracts	33.3	31.2	28.4
Federal grants and contracts	10.7	10.4	10.0
Investment income	4.6	.5	.7
Other income	<u>1.2</u>	<u>1.3</u>	<u>1.5</u>
Total non-operating revenue	<u>101.5</u>	<u>93.3</u>	<u>77.9</u>
Total revenues	<u>124.2</u>	<u>117.4</u>	<u>113.3</u>
Operating expenses	106.8	105.6	96.7
Non-operating expenses	<u>2.1</u>	<u>2.3</u>	<u>2.4</u>
Total expenses	<u>108.9</u>	<u>107.9</u>	<u>99.1</u>
Increase in net position	<u>15.3</u>	<u>9.5</u>	<u>14.2</u>
Net position, beginning of year	<u>149.7</u>	<u>168.4</u>	<u>154.2</u>
Change in accounting principle	<u>-</u>	<u>(28.2)</u>	<u>-</u>
Net position, beginning of year, restated	<u>149.7</u>	<u>140.2</u>	<u>154.2</u>
Net position, end of year	<u>\$ 165.0</u>	<u>\$ 149.7</u>	<u>\$ 168.4</u>



Operating revenues totaled \$22.7, \$24.1 and \$24.3 million for the years ended June 30, 2019, 2018 and 2017, respectively. The College's main source of operating revenue is derived from tuition and fees which accounted for 77.1 percent, 75.5 percent and 75.7 percent of total operating revenues for the years ended June 30, 2019, 2018 and 2017, respectively.

Tuition rates for fiscal years 2019, 2018 and 2017 were \$128 per credit hour, \$126 per credit hour

and \$118 per credit hour, respectively. Total credit hours generated for fiscal years 2019, 2018 and 2017 were 160,942, 167,182 and 175,430, respectively. The decrease in total credit hours the College experienced from 2018 to 2019 is distributed among most areas with business and health experiencing increases. The decrease in total credit hours the College experienced from 2017 to 2018 were distributed among all areas and not attributable to one area of concentration. This decline is also consistent with national trends.

For the year ended June 30, 2019, non-operating revenues totaled \$101.5 million. Property taxes are the largest source comprising 50.9 percent of total non-operating revenues. State grants and contracts are also a significant source of non-operating revenues at \$33.3 million or 32.8 percent of total non-operating revenues. Another significant source is federal grants and contracts at \$10.7 million or 10.5 percent of total non-operating revenues.

For the year ended June 30, 2018, non-operating revenues totaled \$93.3 million. Property taxes represent 53.4 percent of this total which is the largest source of non-operating revenues. State grants and contracts are also a significant source of non-operating revenues at \$31.2 million or 33.4 percent of total non-operating revenues. Another significant source is federal grants and contracts at \$10.4 million or 11.1 percent of total non-operating revenue, which primarily reflected financial aid to students.

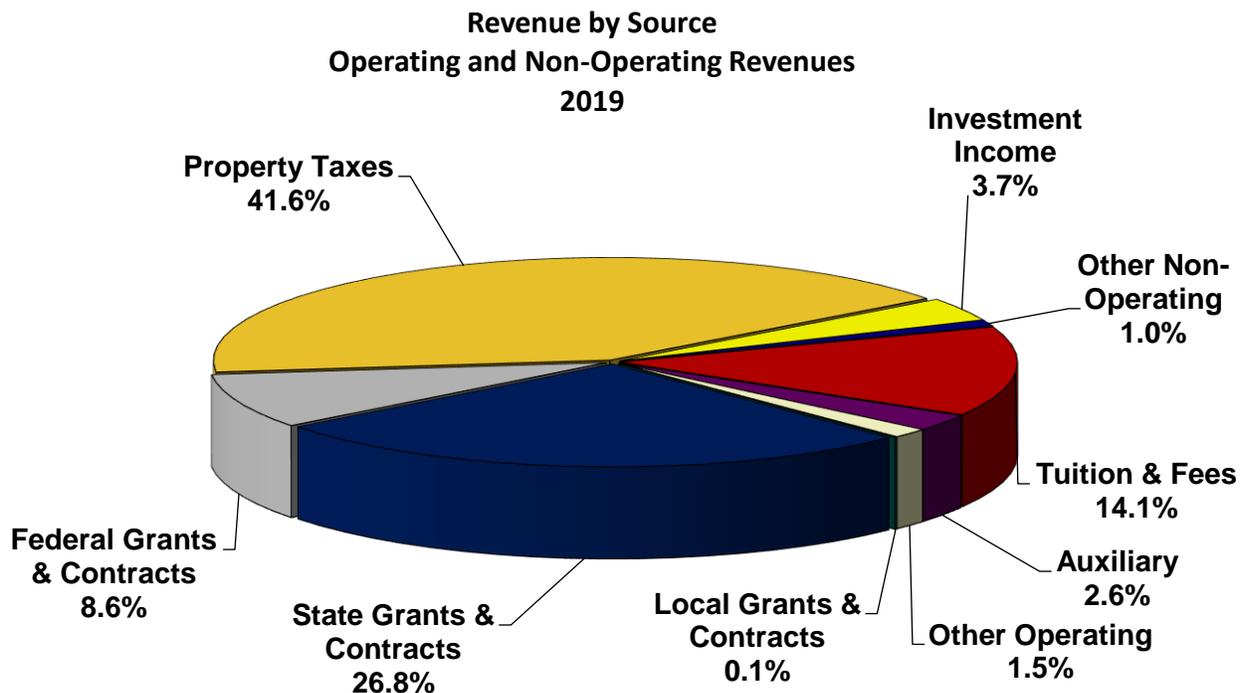
For the year ended June 30, 2017, non-operating revenues totaled \$89.0 million. Again, property taxes represent 54.4 percent of this total which is the largest source of non-operating revenues. State grants and contracts are also a significant source of non-operating revenues at \$28.4 million or 31.9 percent of total non-operating revenues. Another significant source is federal grants and contracts at \$10.0 million or 11.2 percent of total non-operating revenues.

State grants and contracts increased in both FY2019 and FY2018 as a result of recording \$3.0 million in State of Illinois on-behalf revenue and expense for CIP as previously referenced and described in Note 7 and also increases in the State of Illinois on-behalf revenue and expense for State Universities Retirement Systems (SURS). Amounts reported for the State of Illinois on-behalf revenue and expense are described in Notes 6 and 7. The College's proportionate share of the State of Illinois on-behalf pension and retire health insurance costs have increased each of the last three years and are recognized in both revenues and expenses. The increase reflected in federal grants from fiscal year 2018 to 2019 is primarily the result of new grant funding for a new Upward Bound program at West Aurora High School. The increase in investment income from 2018 to 2019 reflects an increase in investment income along with increased market values.

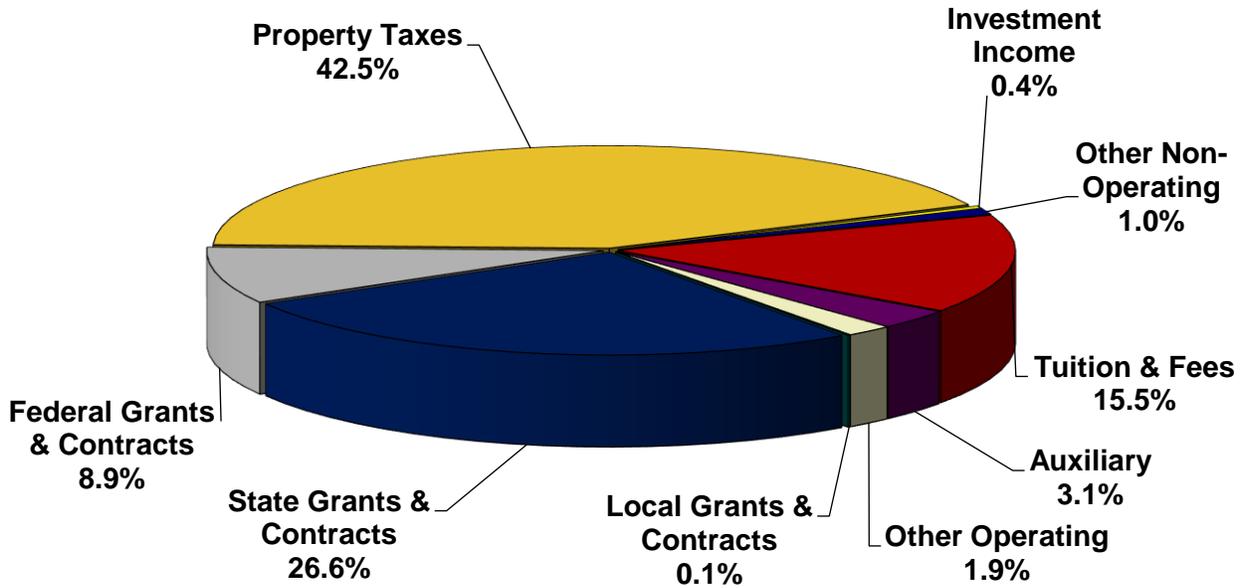
Public Act 89-1 placed limitations on the annual growth of the College's property tax levies. The College has recognized increased property tax revenues under the current property tax cap law which allows for an increase in property taxes equal to the lesser of the Consumer Price Index (CPI) or 5 percent without a referendum.

Interest expense and fiscal charges include interest expense and payments on bonds. Details of the long-term debt, in addition to payment schedules, are provided in Note 5 to the financial statements.

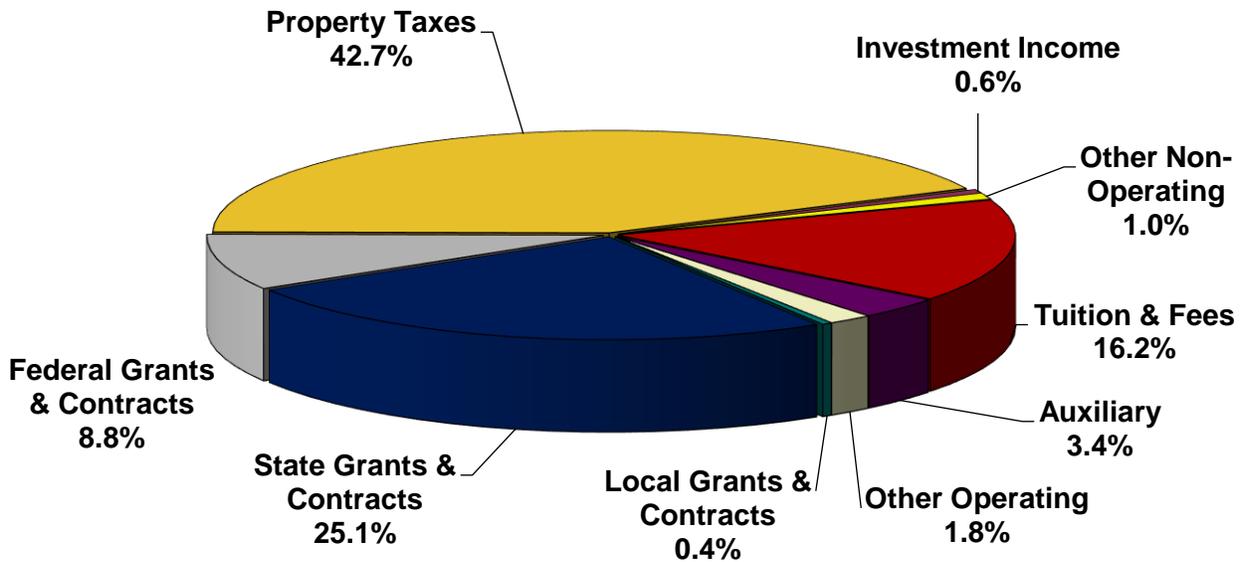
The following are graphic illustrations of revenues by source for the years ended June 30, 2019, 2018 and 2017:



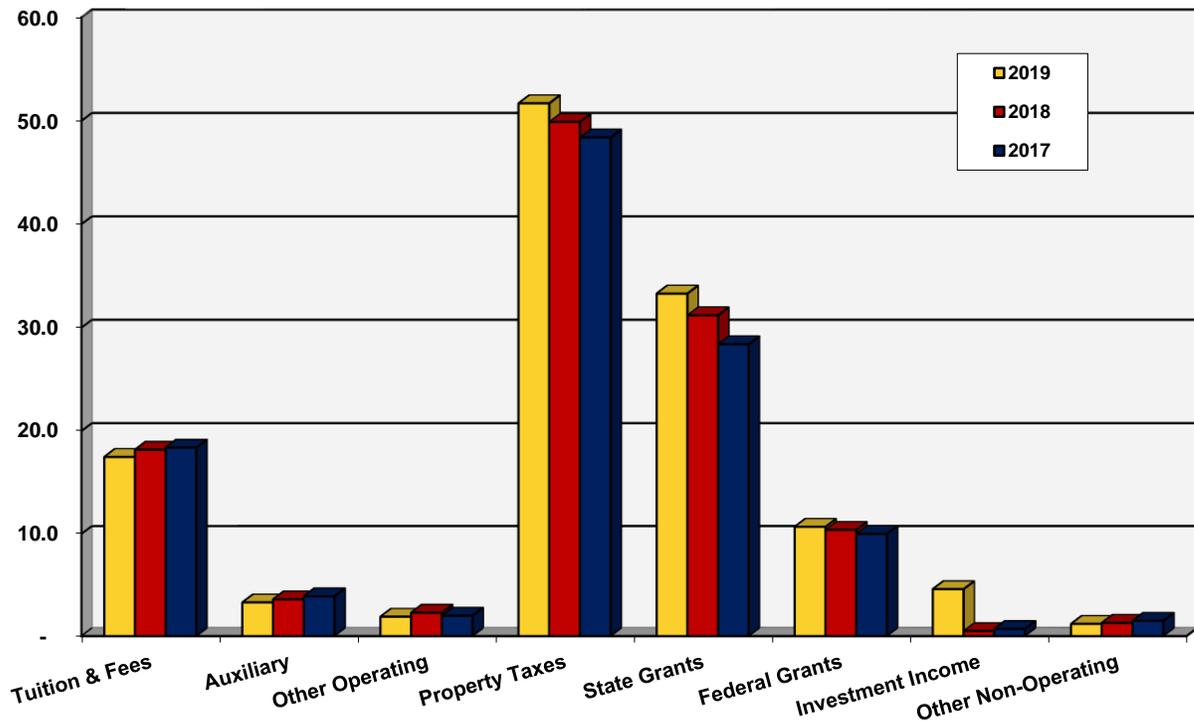
**Revenue by Source
Operating and Non-Operating Revenues
2018**



**Revenue by Source
Operating and Non-Operating Revenues
2017**



Comparison of Operating and Non-Operating Revenues
June 30, 2019, 2018 and 2017
(in millions of dollars)



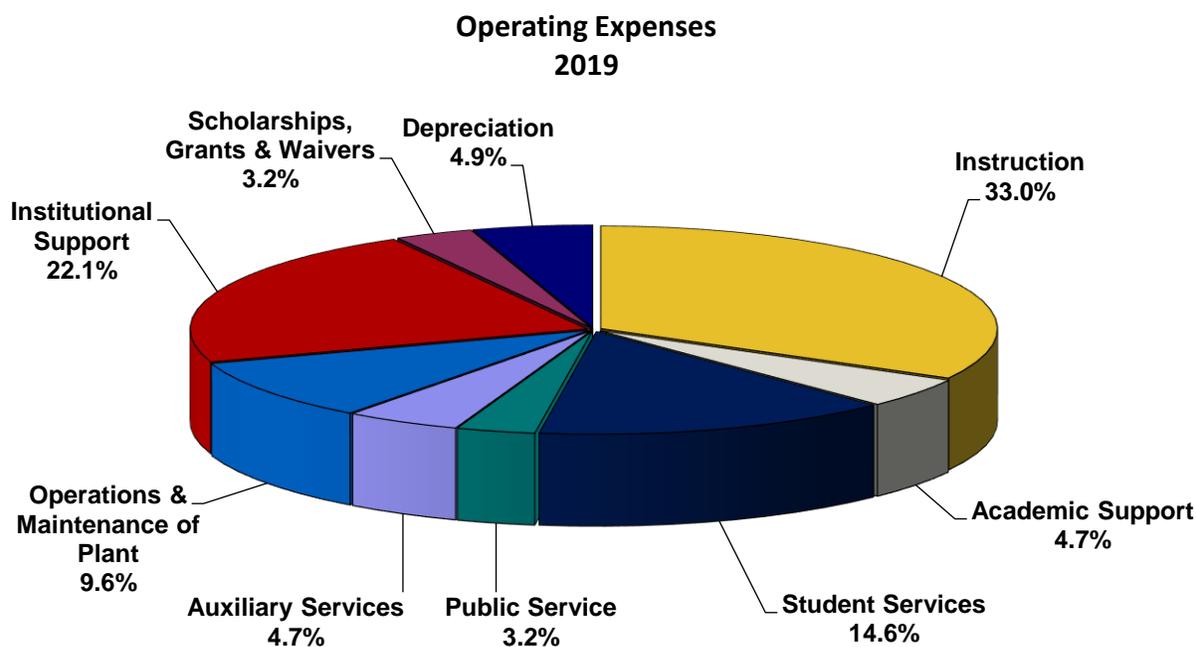
Operating Expenses
For the Years Ended June 30,
(in millions)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating expenses			
Instruction	\$ 35.3	\$ 34.6	\$ 32.3
Academic support	5.0	5.5	5.0
Student services	15.6	14.4	13.4
Public services	3.4	4.8	4.0
Auxiliary services	5.0	5.3	5.3
Operation and maintenance of plant	10.3	10.0	9.7
Institutional support	23.6	22.3	18.6
Scholarships, grants and waivers	3.4	3.7	3.4
Depreciation	<u>5.2</u>	<u>5.0</u>	<u>5.0</u>
Total	<u>\$ 106.8</u>	<u>\$ 105.6</u>	<u>\$ 96.7</u>

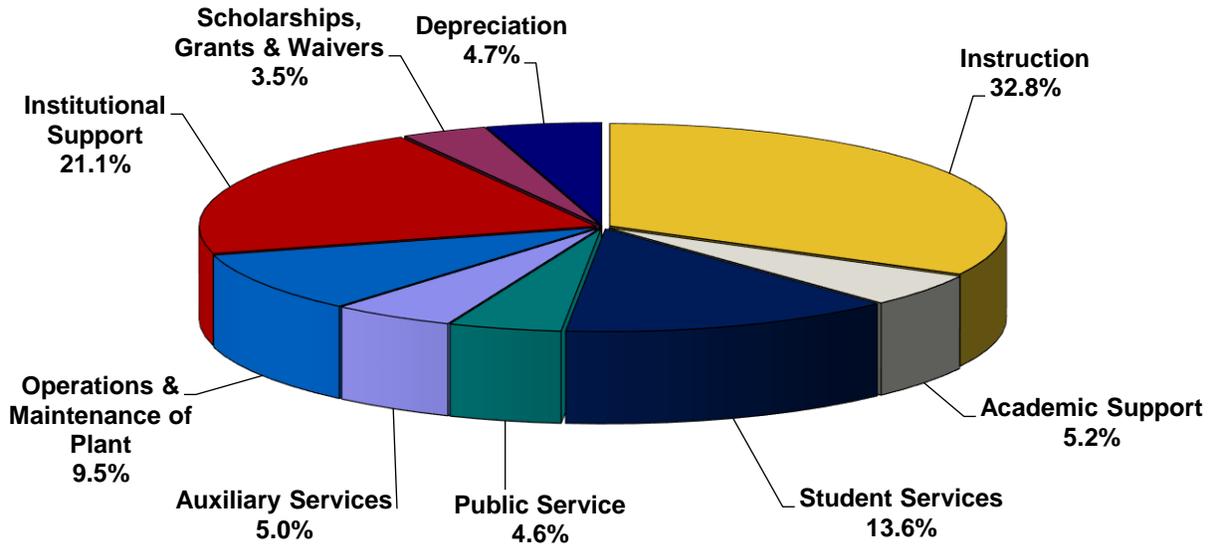
Operating expenses totaled \$106.8, \$105.6 and \$96.7 million with instruction representing the largest percent of operating expenses at 33.0 percent, 32.8 percent and 33.4 percent for all three years ended June 30, 2019, 2018 and 2017, respectively. Increases in total expenses from fiscal year 2018 to 2019 was primarily from a \$2.8 million increase in the State of Illinois on-behalf costs as noted previously and described in Note 6. Increases in total expenses from fiscal year 2017 to 2018 was primarily from recording approximately \$6 million for the CIP expense as noted previously and described in Note 7. The College reflected approximately \$3 million of its proportionate share for CIP plus an additional \$3 million of State of Illinois on-behalf revenue and expense.

Instruction consists of those activities dealing directly with the teaching of students. It includes the activities of faculty in the baccalaureate-oriented/transfer, occupational-technical career, general studies, developmental, and adult basic education programs. Student services includes services to students, athletic and student life activities. Institutional support represents 22.1 percent, 21.1 percent and 19.2 percent of operating expenses for the years ended June 30, 2019, 2018 and 2017, respectively. Institutional support includes expenses for central activities and support services that benefit the entire institution including information technology and fiscal operations.

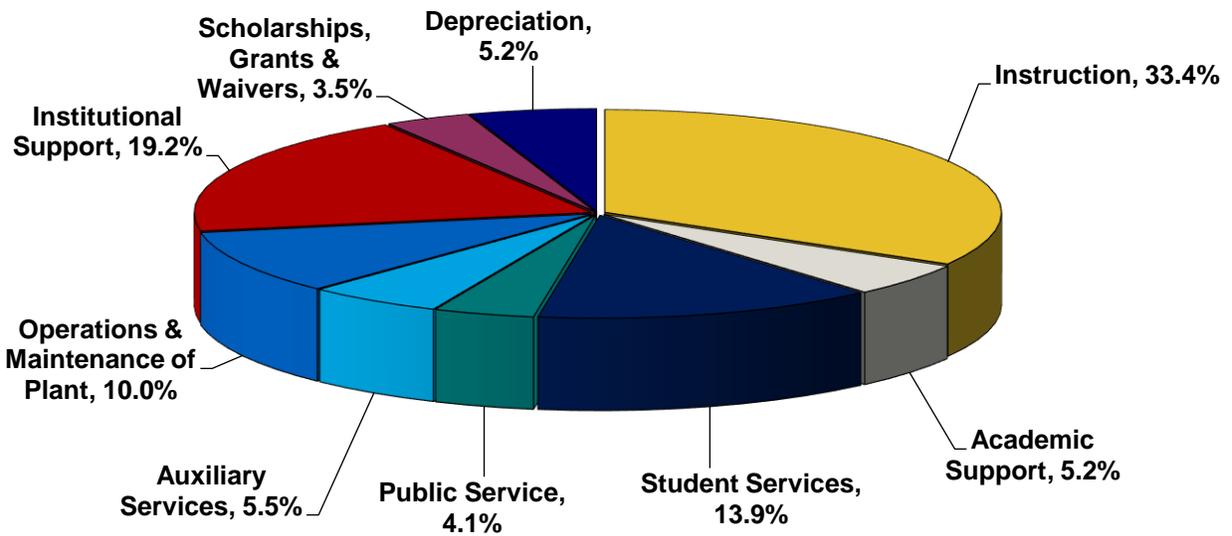
The following are graphic illustrations of operating expenses for the years ended June 30, 2019, 2018 and 2017:



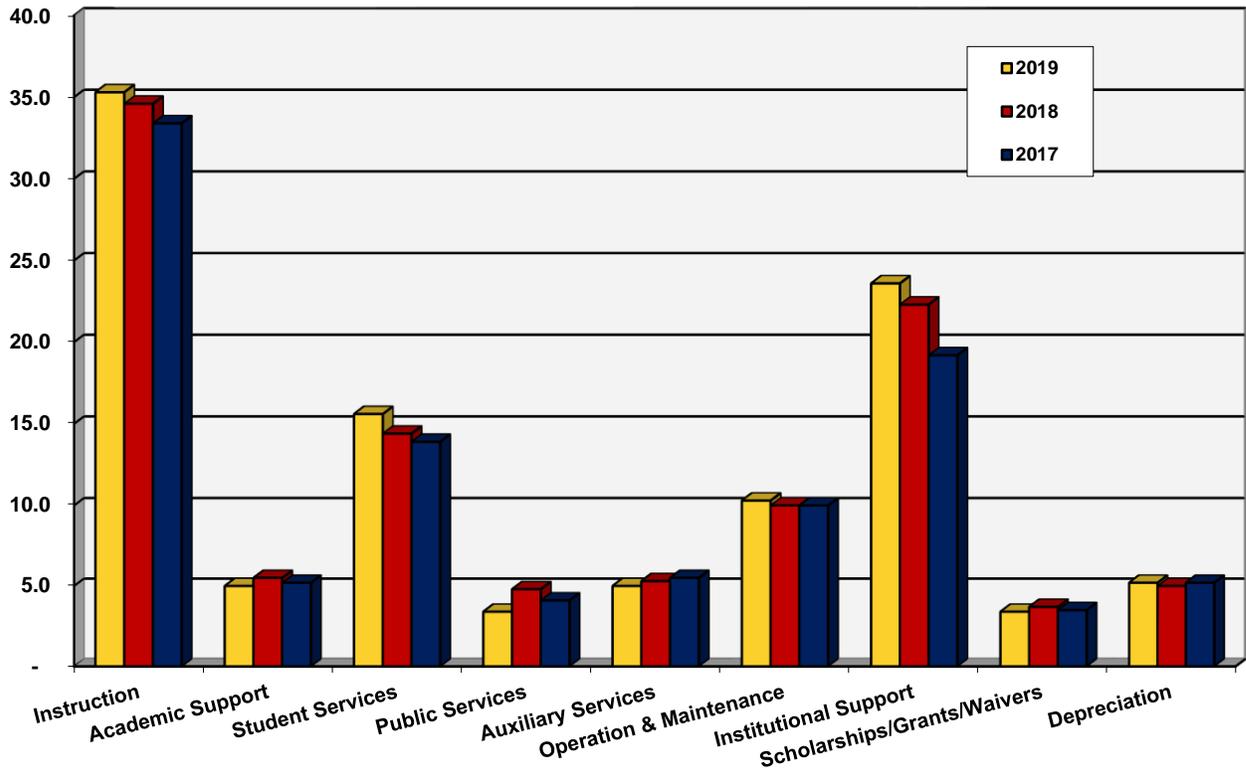
**Operating Expenses
2018**



**Operating Expenses
2017**



**Comparison of Operating Expenses
June 30, 2019, 2018 and 2017**
(in millions of dollars)



Contacting Financial Management



This financial report is designed to provide our District residents with a general overview of Waubonsee Community College’s finances and to show Waubonsee Community College’s accountability for the revenue it receives.

If you have questions about this report or need additional information, contact David B. Quillen, Executive Vice President of Finance and Operations, at Route 47 at Waubonsee Drive, Sugar Grove, Illinois 60554, (630) 466-2900, dquillen@waubonsee.edu.

BASIC FINANCIAL STATEMENTS

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

STATEMENTS OF NET POSITION

June 30, 2019 and 2018

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,360,608	\$ 2,488,454
Investments	146,907,400	137,107,036
Receivables, net of allowances for uncollectibles		
Taxes	29,296,090	25,489,868
Accrued interest	516,292	607,344
Accounts	2,204,952	2,161,918
Tuition and fees	3,506,344	3,439,012
Other	397,571	227,845
Prepaid expenses	743,266	591,900
Inventories	833,525	821,705
	188,766,048	172,935,082
NONCURRENT ASSETS		
Capital assets	171,909,118	171,530,027
Less accumulated depreciation	(63,789,809)	(59,219,256)
	108,119,309	112,310,771
Net capital assets	108,119,309	112,310,771
Total noncurrent assets	108,119,309	112,310,771
Total assets	296,885,357	285,245,853
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding	1,756,314	2,009,555
CIP other postemployment benefit items	3,542,907	1,954,040
SURS pension contributions	132,377	108,983
	5,431,598	4,072,578
Total deferred outflows of resources	5,431,598	4,072,578
Total assets and deferred outflows of resources	302,316,955	289,318,431

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

STATEMENTS OF NET POSITION (Continued)

June 30, 2019 and 2018

	2019	2018
CURRENT LIABILITIES		
Accounts payable	\$ 2,866,024	\$ 3,452,115
Accrued salaries and payroll deductions payable	1,492,955	2,041,891
Health claims payable	1,172,198	1,155,235
Unearned tuition and fees	6,527,696	6,362,141
Unearned revenue	165,723	230,704
Accrued compensated absences	468,245	590,125
Bonds payable	6,205,000	5,495,000
Other postemployment benefit liability	409,724	384,050
Due to organizations	451,122	436,859
Interest payable	104,101	112,620
Other current liabilities	33,943	33,936
	19,896,731	20,294,676
NONCURRENT LIABILITIES		
Special termination health insurance benefits payable	1,238,307	1,513,483
Accrued compensated absences	2,672,262	2,540,919
Other postemployment benefit liability	32,848,983	30,175,715
Bonds payable	50,027,312	57,009,836
	86,786,864	91,239,953
Total noncurrent liabilities	86,786,864	91,239,953
Total liabilities	106,683,595	111,534,629
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	26,350,342	25,460,754
CIP other postemployment benefit items	4,238,370	2,632,415
	30,588,712	28,093,169
Total deferred inflows of resources	30,588,712	28,093,169
Total liabilities and deferred inflows of resources	137,272,307	139,627,798
NET POSITION		
Net investment in capital assets	72,833,131	73,282,369
Restricted for		
Audit	16,529	14,101
Liability, protection and settlement	1,531,827	1,415,446
Debt service	3,314,446	2,457,878
Working cash	4,298,617	4,143,049
Pension contributions	132,377	108,983
Unrestricted	82,917,721	68,268,807
	82,917,721	68,268,807
TOTAL NET POSITION	\$ 165,044,648	\$ 149,690,633

See accompanying notes to financial statements.

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

For the Years Ended June 30, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Tuition and fees	\$ 17,512,204	\$ 18,158,240
Auxiliary enterprises revenue	3,290,671	3,639,636
Other operating revenue	1,903,684	2,276,098
Total operating revenues	<u>22,706,559</u>	<u>24,073,974</u>
OPERATING EXPENSES		
Instruction	35,321,005	34,582,294
Academic support	4,992,499	5,483,930
Student services	15,566,795	14,383,012
Public services	3,436,633	4,756,946
Auxiliary services	4,960,152	5,300,236
Operation and maintenance of plant	10,258,834	9,998,635
Institutional support	23,630,722	22,353,685
Scholarships, grants and waivers	3,460,503	3,720,881
Depreciation	5,198,526	5,021,218
Total operating expenses	<u>106,825,669</u>	<u>105,600,837</u>
OPERATING INCOME (LOSS)	<u>(84,119,110)</u>	<u>(81,526,863)</u>
NON-OPERATING REVENUES (EXPENSES)		
Property taxes	51,737,359	49,910,982
Personal property replacement tax	909,552	840,763
Local grants and contracts	163,326	213,607
State grants and contracts	33,301,767	31,212,793
Federal grants and contracts	10,657,188	10,367,760
Investment income	4,639,374	540,841
Interest expense and fiscal charges	(2,069,448)	(2,278,543)
Other non-operating revenue	129,050	200,000
Gain (loss) on disposal of capital assets	4,957	(26,346)
Total non-operating revenues (expenses)	<u>99,473,125</u>	<u>90,981,857</u>
CHANGE IN NET POSITION	<u>15,354,015</u>	<u>9,454,994</u>
NET POSITION, JULY 1	149,690,633	168,428,325
Change in accounting principle	-	(28,192,686)
NET POSITION, JULY 1, RESTATED	<u>149,690,633</u>	<u>140,235,639</u>
NET POSITION, JUNE 30	<u>\$ 165,044,648</u>	<u>\$ 149,690,633</u>

See accompanying notes to financial statements.

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 17,610,427	\$ 18,381,805
Payments to suppliers	(36,263,984)	(36,046,872)
Payments to employees	(37,510,473)	(36,526,581)
Auxiliary enterprise charges	3,290,671	3,639,636
Other	1,903,684	2,276,098
Net cash from operating activities	<u>(50,969,675)</u>	<u>(48,275,914)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local property taxes	48,820,725	50,536,851
State grants and contracts	7,240,835	10,532,402
Federal grants and contracts	10,657,188	10,367,760
Other grants and contracts	292,376	413,607
Net cash from noncapital financing activities	<u>67,011,124</u>	<u>71,850,620</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(1,007,064)	(1,418,945)
Proceeds from sale of capital assets	4,957	3,242
Principal paid on bonds and leases	(5,495,000)	(4,805,000)
Interest paid on bonds and leases	(2,602,250)	(2,796,783)
Net cash from capital and related financing activities	<u>(9,099,357)</u>	<u>(9,017,486)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	180,687,468	95,516,138
Interest on investments	4,730,426	548,504
Purchase of investments	(190,487,832)	(118,562,583)
Net cash from investing activities	<u>(5,069,938)</u>	<u>(22,497,941)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,872,154	(7,940,721)
CASH AND CASH EQUIVALENTS, JULY 1	<u>2,488,454</u>	<u>10,429,175</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 4,360,608</u>	<u>\$ 2,488,454</u>

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended June 30, 2019 and 2018

	2019	2018
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (84,119,110)	\$ (81,526,863)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation and amortization	5,198,526	5,021,218
State on-behalf payments	26,734,330	24,336,048
Accounts receivable	(67,332)	320,454
Inventories	(11,820)	9,202
Prepaid items	(151,366)	(54,290)
Accounts payable	(586,091)	190,133
Accrued salaries	(548,936)	285,142
Health claims payable	(33,748)	(4,974)
Accrued compensated absences	9,463	167,665
CIP other postemployment benefit liability	2,698,942	2,221,695
CIP deferred outflows	(1,588,867)	(1,808,656)
CIP deferred inflows	1,605,955	2,632,415
Other accrued liabilities	165,555	(96,889)
Special termination benefits	(275,176)	31,786
NET CASH FROM OPERATING ACTIVITIES	\$ (50,969,675)	\$ (48,275,914)

See accompanying notes to financial statements.

DISCRETELY PRESENTED COMPONENT UNIT

**WAUBONSEE COMMUNITY COLLEGE FOUNDATION
SUGAR GROVE, ILLINOIS**

STATEMENT OF FINANCIAL POSITION

June 30, 2019

ASSETS

Cash and cash equivalents	\$ 54,635
Investments	3,337,568
Accounts receivable	1,800
Pledges receivable, net	250,217
Accrued interest receivable	296
Prepaid expenses	1,167
Cash surrender value - life insurance policy	74,027
Investments, long-term	<u>1,918,011</u>

Total assets	<u>5,637,721</u>
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LIABILITIES

Accounts payable	<u>2,000</u>
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Total liabilities	<u>2,000</u>
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NET ASSETS

Without donor restrictions - board designated	1,642,844
With donor restrictions	<u>3,992,877</u>

TOTAL NET ASSETS	<u><u>\$ 5,635,721</u></u>
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See accompanying notes to financial statements.

DISCRETELY PRESENTED COMPONENT UNIT

**WAUBONSEE COMMUNITY COLLEGE FOUNDATION
SUGAR GROVE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 36,416	\$ 281,866	\$ 318,282
In-kind contributions	91,399	-	91,399
Fundraising events	70,035	-	70,035
Investment return, net	2,075	324,254	326,329
Contributed services	289,137	-	289,137
Net assets released from restrictions	424,524	(424,524)	-
Total revenues	913,586	181,596	1,095,182
EXPENSES			
Program services	487,117	-	487,117
Management and general expenses	193,724	-	193,724
Fundraising	94,879	-	94,879
Costs of direct benefits to donors	24,316	-	24,316
Total expenses	800,036	-	800,036
CHANGE IN NET ASSETS	113,550	181,596	295,146
NET ASSETS, JULY 1, AS RESTATED	1,529,294	3,811,281	5,340,575
NET ASSETS, JUNE 30	\$ 1,642,844	\$ 3,992,877	\$ 5,635,721

See accompanying notes to financial statements.

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Waubonsee Community College District 516 (the College) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. In addition, the College presents its financial statements in accordance with accounting practices prescribed or permitted by the Illinois Community College Board. The following is a summary of the more significant policies of the College.

a. Reporting Entity

The College is a separate legal entity established under Illinois Compiled Statutes (ILCS) governed by an elected Board of Trustees. The College is fiscally independent and is considered a primary government pursuant to GASB Statement No. 14 as amended by GASB Statement No. 61. The College has determined that the Waubonsee Community College Foundation (the Foundation), a fund raising organization that supports the College, meets the requirements of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement 14*, which has resulted in the Foundation being reported as a discretely presented component unit of the College as it is legally separate from the College. Separate financial statements of the Foundation are available from the Foundation's Treasurer, Route 47 at Waubonsee Drive, Sugar Grove, Illinois 60554.

b. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes, federal, state and local grants, state appropriations and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations and other contributions 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 use is first permitted, matching requirements, in which the College must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the College on a reimbursement basis.

The College reports unearned/deferred revenue on its statements of net position. Unearned revenues arise when a potential revenue does not meet both the measurable and earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the College before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. Deferred revenue results from property taxes being levied and reported as a receivable before the period for which the taxes are levied. In subsequent periods, when both revenue recognition criteria are met or when the College has met all eligibility requirements, the liability for unearned/deferred revenue is removed from the statements of net position and revenue is recognized. Tuition and fee revenues related to courses primarily held after June 30, 2019 and 2018 are reported as unearned tuition and fees.

c. Cash

For purposes of the statements of cash flows, the College considers all pooled cash and investments and, for separate accounts, all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

d. Investments

The College has recorded all participating investments, regardless of maturity date, at fair value. Fair value is based on published fair values or other sources on June 30, 2019 and 2018. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Inventories

Inventories are valued at average cost and consist primarily of items held for resale in the bookstore.

f. Capital Assets

Capital assets include property, plant, equipment, intangibles and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more, except for intangible assets and buildings and improvements for which the initial unit cost is greater than \$25,000 and \$200,000, respectively, and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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.

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

Assets	Years
Intangibles	3
Equipment	3-10
Land improvements	15
Buildings and improvements	40

g. Accrued Compensated Absences

Accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. The liability for accumulated unpaid vacation leave is based upon accumulated days times the current pay rate for each employee. A maximum of 56 days may be accumulated for administrative and full-time support services staff. A liability has also been recorded for accumulated paid time off that may be paid to part-time support staff. The liability is based on accumulated hours times the current pay rate for each employee. A maximum of 192 hours may be accumulated.

When a full-time staff member retires after 15 years of service with the College he/she shall be reimbursed for 25% of his/her accrued sick leave up to 31.25 paid sick days unless the employee applies the sick days toward service credit for retirement with the State Universities Retirement System (SURS or the System). A liability has been recorded for the portion of sick pay that may be paid to employees.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Long-Term Obligations

Long-term obligations are reported as liabilities in the applicable financial statements. Bond premiums and discounts, as well as the unamortized loss on refunding are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

i. Unearned Tuition and Fee Revenue

Tuition and fee revenues related to the periods after June 30, 2019 and 2018 have been classified as unearned.

j. Net Position

Net Investment in Capital Assets

This represents the College's total investment in capital assets, net of accumulated depreciation and net of the unamortized portion of long-term liabilities issued to construct or purchase the capital assets.

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. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed. None of the College's net position is restricted due to enabling legislation adopted by the College.

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 are 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.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Federal Financial Assistance

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study and the Stafford Direct Loan Program that are audited in accordance with the Single Audit Act Amendments of 1996, the United States Office of Management and Budget Uniform Guidance and the Compliance Supplement.

l. On-Behalf Pension and Other Postemployment Benefit Revenue and Expense

The College applies the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, whereby the State of Illinois is responsible for the employer contribution and the total pension liability resulting from a special funding situation. Therefore, for the fiscal years ended June 30, 2019 and 2018, the College has reported its proportionate share of the collective pension expense and revenue for the state's contribution. In addition, the College applies the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, whereby the State of Illinois is responsible for 50% of both employer contribution and the total other postemployment benefit (OPEB) liability resulting from a special funding situation. Therefore, for the fiscal years ended June 30, 2019 and 2018, the College has reported its proportionate share of the collective OPEB expense and revenue for the state's contribution in addition to reporting the College's proportionate share of the OPEB liability and related expense.

m. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

n. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS

The College's investment policy authorizes the College to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds. The Illinois Funds was created by the Illinois State Legislature and is managed by the Illinois State Treasurer.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

Illinois School District Liquid Asset Fund Plus is a not-for-profit investment trust fund formed pursuant to the Illinois Municipal Code and is managed by a Board of Trustees elected from the participating members. The fund invests member deposits, on a pooled basis, primarily in short-term certificates of deposit and in high rated short-term obligations of the U.S. Treasury and major United States corporations and banks. The fair value of the College's position in the pool is the same as the value of the pool shares. The credit rating provided by Standard & Poor's of the Illinois School District Liquid Asset Fund Plus - Liquid and Max Class was AAAM at June 30, 2019 and 2018.

It is the policy of the College to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the College and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety of principal, liquidity, yield and maintaining the public trust.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the College's deposits may not be returned to it.

The College's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the College in the College's name.

Investments

The following table presents the debt investments of the College as of June 30, 2019 and 2018, by type of investment:

June 30, 2019

Investment	Total Fair Value	Maturity (0-3 years)	Maturity (4-6 years)	Maturity (7-9 years)	Maturity (9+ years)
Negotiable certificates of deposit	\$ 1,732,017	\$ 1,732,017	\$ -	\$ -	\$ -
U.S. agency obligations	47,766,070	19,780,545	17,931,257	4,455,502	5,598,766
U.S. Treasury obligations	11,701,188	10,705,128	996,060	-	-
Municipal bonds	2,928,009	1,119,955	1,808,054	-	-
TOTAL	\$ 64,127,284	\$ 33,337,645	\$ 20,735,371	\$ 4,455,502	\$ 5,598,766

June 30, 2018

Investment	Total Fair Value	Maturity (0-3 years)	Maturity (4-6 years)	Maturity (7-9 years)	Maturity (9+ years)
Negotiable certificates of deposit	\$ 5,912,127	\$ 5,912,127	\$ -	\$ -	\$ -
U.S. agency obligations	42,135,450	17,291,257	17,435,085	1,295,852	6,113,256
U.S. Treasury obligations	16,136,264	13,278,144	2,858,120	-	-
Municipal bonds	1,347,456	197,214	1,150,242	-	-
TOTAL	\$ 65,531,297	\$ 36,678,742	\$ 21,443,447	\$ 1,295,852	\$ 6,113,256

The College categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

The College has the following recurring fair value measurements as of June 30, 2019 and June 30, 2018: Negotiable certificates of deposit of \$1,732,017 and \$5,912,127, respectively, U.S. agency securities of \$47,766,070 and \$42,135,450, respectively, U.S. Treasury securities of \$11,701,188 and \$16,136,264, respectively, and municipal bonds of \$2,928,009 and \$1,347,456, respectively, are valued using quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the College limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a two-year period. The investment policy does not strictly limit the maximum maturity lengths of investments.

The College limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government.

However, the College's investment policy does not specifically limit the College to these types of investments. The U.S. agency and Treasury obligations are rated between AAA and AA+ by Standards and Poor's. The municipal bonds are rated between AAA and AA- by Standards and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the College will not be able to recover some or all of the investment that is in possession of an outside party.

To limit its exposure, the College's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the College's agent separate from where the investment was purchased. The Illinois Funds and the Illinois School District Liquid Asset Fund are not subject to custodial credit risk.

Concentration of credit risk - At June 30, 2019 and 2018, the College did not have any one investment that was greater than 5% of its overall portfolio (other than United States Government guaranteed obligations). The College's investment policy contains specific restrictions related to the diversification of the investment portfolio.

Derivatives - The College's investment policy specifically prohibits the use of or the investment in derivatives.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the College:

- The property tax lien date is January 1;
- The annual tax levy ordinance of 2018 was passed on December 12, 2018 and the annual tax levy ordinance of 2017 was passed on December 18, 2017;
- Property taxes are due to the County Collectors in two installments, June 1 and September 1; and
- The College receives the majority of its distributions in May through October 2019 and 2018.

Property taxes are recognized as revenue in the year intended to finance, regardless of when collected. The second half of the 2017 levy and the first half of the 2018 levy are recognized as revenue in the 2019 fiscal year. The second half of the 2018 levy is intended to finance the 2020 fiscal year and, accordingly, is reported as deferred revenue. The 2019 tax levy, which attached as an enforceable lien on property as of January 1, 2019, has not been recorded as a receivable as of June 30, 2019 as the tax has not yet been levied and will not be levied until December 2019 and, therefore, the levy is not measurable at June 30, 2019.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Land	\$ 4,555,311	\$ -	\$ -	\$ 4,555,311
Construction in progress	-	148,115	-	148,115
Total capital assets not being depreciated	4,555,311	148,115	-	4,703,426
Capital assets being depreciated				
Land improvements	12,862,757	-	-	12,862,757
Buildings and improvements	141,969,686	-	-	141,969,686
Equipment	10,981,717	636,202	458,530	11,159,389
Intangible assets	1,160,556	222,747	169,443	1,213,860
Total capital assets being depreciated	166,974,716	858,949	627,973	167,205,692

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Less accumulated depreciation for				
Land improvements	\$ 7,662,283	\$ 724,033	\$ -	\$ 8,386,316
Buildings and improvements	43,335,632	3,310,466	-	46,646,098
Equipment	7,187,349	1,093,115	458,530	7,821,934
Intangible assets	1,033,992	70,912	169,443	935,461
Total accumulated depreciation	59,219,256	5,198,526	627,973	63,789,809
Total capital assets being depreciated, net	107,755,460	(4,339,577)	-	103,415,883
CAPITAL ASSETS, NET	\$ 112,310,771	\$ (4,191,462)	\$ -	\$ 108,119,309

Capital asset activity for the year ended June 30, 2018 is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Land	\$ 4,555,311	\$ -	\$ -	\$ 4,555,311
Total capital assets not being depreciated	4,555,311	-	-	4,555,311
Capital assets being depreciated				
Land improvements	12,862,757	-	-	12,862,757
Buildings and improvements	141,969,686	-	-	141,969,686
Equipment	11,716,626	1,411,303	2,146,212	10,981,717
Intangible assets	1,152,914	7,642	-	1,160,556
Total capital assets being depreciated	167,701,983	1,418,945	2,146,212	166,974,716
Less accumulated depreciation for				
Land improvements	6,938,250	724,033	-	7,662,283
Buildings and improvements	40,025,166	3,310,466	-	43,335,632
Equipment	8,416,081	887,892	2,116,624	7,187,349
Intangible assets	935,165	98,827	-	1,033,992
Total accumulated depreciation	56,314,662	5,021,218	2,116,624	59,219,256
Total capital assets being depreciated, net	111,387,321	(3,602,273)	29,588	107,755,460
CAPITAL ASSETS, NET	\$ 115,942,632	\$ (3,602,273)	\$ 29,588	\$ 112,310,771

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

Changes in long-term debt for the years ended June 30, 2019 and 2018 are as follows:

	Balance July 1, 2018	Issuance	Repayment/ Refunding	Balance June 30, 2019	Current Portion
Accrued compensated absences	\$ 3,131,044	\$ 599,587	\$ 590,124	\$ 3,140,507	\$ 468,245
Other postemployment benefit liability	30,559,765	2,698,942	-	33,258,707	409,724
General Obligation Refunding Bonds, Series 2011A	12,355,000	-	3,960,000	8,395,000	4,115,000
General Obligation Limited Tax Bonds, Series 2011C	2,310,000	-	265,000	2,045,000	280,000
General Obligation Bonds, Series 2012A	42,095,000	-	1,140,000	40,955,000	1,675,000
General Obligation Limited Tax Bonds, Series 2012B	1,245,000	-	130,000	1,115,000	135,000
Unamortized bond premium	4,499,836	-	777,524	3,722,312	-
TOTAL	\$ 96,195,645	\$ 3,298,529	\$ 6,862,648	\$ 92,631,526	\$ 7,082,969

	Balance July 1, 2017	Issuance	Repayment/ Refunding	Balance June 30, 2018	Current Portion
Accrued compensated absences	\$ 2,963,379	\$ 556,859	\$ 389,194	\$ 3,131,044	\$ 590,125
Other postemployment benefit liability	28,338,070	2,221,695	-	30,559,765	384,050
General Obligation Refunding Bonds, Series 2011A	16,160,000	-	3,805,000	12,355,000	3,960,000
General Obligation Limited Tax Bonds, Series 2011C	2,490,000	-	180,000	2,310,000	265,000
Taxable General Obligation Limited Tax Bonds, Series 2011D	65,000	-	65,000	-	-
General Obligation Bonds, Series 2012A	42,720,000	-	625,000	42,095,000	1,140,000
General Obligation Limited Tax Bonds, Series 2012B	1,375,000	-	130,000	1,245,000	130,000
Unamortized bond premium	5,278,447	-	778,611	4,499,836	-
TOTAL	\$ 99,389,896	\$ 2,778,554	\$ 5,972,805	\$ 96,195,645	\$ 6,469,175

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

The following is a summary of the long-term debt of the College:

Accrued Compensated Absences

As described in Note 1, accrued compensated absences not due within one year are reported as long-term debt.

2011A General Obligation Refunding Bonds

The College issued \$26,285,000 General Obligation Refunding Bonds, Series 2011A. The bonds, dated December 7, 2011, are due in annual installments of \$1,445,000 to \$4,280,000 through December 15, 2020, with interest ranging from 4% to 5% payable each June 15 and December 15. Debt service to maturity on this issue is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 4,115,000	\$ 296,300	\$ 4,411,300
2021	4,280,000	107,000	4,387,000
TOTAL	\$ 8,395,000	\$ 403,300	\$ 8,798,300

2011C General Obligation Limited Tax Bonds

The College issued \$2,510,000 General Obligation Limited Tax Bonds, Series 2011C. The bonds, dated December 7, 2011, are due in annual installments of \$20,000 to \$405,000 through December 15, 2024, with interest ranging from 3.00% to 4.25% payable each June 15 and December 15.

Year Ending June 30,	Principal	Interest	Total
2020	\$ 280,000	\$ 75,236	\$ 355,236
2021	305,000	65,700	370,700
2022	325,000	53,862	378,862
2023	350,000	40,362	390,362
2024	380,000	25,287	405,287
2025	405,000	8,606	413,606
TOTAL	\$ 2,045,000	\$ 269,053	\$ 2,314,053

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

2012A General Obligation Bonds

The College issued \$44,525,000 General Obligation Bonds, Series 2012A. The bonds, dated July 11, 2012, are due in annual installments of \$315,000 to \$8,505,000 through December 15, 2026, with interest ranging from 2% to 5% payable each June 15 and December 15. Debt service to maturity on this issue is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,675,000	\$ 1,980,500	\$ 3,655,500
2021	1,725,000	1,916,562	3,641,562
2022	6,375,000	1,718,375	8,093,375
2023	6,860,000	1,387,500	8,247,500
2024	7,715,000	1,023,125	8,738,125
2025	8,100,000	627,750	8,727,750
2026	8,505,000	212,625	8,717,625
TOTAL	\$ 40,955,000	\$ 8,866,437	\$ 49,821,437

2012B General Obligation Limited Tax Bonds

The College issued \$1,880,000 General Obligation Limited Tax Bonds, Series 2012B. The bonds, dated July 11, 2012, are due in annual installments of \$130,000 to \$330,000 through December 15, 2026, with interest ranging from 2.00% to 3.25% payable each June 15 and December 15. Debt service to maturity on this issue is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 135,000	\$ 32,739	\$ 167,739
2021	130,000	28,763	158,763
2022	130,000	24,863	154,863
2023	130,000	20,881	150,881
2024	130,000	16,819	146,819
2025	130,000	12,756	142,756
2026	330,000	5,362	335,362
TOTAL	\$ 1,115,000	\$ 142,183	\$ 1,257,183

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS

Plan Description

The College contributes to SURS, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the state 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's 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 ILCS. 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, 2017 can be found in the SURS' comprehensive annual financial report (CAFR) notes to financial statements.

Contributions

The state is primarily responsible for funding SURS 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% 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 employer normal cost for fiscal year 2018 and 2019 was 12.46% and 12.29%, respectively, of employee payroll.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy

The normal cost is equal to the value of 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% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make 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% during the final rate of earnings period).

- a. Pension Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability

At June 30, 2018 and 2017, SURS reported a net pension liability of \$27,494,556,682 and \$25,481,105,995, respectively. The net pension liability was measured as of June 30, 2017 and 2016, respectively.

Employer Proportionate Share of Net Pension Liability

For the year ended June 30, 2019, 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's net pension liability associated with the College is \$246,158,766 or 0.8953%. This amount is not recognized in the financial statement due to the special funding situation. The net pension liability was measured as of June 30, 2018 and the total pension used to calculate the net pension liability was determined based on the June 30, 2017 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2018.

For the year ended June 30, 2018, 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's net pension liability associated with the College is \$224,615,949 or 0.8815%. This amount is not recognized in the financial statement due to the special funding situation.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

- a. Pension Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Employer Proportionate Share of Net Pension Liability (Continued)

The net pension liability was measured as of June 30, 2017, and the total pension used to calculate the net pension liability was determined based on the June 30, 2016 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2017.

Pension Expense

At June 30, 2018 and 2017, SURS reported a collective net pension expense of \$2,685,322,700 and \$2,412,918,129, respectively.

Employer Proportionate Share of Pension Expense

The College's proportionate share of collective net pension expense is recognized as both revenue and matching expense in the 2019 financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year 2018. As a result, the College recognized revenue and pension expense of \$24,041,694 for the fiscal year ended June 30, 2019.

The College's proportionate share of collective net pension expense is recognized as both revenue and matching expense in the 2018 financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year 2017. As a result, the College recognized revenue and pension expense of \$21,269,873 for the fiscal year ended June 30, 2018.

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

Deferred outflows of resources are the consumption of net position by the College that is applicable to future reporting periods. The College paid \$132,377 in federal, trust or grant contributions for the fiscal year ended June 30, 2019. These contributions were made subsequent to the pension liability measurement date of June 30, 2018 and are recognized as deferred outflows of resources as of June 30, 2019.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

- a. Pension Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources are the consumption of net position by the College that is applicable to future reporting periods. The College paid \$108,983 in federal, trust or grant contributions for the fiscal year ended June 30, 2018. These contributions were made subsequent to the pension liability measurement date of June 30, 2017 and are recognized as deferred outflows of resources as of June 30, 2018.

- b. Assumptions and Other Inputs

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to 2017. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.25% to 12.25%, including inflation
Investment rate of return	6.75% beginning with the actuarial valuation as of June 30, 2018

Mortality rates were based on the RP2014 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to 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%
Salary increases	3.75% to 15.00%, including inflation
Investment rate of return	7.25% beginning with the actuarial valuation as of June 30, 2014

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

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(ies).

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018 and 2017, these best estimates are summarized in the following table:

	2018	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23.00%	5.00%
Private Equity	6.00%	8.50%
Non-U.S. Equity	19.00%	6.45%
Global Equity	8.00%	6.00%
Fixed Income	19.00%	1.50%
Treasury-Inflation Protected Securities	4.00%	0.75%
Emerging Market Debt	3.00%	3.65%
Real Estate REITS	4.00%	5.45%
Direct Real Estate	6.00%	4.75%
Commodities	2.00%	2.00%
Hedged Strategies	5.00%	2.85%
Opportunity Fund	1.00%	7.00%
Total	100.00%	4.55%
Inflation		2.75%
EXPECTED ARITHMETIC RETURN		7.30%

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

2017		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23.00%	6.08%
Private Equity	6.00%	8.73%
Non-U.S. Equity	19.00%	7.34%
Global Equity	8.00%	6.85%
Fixed Income	19.00%	1.38%
Treasury-Inflation Protected Securities	4.00%	1.17%
Emerging Market Debt	3.00%	4.14%
Real Estate REITS	4.00%	5.75%
Direct Real Estate	6.00%	4.62%
Commodities	2.00%	4.23%
Hedged Strategies	5.00%	3.95%
Opportunity Fund	1.00%	6.71%
Total	100.00%	5.20%
Inflation		2.75%
EXPECTED ARITHMETIC RETURN		7.95%

Discount Rate

2019

A single discount rate of 6.65% 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 6.75% and a municipal bond rate of 3.62% (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 SURS' 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 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Discount Rate (Continued)

2019 (Continued)

Sensitivity of SURS' 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 6.65%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease (5.65%)	Current Single Discount Rate Assumption (6.65%)	1% Increase (7.65%)
Net pension liability	\$ 33,352,188,584	\$ 27,494,556,682	\$ 22,650,651,520

2018

A single discount rate of 7.09% 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% and a municipal bond rate of 3.56% (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 SURS' 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.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Discount Rate (Continued)

2018 (Continued)

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

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

	1% Decrease (6.09%)	Current Single Discount Rate Assumption (7.09%)	1% Increase (8.09%)
Net pension liability	\$ 30,885,146,279	\$ 25,481,105,995	\$ 20,997,457,586

Additional information regarding SURS' basic financial statements including the plan net position can be found in SURS' CAFR by accessing the website at www.SURS.org.

7. RETIREE HEALTH PLAN

Plan Description

The following disclosures are for the year ended June 30, 2019 and 2018, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For purposes of measuring the net other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefit, and other postemployment benefit expense, information about the fiduciary net position of CIP and additions to/deductions from CIP's fiduciary net position have been determined on the same basis as they are reported by CIP. For this purpose, CIP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

At June 30, 2019, the College reported a liability of \$33,258,707 for its proportionate share of the total other postemployment benefit liability that reflected a reduction for state other postemployment benefit support of \$33,258,707 resulting in a total other postemployment benefit liability associated with the College of \$66,517,414. The other postemployment benefit liability was measured as of June 30, 2018, and the total other postemployment benefit liability used to calculate the net other postemployment benefit liability was determined by an actuarial valuation performed as of June 30, 2017 rolled forward to June 30, 2018. The College's proportion of the net other postemployment benefit liability was based on the College's actual contributions to the other postemployment benefit plan relative to the projected contributions of all participating Colleges and the State of Illinois, statutorily determined. At June 30, 2019, the College's proportionate shares were 1.764152%.

At June 30, 2018, the College reported a liability of \$30,559,765 for its proportionate share of the total other postemployment benefit liability that reflected a reduction for state other postemployment benefit support of \$30,157,270 resulting in a total other postemployment benefit liability associated with the College of \$60,717,035. The other postemployment benefit liability was measured as of June 30, 2017, and the total other postemployment benefit liability used to calculate the net other postemployment benefit liability was determined by an actuarial valuation performed as of June 30, 2016 rolled forward to June 30, 2017. The College's proportion of the net other postemployment benefit liability was based on the College's actual contributions to the other postemployment benefit plan relative to the projected contributions of all participating colleges and the State of Illinois, statutorily determined. At June 30, 2018, the College's proportionate shares were 1.675759%.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2019

For the year ended June 30, 2019, the College recognized other postemployment benefit expense of \$2,716,030 and revenue of \$2,716,030 for support provided by the state. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefit from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 488,822	\$ 72,842
Changes in assumption	-	4,163,009
Changes in proportionate share and differences between college contributions and proportionate share of contributions	2,897,916	1,432
Contributions made after the measurement date	156,169	-
Net difference between projected and actual earnings on other postemployment benefit plan investments	-	1,087
TOTAL	\$ 3,542,907	\$ 4,238,370

2018

For the year ended June 30, 2018, the College recognized other postemployment benefit expense of \$3,045,454 and revenue of \$3,045,454 for support provided by the state. At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefit from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 86,490
Changes in assumption	-	2,545,603
Changes in proportionate share and differences between college contributions and proportionate share of contributions	1,799,982	-
Contributions made after the measurement date	154,058	-
Net difference between projected and actual earnings on other postemployment benefit plan investments	-	322
TOTAL	\$ 1,954,040	\$ 2,632,415

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2019

\$156,169 reported as deferred outflows or resources related to other postemployment benefit resulting from college contributions subsequent to the measurement date will be recognized as a reduction of the net other postemployment benefit liability for the measurement period ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in other postemployment benefit expense as follows:

Fiscal Year Ending June 30,	
2020	\$ (141,939)
2021	(141,939)
2022	(141,939)
2023	(141,939)
2024	(141,939)
Thereafter	<u>(141,937)</u>
TOTAL	<u>\$ (851,632)</u>

2018

\$154,058 reported as deferred outflows or resources related to other postemployment benefit resulting from college contributions subsequent to the measurement date will be recognized as a reduction of the net other postemployment benefit liability for the measurement period ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in other postemployment benefit expense as follows:

Fiscal Year Ending June 30,	
2019	\$ (138,739)
2020	(138,739)
2021	(138,739)
2022	(138,739)
2023	(138,739)
Thereafter	<u>(138,738)</u>
TOTAL	<u>\$ (832,433)</u>

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Actuarial Assumptions

2019

The total other postemployment benefit liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified

Assumptions	
Inflation	2.75%
Salary increases	3.75% to 10.00%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% to 9.00% trending to 4.50%
Asset valuation method	Market value

2018

The total other postemployment benefit liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified

Assumptions	
Inflation	2.75%
Salary increases	3.75% to 10.00%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% to 9.00% trending to 4.50%
Asset valuation method	Market value

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Actuarial Assumptions (Continued)

2019

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

Projected benefit payments were discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on other postemployment benefit plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rate was 3.62% as of June 30, 2018.

2018

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

Projected benefit payments were discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on other postemployment benefit plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Actuarial Assumptions (Continued)

2018 (Continued)

Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates were 2.85% as of June 30, 2016 and 3.56% as of June 30, 2017.

Rate Sensitivity

2019

The following is a sensitivity analysis of the other postemployment benefit liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the other postemployment benefit liability of the College calculated using the discount rate of 3.62% as well as what the College's other postemployment benefit liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.62%) or 1 percentage point higher (4.62%) than the current rate:

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
Other postemployment benefit liability	\$ 38,545,977	\$ 33,258,707	\$ 28,858,125

The table below presents the College's other postemployment benefit liability, calculated using the healthcare cost trend rates as well as what the College's other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
Other postemployment benefit liability	\$ 27,541,248	\$ 33,258,707	\$ 40,744,263

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Rate Sensitivity (Continued)

2018

The following is a sensitivity analysis of the other postemployment benefit liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the other postemployment benefit liability of the College calculated using the discount rate of 3.56% as well as what the College's other postemployment benefit liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.56%) or 1 percentage point higher (4.56%) than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Other postemployment benefit liability	\$ 34,950,019	\$ 30,559,765	\$ 26,774,790

The table below presents the College's other postemployment benefit liability, calculated using the healthcare cost trend rates as well as what the College's other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8% in 2018 decreasing to an ultimate trend rate of 5.02% in 2025, for non-Medicare coverage, and 9% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
Other postemployment benefit liability	\$ 25,352,422	\$ 30,559,765	\$ 38,095,403

Other Postemployment Benefit Plan Fiduciary Net Position

Detailed information about the other postemployment benefit plan's fiduciary net position is available in the separately issued CIP financial report.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. SPECIAL TERMINATION HEALTH INSURANCE

In addition to the retirement benefits provided by the College described in Note 6, the College previously provided voluntary retirement benefits, considered early retirement incentives. These included employer paid voluntary retirement incentives (deferred compensation) as well as employer paid health care coverage to retirees and spouses for life. At age 65, generally Medicare becomes the primary insurance provider for retirees. The voluntary retirement benefits were available to employees who attained age 55 with at least eight years of continuous employment and who retired prior to June 30, 2000.

The benefits provided were a percentage of their final year's salary, up to 100% payable over one to five years, depending upon the age at retirement and health insurance coverage for life. There were 56 and 64 members (including spouses) receiving benefits as of June 30, 2019 and 2018, respectively.

The College engaged an actuary to perform an actuarial valuation of the benefits as of June 30, 2019 and 2018. Actual retirees were 35 and 37 as of June 30, 2019 and 2018, respectively. The actuarial assumptions used in the valuations were a discount rate of 3.75% at June 30, 2019 and 2018 and a health care trend rate of 5.50% (5.50% ultimate) and 6% (5.50% ultimate), respectively. The actuarial valuation calculated a liability of \$1,238,307 and \$1,513,483 at June 30, 2019 and 2018, respectively. This is recorded as a liability in the College's financial statements.

The College accounts for this plan in the Retiree Medical Insurance and Retirement subfund and has set aside sufficient assets in the account to fully fund this obligation at June 30, 2019 and 2018.

9. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health and dental insurance; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties except for employee health and dental. Settled claims from these risks have not exceeded commercial insurance coverage in the past three fiscal years. Since February 2005, the College has participated in the Illinois Community College Risk Management Consortium (the Consortium), which was established in 1981 by several Chicago area community colleges as a means of reducing the cost of general liability insurance. The Consortium is a public entity risk pool currently operating as a common risk management and insurance program for the member colleges. The main purpose of the Consortium is to jointly self-insure certain risks up to an agreed-upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limits.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RISK MANAGEMENT (Continued)

The College is self-insured for health and dental insurance. The College’s third party administrator (TPA) processes all claims for the College and is reimbursed monthly for the claims paid in the previous month.

The College has purchased specific and aggregate excess insurance to limit its exposure. The specific coverage is \$135,000 per covered person and the aggregate attachment is \$7,241,161 on a calendar year basis. A liability of \$1,172,198 and \$1,155,235 for claims incurred but not paid as of June 30, 2019 and 2018, respectively, including an estimate of incurred but not reported claims as of June 30, 2019 and 2018.

A reconciliation of the claim liability for the last three fiscal years is as follows:

	2017	2018	2019
CLAIMS PAYABLE, JULY 1	\$ 831,792	\$ 1,052,950	\$ 1,155,235
Claims paid	(5,356,661)	(6,060,815)	(6,264,473)
Claims incurred	5,577,819	6,163,100	6,281,436
CLAIMS PAYABLE, JUNE 30	<u>\$ 1,052,950</u>	<u>\$ 1,155,235</u>	<u>\$ 1,172,198</u>

10. TAX ABATEMENTS

The College has entered into a property tax abatement agreement with a corporation located within the College’s boundaries. The agreement provides for the abatement of 50% of the property taxes on the facility for a period of five years. The abatement is subject to the corporation documenting that the expanded facility is fully assessed and fully operational and that at least 75 initial additional jobs have been created. In the event that the corporation ceases operation of the facility or relocates the facility within three years from the termination date of the abatement period, the College retains the right to require the corporation to repay the total sum of all previously abated taxes. Additionally, should the corporation fail to substantially meet the employment conditions of the agreement, the College retains the right to terminate the agreement and require repayment of any previously abated taxes. As of June 30, 2019 and 2018, no taxes have been abated under the tax abatement agreement.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. CHANGE IN ACCOUNTING PRINCIPLE

The College adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. The implementation of this guidance resulted in changes to the postemployment benefit related liability, revenue, expense, notes to financial statements and to the required supplementary information. Our opinion is not modified with respect to this matter.

The Foundation has adopted ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, for the year ended June 30, 2019 financial statements. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restriction,” (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed-in-service approach to recognize the expirations or restrictions on gifts used to acquire or construct long-lived assets absent explicit donor restrictions otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the consolidated statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

12. DISCRETELY PRESENTED COMPONENT UNIT

The Waubonsee Community College Foundation (the Foundation) was incorporated in 1978 under the laws of the State of Illinois. The Foundation is a not-for-profit organization which was formed to promote the educational development and general educational welfare of the Waubonsee Community College, Community College District 516 (the College). The Foundation is operated in conjunction with, and in support of the educational mission of the College. The Foundation supports the College through solicitation and administration of scholarships, gifts, grants or bequests of money or property or certain educational and cultural activities of the College as approved by the Board of Directors of the Foundation. The following is a summary of the significant accounting policies of the Foundation.

a. Basis of Presentation

The Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specific by donors.

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

a. Basis of Presentation (Continued)

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor-imposed restrictions. The Board may impose stipulations on these assets for a specific purpose or future use.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by actions of the Foundation pursuant to those restrictions or maintained in perpetuity by the Foundation.

Contributions and other revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction.

b. Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions from unconditional promises to give that are to be received after one year are discounted at an appropriate risk adjusted rate at the date the promise is made. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions is provided based upon management's judgement including such factors as prior collection history, type of contribution, and nature of fundraising activity. No allowance was deemed necessary as of June 30, 2019.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

c. Cash and Cash Equivalents

All highly liquid investments with an original maturity of three months or less when purchased are deemed cash equivalents.

The Foundation maintains its cash balance in financial institutions, which at times may exceed federally insured limits. At June 30, 2019, the Foundation's cash accounts do not exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

d. Investments

Investments are measured at fair value. The realized and unrealized gain or loss on investments is reflected in investment return on the statement of activities. Investment return is reported net of external and direct internal investment expenses.

e. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged when feasible. Costs that cannot be directly charged, such as salaries and wages, are allocated based on time and effort.

f. Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is not classified as a private foundation.

g. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

h. New Accounting Standards

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 is intended to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of contribution accounting guidance or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional. ASU No. 2018-08 is effective for fiscal years beginning after December 15, 2018, for transactions in which the entity services as a resource recipient, and for fiscal years beginning after December 15, 2019, for transactions in which the entity services as a resource provider. Early adoption is permitted. The Foundation is currently assessing the impact of this new standard.

In August 2016, FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restriction,” (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed-in-service approach to recognize the expirations or restrictions on gifts used to acquire or construct long-lived assets absent explicit donor restrictions otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the consolidated statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The Foundation has adopted this ASU for the year ended June 30, 2019 financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT NUMBER 516
SUGAR GROVE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS

June 30, 2019

MEASUREMENT DATE JUNE 30,	2014	2015	2016	2017	2018	
(a) Proportion percentage of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	
(b) Proportion amount of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	
(c) Portion of non-employer contributing entities' total proportion of net pension liability associated with employer	<u>175,301,717</u>	<u>190,918,931</u>	<u>221,092,313</u>	<u>224,615,949</u>	<u>246,158,766</u>	
Total (b) + (c)	<u>\$ 175,301,717</u>	<u>\$ 190,918,931</u>	<u>\$ 221,092,313</u>	<u>\$ 224,615,949</u>	<u>\$ 246,158,766</u>	
Covered payroll	\$ 35,293,307	\$ 36,108,287	\$ 37,931,009	\$ 38,779,937	\$ 40,024,842	
Proportion of collective net pension liability associated with employer as a percentage of covered payroll	496.70%	528.74%	582.88%	579.21%	615.01%	
SURS plan net position as a percentage of total pension liability	44.39%	42.37%	39.57%	42.04%	41.27%	
FISCAL YEAR ENDED JUNE 30,	2014	2015	2016	2017	2018	2019
WAUBONSEE COMMUNITY COLLEGE						
Federal, trust, grant and other contributions	\$ 151,310	\$ 157,195	\$ 148,188	\$ 129,704	\$ 108,983	\$ 132,377
Contribution in relation to required contribution	<u>151,310</u>	<u>157,195</u>	<u>148,188</u>	<u>129,704</u>	<u>108,983</u>	<u>132,377</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	\$ 35,293,307	\$ 36,108,287	\$ 37,931,009	\$ 38,779,937	\$ 40,024,842	\$ 39,687,030
Contributions as a percentage of covered payroll	0.43%	0.44%	0.39%	0.33%	0.27%	0.33%

Note: The College implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The schedule is intended to show information for ten years.

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no benefit changes recognized in the total pension liability as of June 30, 2018 and 2017.

Changes in 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, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30,

- Mortality rates - Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.
- Salary increase - Decrease in the overall assumed salary increase rates, ranging from 3.25% to 12.25% based on years of service, with underlying wage inflation of 2.25%.
- Normal retirement rates - A slight increase in the retirement age at 50. No change to the rates for ages 60-61, 67-74 and 80+, but a slight decrease in rates at all other ages. A rate of 50% if the member has 40 or more years of service and is younger than age 80.
- Early retirement rates - Decrease in rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover rates - Change rates to produce lower expected turnover for members with less than ten years of service and higher turnover for members with more than ten years of service.
- Disability rates - Decrease current rates to reflect that certain members who receive disability
- Effective rate of interest - Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75% (effective July 2, 2019).
- Investment return - Decrease the investment return assumption to 6.75%. This reflects maintaining an assumed real rate of 4.50% and decreasing the underlying assumed price inflation to 2.25%.

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT NUMBER 516
SUGAR GROVE, ILLINOIS**

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE TOTAL OPEB LIABILITY AND SCHEDULE OF CONTRIBUTIONS
CIP PLAN

June 30, 2019

MEASUREMENT DATE JUNE 30,	2017	2018
College's proportion of the total OPEB liability	1.675759%	1.764152%
College's proportionate share of the total OPEB liability	\$ 30,559,765	\$ 33,258,707
Portion of State's total proportion of total OPEB liability associated with the College	30,157,270	33,258,707
TOTAL	\$ 60,717,035	\$ 66,517,414
Covered payroll	\$ 31,729,696	\$ 34,713,453
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	191.36%	191.62%
CIP plan net position as a percentage of total OPEB liability	(2.87%)	(3.54%)
FISCAL YEAR ENDED JUNE 30,	2018	2019
Statutorily required contribution	\$ 154,058	\$ 156,169
Contribution in relation to the statutorily required contribution	154,058	156,169
CONTRIBUTION EXCESS	\$ -	\$ -
Covered payroll	\$ 28,984,887	\$ 29,608,153
Contributions as a percentage of covered payroll	0.53%	0.53%

Note: The College implemented GASB No. 75 in fiscal year 2018. The information above is presented for as many years as available. The schedule is intended to show information for ten years.

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no benefit changes recognized in the total OPEB liability as of June 30, 2017 and 2018.

Changes in Assumptions

The discount rate changed from 3.56% at June 30, 2017 to 3.62% at June 30, 2018.

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS -
BY SUBGROUP

June 30, 2019

	Governmental Subgroup	Auxiliary Subgroup	Eliminations	Total
CURRENT ASSETS				
Cash	\$ 3,701,098	\$ 659,510	\$ -	\$ 4,360,608
Investments	145,454,736	1,452,664	-	146,907,400
Receivables				
Taxes, net of allowance for uncollectibles	29,296,090	-	-	29,296,090
Accrued interest	508,409	7,883	-	516,292
Accounts	2,106,376	98,576	-	2,204,952
Other	162,952	234,619	-	397,571
Tuition and fees	3,505,904	440	-	3,506,344
Prepaid expenses	743,266	-	-	743,266
Inventories	-	833,525	-	833,525
Total current assets	185,478,831	3,287,217	-	188,766,048
NONCURRENT ASSETS				
Capital assets	171,868,948	40,170	-	171,909,118
Less accumulated depreciation	(63,750,759)	(39,050)	-	(63,789,809)
Net capital assets	108,118,189	1,120	-	108,119,309
Total noncurrent assets	108,118,189	1,120	-	108,119,309
Total assets	293,597,020	3,288,337	-	296,885,357
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	1,756,314	-	-	1,756,314
CIP other postemployment benefit items	3,542,907	-	-	3,542,907
SURS pension contributions	132,377	-	-	132,377
Total deferred outflows of resources	5,431,598	-	-	5,431,598
Total assets and deferred outflows of resources	299,028,618	3,288,337	-	302,316,955

(This schedule is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS -
BY SUBGROUP (Continued)

June 30, 2019

	Governmental Subgroup	Auxiliary Subgroup	Eliminations	Total
CURRENT LIABILITIES				
Accounts payable	\$ 2,627,722	\$ 238,302	\$ -	\$ 2,866,024
Accrued salaries and payroll deductions payable	1,475,640	17,315	-	1,492,955
Health claims payable	1,172,198	-	-	1,172,198
Unearned tuition and fees	6,527,696	-	-	6,527,696
Unearned revenue	165,723	-	-	165,723
Accrued compensated absences	418,741	49,504	-	468,245
Bonds payable	6,205,000	-	-	6,205,000
Other postemployment benefit liability	409,724	-	-	409,724
Due to organizations	451,122	-	-	451,122
Interest payable	104,101	-	-	104,101
Other current liabilities	-	33,943	-	33,943
Total current liabilities	19,557,667	339,064	-	19,896,731
NONCURRENT LIABILITIES				
Special termination health insurance benefits payable	1,238,307	-	-	1,238,307
Accrued compensated absences	2,672,262	-	-	2,672,262
Other postemployment benefit liability	32,848,983	-	-	32,848,983
Bonds payable	50,027,312	-	-	50,027,312
Total noncurrent liabilities	86,786,864	-	-	86,786,864
Total liabilities	106,344,531	339,064	-	106,683,595
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	26,350,342	-	-	26,350,342
CIP other postemployment benefit items	4,238,370	-	-	4,238,370
Total deferred inflows of resources	30,588,712	-	-	30,588,712
Total liabilities and deferred inflows of resources	136,933,243	339,064	-	137,272,307
NET POSITION				
Net investment in capital assets	72,832,011	1,120	-	72,833,131
Restricted for				
Audit	16,529	-	-	16,529
Liability, protection and settlement	1,531,827	-	-	1,531,827
Debt service	3,314,446	-	-	3,314,446
Working cash	4,298,617	-	-	4,298,617
Pension contributions	132,377	-	-	132,377
Unrestricted	79,969,568	2,948,153	-	82,917,721
TOTAL NET POSITION	\$ 162,095,375	\$ 2,949,273	\$ -	\$ 165,044,648

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY SUBGROUP

For the Year Ended June 30, 2019

	Governmental Subgroup	Auxiliary Subgroup	Eliminations	Total
OPERATING REVENUES				
Tuition and fees	\$ 17,512,204	\$ -	\$ -	\$ 17,512,204
Auxiliary enterprises revenue	-	4,426,320	(1,135,649)	3,290,671
Other operating revenue	1,903,684	-	-	1,903,684
Total operating revenues	<u>19,415,888</u>	<u>4,426,320</u>	<u>(1,135,649)</u>	<u>22,706,559</u>
OPERATING EXPENSES				
Instruction	35,321,005	-	-	35,321,005
Academic support	4,992,499	-	-	4,992,499
Student services	15,566,795	-	-	15,566,795
Public services	3,436,633	-	-	3,436,633
Auxiliary services	479,585	4,480,567	-	4,960,152
Operation and maintenance of plant	10,258,834	-	-	10,258,834
Institutional support	23,630,722	-	-	23,630,722
Scholarships, grants and waivers	4,596,152	-	(1,135,649)	3,460,503
Depreciation	5,196,285	2,241	-	5,198,526
Total operating expenses	<u>103,478,510</u>	<u>4,482,808</u>	<u>(1,135,649)</u>	<u>106,825,669</u>
OPERATING INCOME (LOSS)	<u>(84,062,622)</u>	<u>(56,488)</u>	<u>-</u>	<u>(84,119,110)</u>
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	51,737,359	-	-	51,737,359
Personal property replacement tax	909,552	-	-	909,552
Local grants and contracts	163,326	-	-	163,326
State grants and contracts	33,301,767	-	-	33,301,767
Federal grants and contracts	10,657,188	-	-	10,657,188
Investment income	4,583,146	56,228	-	4,639,374
Interest expense	(2,069,448)	-	-	(2,069,448)
Other non-operating revenue	129,050	-	-	129,050
Gain on disposal of capital assets	4,957	-	-	4,957
Total non-operating revenues (expenses)	<u>99,416,897</u>	<u>56,228</u>	<u>-</u>	<u>99,473,125</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>15,354,275</u>	<u>(260)</u>	<u>-</u>	<u>15,354,015</u>
TRANSFERS				
Transfers in	-	5,288	(5,288)	-
Transfers (out)	(5,288)	-	5,288	-
Total transfers	<u>(5,288)</u>	<u>5,288</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>15,348,987</u>	<u>5,028</u>	<u>-</u>	<u>15,354,015</u>
NET POSITION, JULY 1	<u>146,746,388</u>	<u>2,944,245</u>	<u>-</u>	<u>149,690,633</u>
NET POSITION, JUNE 30	<u>\$ 162,095,375</u>	<u>\$ 2,949,273</u>	<u>\$ -</u>	<u>\$ 165,044,648</u>

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS - BY GOVERNMENTAL GROUP

June 30, 2019

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account	Bond and Interest Account	Operations and Maintenance Restricted Account
CURRENT ASSETS							
Cash	\$ 588,084	\$ 64,322	\$ (694,681)	\$ 1,377	\$ 322,803	\$ 920	\$ 890,904
Investments	23,364,070	7,409,689	-	11,690	1,195,056	2,821,026	70,307,414
Receivables							
Taxes	19,984,117	3,732,339	-	47,881	658,502	4,873,251	-
Accrued interest	18,576	11,946	-	-	1,471	-	269,173
Accounts	1,906	-	1,978,072	-	-	-	66,667
Other	138,810	19,776	-	-	-	-	-
Tuition and fees	3,505,904	-	-	-	-	-	-
Prepaid expenses	743,266	-	-	-	-	-	-
Total current assets	48,344,733	11,238,072	1,283,391	60,948	2,177,832	7,695,197	71,534,158
NONCURRENT ASSETS							
Capital assets	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Net capital assets	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	-
Total assets	48,344,733	11,238,072	1,283,391	60,948	2,177,832	7,695,197	71,534,158
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunding	-	-	-	-	-	-	-
CIP other postemployment benefit items	-	-	-	-	-	-	-
SURS pension contributions	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	48,344,733	11,238,072	1,283,391	60,948	2,177,832	7,695,197	71,534,158

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account	Bond and Interest Account	Operations and Maintenance Restricted Account
CURRENT LIABILITIES							
Accounts payable	\$ 1,234,710	\$ 249,106	\$ 996,093	\$ 1,500	\$ 24,690	\$ -	\$ 108,939
Accrued salaries and payroll deductions payable	1,367,421	55,532	31,995	-	20,692	-	-
Health claims payable	-	-	-	-	-	-	-
Unearned tuition	6,527,696	-	-	-	-	-	-
Unearned revenue	38,821	-	80,916	-	-	-	45,986
Accrued compensated absences	303,562	33,235	73,568	-	8,376	-	-
Bonds payable	-	-	-	-	-	-	-
Other postemployment benefit liability	-	-	-	-	-	-	-
Due to organizations	-	-	-	-	-	-	-
Interest payable	-	-	-	-	-	-	-
Total current liabilities	9,472,210	337,873	1,182,572	1,500	53,758	-	154,925
NONCURRENT LIABILITIES							
Special termination health insurance benefits payable	-	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-	-
Other postemployment benefit liability	-	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-
Total liabilities	9,472,210	337,873	1,182,572	1,500	53,758	-	154,925
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue - property taxes	17,976,933	3,357,492	-	42,919	592,247	4,380,751	-
CIP other postemployment benefit items	-	-	-	-	-	-	-
Total deferred inflows of resources	17,976,933	3,357,492	-	42,919	592,247	4,380,751	-
Total liabilities and deferred inflows of resources	27,449,143	3,695,365	1,182,572	44,419	646,005	4,380,751	154,925
NET POSITION							
Net investment in capital assets	-	-	-	-	-	-	-
Restricted for							
Audit	-	-	-	16,529	-	-	-
Liability, protection and settlement	-	-	-	-	1,531,827	-	-
Debt service	-	-	-	-	-	3,314,446	-
Working cash	-	-	-	-	-	-	-
Pension contributions	-	-	-	-	-	-	-
Unrestricted (deficit)	20,895,590	7,542,707	100,819	-	-	-	71,379,233
TOTAL NET POSITION (DEFICIT)	\$ 20,895,590	\$ 7,542,707	\$ 100,819	\$ 16,529	\$ 1,531,827	\$ 3,314,446	\$ 71,379,233

(This schedule is continued on the following pages.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS - BY GOVERNMENTAL GROUP (Continued)

June 30, 2019

	Medical Insurance Account	Retiree Medical Insurance and Retirement Account	Working Cash Account	Agency Account	Long- Term Obligations	Capital Assets	Eliminations	Total
CURRENT ASSETS								
Cash	\$ 1,033,048	\$ 1,033,342	\$ 55	\$ 460,924	\$ -	\$ -	\$ -	\$ 3,701,098
Investments	1,493,771	34,566,518	4,285,502	-	-	-	-	145,454,736
Receivables								
Taxes	-	-	-	-	-	-	-	29,296,090
Accrued interest	14,583	179,600	13,060	-	-	-	-	508,409
Accounts	59,731	-	-	-	-	-	-	2,106,376
Other	4,366	-	-	-	-	-	-	162,952
Tuition and fees	-	-	-	-	-	-	-	3,505,904
Prepaid expenses	-	-	-	-	-	-	-	743,266
Total current assets	<u>2,605,499</u>	<u>35,779,460</u>	<u>4,298,617</u>	<u>460,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,478,831</u>
NONCURRENT ASSETS								
Capital assets	-	-	-	-	-	171,868,948	-	171,868,948
Less accumulated depreciation	-	-	-	-	-	(63,750,759)	-	(63,750,759)
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,118,189</u>	<u>-</u>	<u>108,118,189</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,118,189</u>	<u>-</u>	<u>108,118,189</u>
Total assets	<u>2,605,499</u>	<u>35,779,460</u>	<u>4,298,617</u>	<u>460,924</u>	<u>-</u>	<u>108,118,189</u>	<u>-</u>	<u>293,597,020</u>
DEFERRED OUTFLOWS OF RESOURCES								
Unamortized loss on refunding	-	-	-	-	1,756,314	-	-	1,756,314
CIP other postemployment benefit items	-	3,542,907	-	-	-	-	-	3,542,907
SURS pension contributions	-	-	-	-	132,377	-	-	132,377
Total deferred outflows of resources	<u>-</u>	<u>3,542,907</u>	<u>-</u>	<u>-</u>	<u>1,888,691</u>	<u>-</u>	<u>-</u>	<u>5,431,598</u>
Total assets and deferred outflows of resources	<u>2,605,499</u>	<u>39,322,367</u>	<u>4,298,617</u>	<u>460,924</u>	<u>1,888,691</u>	<u>108,118,189</u>	<u>-</u>	<u>299,028,618</u>

	Medical Insurance Account	Retiree Medical Insurance and Retirement Account	Working Cash Account	Agency Account	Long- Term Obligations	Capital Assets	Eliminations	Total
CURRENT LIABILITIES								
Accounts payable	\$ -	\$ 2,882	\$ -	\$ 9,802	\$ -	\$ -	\$ -	\$ 2,627,722
Accrued salaries and payroll deductions payable	-	-	-	-	-	-	-	1,475,640
Health claims payable	1,172,198	-	-	-	-	-	-	1,172,198
Unearned tuition	-	-	-	-	-	-	-	6,527,696
Unearned revenue	-	-	-	-	-	-	-	165,723
Accrued compensated absences	-	-	-	-	-	-	-	418,741
Bonds payable	-	-	-	-	6,205,000	-	-	6,205,000
Other postemployment benefit liability	-	409,724	-	-	-	-	-	409,724
Due to organizations	-	-	-	451,122	-	-	-	451,122
Interest payable	-	-	-	-	104,101	-	-	104,101
Total current liabilities	1,172,198	412,606	-	460,924	6,309,101	-	-	19,557,667
NONCURRENT LIABILITIES								
Special termination health insurance benefits payable	-	1,238,307	-	-	-	-	-	1,238,307
Accrued compensated absences	-	-	-	-	2,672,262	-	-	2,672,262
Other postemployment benefit liability	-	32,848,983	-	-	-	-	-	32,848,983
Bonds payable	-	-	-	-	50,027,312	-	-	50,027,312
Total noncurrent liabilities	-	34,087,290	-	-	52,699,574	-	-	86,786,864
Total liabilities	1,172,198	34,499,896	-	460,924	59,008,675	-	-	106,344,531
DEFERRED INFLOWS OF RESOURCES								
Deferred revenue - property taxes	-	-	-	-	-	-	-	26,350,342
CIP other postemployment benefit items	-	4,238,370	-	-	-	-	-	4,238,370
Total deferred inflows of resources	-	4,238,370	-	-	-	-	-	30,588,712
Total liabilities and deferred inflows of resources	1,172,198	38,738,266	-	460,924	59,008,675	-	-	136,933,243
NET POSITION								
Net investment in capital assets	-	-	-	-	(35,286,178)	108,118,189	-	72,832,011
Restricted for								
Audit	-	-	-	-	-	-	-	16,529
Liability, protection and settlement	-	-	-	-	-	-	-	1,531,827
Debt service	-	-	-	-	-	-	-	3,314,446
Working cash	-	-	4,298,617	-	-	-	-	4,298,617
Pension contributions	-	-	-	-	132,377	-	-	132,377
Unrestricted (deficit)	1,433,301	584,101	-	-	(21,966,183)	-	-	79,969,568
TOTAL NET POSITION (DEFICIT)	\$ 1,433,301	\$ 584,101	\$ 4,298,617	\$ -	\$ (57,119,984)	\$ 108,118,189	\$ -	\$ 162,095,375

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY GOVERNMENTAL GROUP

For the Year Ended June 30, 2019

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account	Bond and Interest Account	Operations and Maintenance Restricted Account
OPERATING REVENUES							
Tuition and fees	\$ 21,577,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other operating revenue	1,714,587	184,971	-	-	-	-	4,126
Total operating revenues	23,291,666	184,971	-	-	-	-	4,126
OPERATING EXPENSES							
Instruction	20,631,564	-	1,760,820	-	-	-	-
Academic support	3,451,600	-	-	-	-	-	-
Student services	9,147,638	-	1,632,751	-	-	-	-
Public services	1,905,051	-	462,534	-	-	-	-
Auxiliary services	1,784	-	-	-	-	-	-
Operation and maintenance of plant	244,042	6,290,477	-	-	-	-	1,481,338
Institutional support	16,471,354	-	-	81,562	1,928,907	-	6,166
Scholarships, grants and waivers	720,082	-	7,940,945	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total operating expenses	52,573,115	6,290,477	11,797,050	81,562	1,928,907	-	1,487,504
OPERATING INCOME (LOSS)	(29,281,449)	(6,105,506)	(11,797,050)	(81,562)	(1,928,907)	-	(1,483,378)
NON-OPERATING REVENUES (EXPENSES)							
Property taxes	35,379,139	6,607,388	-	83,876	1,164,847	8,502,109	-
Personal property replacement tax	909,552	-	-	-	-	-	-
Local grants and contracts	-	-	163,326	-	-	-	-
State grants and contracts	5,647,250	-	896,793	-	-	-	-
Federal grants and contracts	191,139	-	10,641,566	-	797	-	-
Investment income	837,967	271,093	-	114	29,644	48,701	2,148,197
Interest expense	-	-	-	-	-	(2,602,250)	-

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account	Bond and Interest Account	Operations and Maintenance Restricted Account
NON-OPERATING REVENUES (EXPENSES)							
(Continued)							
Principal retirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,495,000)	\$ -
Other non-operating revenue	-	-	-	-	-	-	129,050
Gain on disposal of capital assets	4,957	-	-	-	-	-	-
Total non-operating revenues (expenses)	42,970,004	6,878,481	11,701,685	83,990	1,195,288	453,560	2,277,247
NET INCOME (LOSS) BEFORE TRANSFERS	13,688,555	772,975	(95,365)	2,428	(733,619)	453,560	793,869
TRANSFERS							
Transfers in	17,897	-	121,670	-	850,000	-	11,275,910
Transfers (out)	(13,544,960)	(700,000)	(25,805)	-	-	-	-
Total transfers	(13,527,063)	(700,000)	95,865	-	850,000	-	11,275,910
CHANGE IN NET POSITION	161,492	72,975	500	2,428	116,381	453,560	12,069,779
NET POSITION (DEFICIT), JULY 1	20,734,098	7,469,732	100,319	14,101	1,415,446	2,860,886	59,309,454
NET POSITION (DEFICIT), JUNE 30	\$ 20,895,590	\$ 7,542,707	\$ 100,819	\$ 16,529	\$ 1,531,827	\$ 3,314,446	\$ 71,379,233

(This schedule is continued on the following pages.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY GOVERNMENTAL GROUP (Continued)

For the Year Ended June 30, 2019

	Medical Insurance Account	Retiree Medical Insurance and Retirement Account	Working Cash Account	Agency Account	Long- Term Obligations	Capital Assets	Eliminations	Total
OPERATING REVENUES								
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,064,875)	\$ 17,512,204
Other operating revenue	-	-	-	-	-	-	-	1,903,684
Total operating revenues	-	-	-	-	-	-	(4,064,875)	19,415,888
OPERATING EXPENSES								
Instruction	(62,361)	13,308,837	-	-	42,474	(184,015)	(176,314)	35,321,005
Academic support	(6,925)	1,531,406	-	-	16,418	-	-	4,992,499
Student services	(23,710)	5,002,287	-	-	(13,101)	(179,070)	-	15,566,795
Public services	(4,687)	1,111,837	-	-	(18,113)	(19,989)	-	3,436,633
Auxiliary services	(2,189)	469,556	-	-	10,434	-	-	479,585
Operation and maintenance of plant	(10,899)	2,335,586	-	-	26,513	(108,223)	-	10,258,834
Institutional support	(27,024)	5,641,758	442	-	43,324	(515,767)	-	23,630,722
Scholarships, grants and waivers	-	-	-	-	-	-	(4,064,875)	4,596,152
Depreciation	-	-	-	-	-	5,196,285	-	5,196,285
Total operating expenses	(137,795)	29,401,267	442	-	107,949	4,189,221	(4,241,189)	103,478,510
OPERATING INCOME (LOSS)	137,795	(29,401,267)	(442)	-	(107,949)	(4,189,221)	176,314	(84,062,622)
NON-OPERATING REVENUES (EXPENSES)								
Property taxes	-	-	-	-	-	-	-	51,737,359
Personal property replacement tax	-	-	-	-	-	-	-	909,552
Local grants and contracts	-	-	-	-	-	-	-	163,326
State grants and contracts	-	26,757,724	-	-	-	-	-	33,301,767
Federal grants and contracts	-	-	-	-	-	-	(176,314)	10,657,188
Investment income	-	1,091,420	156,010	-	-	-	-	4,583,146
Interest expense	-	-	-	-	532,802	-	-	(2,069,448)

	Medical Insurance Account	Retiree Medical Insurance and Retirement Account	Working Cash Account	Agency Account	Long- Term Obligations	Capital Assets	Eliminations	Total
NON-OPERATING REVENUES (EXPENSES)								
(Continued)								
Principal retirement	\$ -	\$ -	\$ -	\$ -	\$ 5,495,000	\$ -	\$ -	\$ -
Other non-operating revenue	-	-	-	-	-	-	-	129,050
Gain on disposal of capital assets	-	-	-	-	-	-	-	4,957
Total non-operating revenues (expenses)	-	27,849,144	156,010	-	6,027,802	-	(176,314)	99,416,897
NET INCOME (LOSS) BEFORE TRANSFERS	137,795	(1,552,123)	155,568	-	5,919,853	(4,189,221)	-	15,354,275
TRANSFERS								
Transfers in	-	2,000,000	-	-	-	-	(14,265,477)	-
Transfers (out)	-	-	-	-	-	-	14,265,477	(5,288)
Total transfers	-	2,000,000	-	-	-	-	-	(5,288)
CHANGE IN NET POSITION	137,795	447,877	155,568	-	5,919,853	(4,189,221)	-	15,348,987
NET POSITION (DEFICIT), JULY 1	1,295,506	136,224	4,143,049	-	(63,039,837)	112,307,410	-	146,746,388
NET POSITION (DEFICIT), JUNE 30	\$ 1,433,301	\$ 584,101	\$ 4,298,617	\$ -	\$ (57,119,984)	\$ 108,118,189	\$ -	\$ 162,095,375

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS -
BY AUXILIARY ENTERPRISE GROUP

June 30, 2019

	Bookstore Account	Auto Parts Account	Southwest Cable Consortium Account	Total
CURRENT ASSETS				
Cash	\$ 740,687	\$ (14,607)	\$ (66,570)	\$ 659,510
Investments	1,452,664	-	-	1,452,664
Receivables				
Accrued interest	7,883	-	-	7,883
Accounts	-	10,545	88,031	98,576
Tuition and fees	440	-	-	440
Other	232,783	1,836	-	234,619
Inventories	802,157	31,368	-	833,525
	<u>3,236,614</u>	<u>29,142</u>	<u>21,461</u>	<u>3,287,217</u>
NONCURRENT ASSETS				
Capital assets	40,170	-	-	40,170
Less accumulated depreciation	(39,050)	-	-	(39,050)
	<u>1,120</u>	<u>-</u>	<u>-</u>	<u>1,120</u>
Net capital assets				
	<u>1,120</u>	<u>-</u>	<u>-</u>	<u>1,120</u>
Total noncurrent assets				
	<u>3,237,734</u>	<u>29,142</u>	<u>21,461</u>	<u>3,288,337</u>
CURRENT LIABILITIES				
Accounts payable	236,912	746	644	238,302
Accrued salaries and payroll deductions payable	16,009	-	1,306	17,315
Accrued compensated absences	29,993	-	19,511	49,504
Other current liabilities	33,943	-	-	33,943
	<u>316,857</u>	<u>746</u>	<u>21,461</u>	<u>339,064</u>
Total current liabilities				
	<u>316,857</u>	<u>746</u>	<u>21,461</u>	<u>339,064</u>
NET POSITION				
Net investment in capital assets	1,120	-	-	1,120
Unrestricted	2,919,757	28,396	-	2,948,153
	<u>\$ 2,920,877</u>	<u>\$ 28,396</u>	<u>\$ -</u>	<u>\$ 2,949,273</u>
TOTAL NET POSITION				

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY AUXILIARY ENTERPRISE GROUP

For the Year Ended June 30, 2019

	Bookstore Account	Auto Parts Account	Southwest Cable Consortium Account	Total
OPERATING REVENUES				
Auxiliary enterprises revenue	\$ 4,150,143	\$ 74,694	\$ 201,483	\$ 4,426,320
Total operating revenues	4,150,143	74,694	201,483	4,426,320
OPERATING EXPENSES				
Auxiliary services	4,211,917	67,167	201,483	4,480,567
Depreciation	2,241	-	-	2,241
Total operating expenses	4,214,158	67,167	201,483	4,482,808
OPERATING INCOME (LOSS)	(64,015)	7,527	-	(56,488)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	56,228	-	-	56,228
Total non-operating revenues (expenses)	56,228	-	-	56,228
NET INCOME (LOSS) BEFORE TRANSFERS	(7,787)	7,527	-	(260)
TRANSFERS				
Transfers in	5,288	-	-	5,288
Total transfers	5,288	-	-	5,288
CHANGE IN NET POSITION	(2,499)	7,527	-	5,028
NET POSITION, JULY 1	2,923,376	20,869	-	2,944,245
NET POSITION, JUNE 30	\$ 2,920,877	\$ 28,396	\$ -	\$ 2,949,273

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**SCHEDULE OF REVENUES AND EXPENSES
DRIVER SAFETY PROGRAM**

For the Year Ended June 30, 2019

REVENUES	
Program revenue	\$ 554,503
	<hr/>
Total revenues	554,503
	<hr/>
EXPENSES	
Salaries	198,851
Employee benefits	52,801
Materials and supplies	91,366
Conference and staff development	4,366
Facility rental	14,825
Administrative support services	184,727
	<hr/>
Total expenses	546,936
	<hr/>
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$ 7,567
	<hr/> <hr/>

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended June 30, 2019

CSFA Number	Program Name	State	Federal	Other	Total
684-01-1625	Adult Education - Basic Grants to States - Federal and State Funding Combined	\$ 854,005	\$ 454,215	\$ -	\$ 1,308,220
420-35-0083	Small Business Development Centers	40,000	102,896	146,765	289,661
N/A	Small Business Development Centers - Program Income	2,788	-	-	2,788
684-00-0465	Career and Technical Education - Basic Grants to States	-	351,067	-	351,067
586-18-0410	Summer Food Service Program	-	1,670	-	1,670
684-00-0825	Base Operating Grants	5,225,910	-	-	5,225,910
684-00-0826	Equalization Grants	50,000	-	-	50,000
684-00-0820	Career and Technical Education - Formula Grants	371,340	-	-	371,340
	Other grant programs and activities	-	13,036,362	111,926	13,148,288
	All other costs not allocated	-	-	88,146,173	88,146,173
	TOTAL	\$ 6,544,043	\$ 13,946,210	\$ 88,404,864	\$ 108,895,117

(See independent auditor's report.)



STATISTICAL SECTION



STATISTICAL SECTION

This part of the Waubensee Community College District 516's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the College's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the College's financial performance and well-being have been changed over time.	62-65
Revenue Capacity These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	66-69
Debt Capacity These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.	70-75
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	76-77
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.	78-80

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

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
NET POSITION				
Net investment in				
capital assets	\$ 42,615,127	\$ 48,241,742	\$ 49,303,773	\$ 49,724,857
Restricted	9,847,591	6,742,547	7,103,167	7,785,665
Unrestricted	30,054,521	39,953,318	47,807,112	57,380,301
TOTAL NET POSITION	\$ 82,517,239	\$ 94,937,607	\$ 104,214,052	\$ 114,890,823

*The College implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018.

Amounts were reclassified between restricted and unrestricted net position during the fiscal year ended June 30, 2012.

Data Source

Audited Financial Statements

2014	2015	2016	2017	2018*	2019
\$ 62,388,979	\$ 70,777,060	\$ 73,358,760	\$ 73,656,099	\$ 73,282,369	\$ 72,833,131
5,598,214	6,109,725	6,640,248	7,084,033	8,139,457	9,293,796
65,226,503	69,568,746	74,259,236	87,688,193	68,268,807	82,917,721
\$ 133,213,696	\$ 146,455,531	\$ 154,258,244	\$ 168,428,325	\$ 149,690,633	\$ 165,044,648

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

CHANGES IN NET POSITION

For the Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
OPERATING REVENUES				
Tuition and fees	\$ 15,168,374	\$ 16,061,994	\$ 16,212,191	\$ 16,709,561
Chargeback revenue	-	-	-	-
Auxiliary enterprises revenue	4,193,668	3,984,693	3,794,027	3,970,044
Other operating revenue	2,056,424	2,148,556	2,235,810	2,070,145
Total operating revenues	21,418,466	22,195,243	22,242,028	22,749,750
OPERATING EXPENSES				
Instruction	21,623,406	24,710,264	24,387,222	26,859,549
Academic support	2,937,800	3,602,992	3,252,288	3,576,799
Student services, scholarships, grants and waivers	9,111,396	10,604,656	12,323,569	14,113,759
Public services	3,642,946	3,798,218	3,890,231	3,257,102
Auxiliary services	5,192,045	5,605,982	5,764,133	5,700,973
Operation and maintenance of plant	7,552,986	8,241,034	9,085,258	9,094,269
Institutional support	14,181,665	14,358,260	14,569,988	16,878,945
Depreciation	3,412,057	4,061,993	4,613,706	4,460,405
Total operating expenses	67,654,301	74,983,399	77,886,395	83,941,801
OPERATING INCOME (LOSS)	(46,235,835)	(52,788,156)	(55,644,367)	(61,192,051)
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	41,735,287	41,188,437	41,567,614	43,574,561
Personal property replacement tax	777,821	959,522	846,273	895,690
Local grants and contracts	221,650	3,930,854	111,368	64,678
State grants and contracts	10,879,419	12,484,401	13,884,469	17,234,642
Federal grants and contracts	8,346,797	10,601,147	12,613,756	12,365,967
Investment income	811,850	522,141	446,386	514,427
Interest expense and fiscal charges	(4,444,046)	(4,370,956)	(3,962,786)	(3,034,908)
Bond issuance costs	-	-	-	(484,854)
Other non-operating revenue (expense)	(26,757)	(28,796)	(85,194)	738,619
Gain (loss) on disposal of capital assets	(1,349)	(78,226)	-	-
Total non-operating revenues (expenses)	58,300,672	65,208,524	65,421,886	71,868,822
NET INCOME BEFORE CAPITAL CONTRIBUTIONS	12,064,837	12,420,368	9,777,519	10,676,771
CAPITAL CONTRIBUTIONS				
Capital grants and appropriations	163,135	-	-	-
Total capital contributions	163,135	-	-	-
CHANGE IN NET POSITION	\$ 12,227,972	\$ 12,420,368	\$ 9,777,519	\$ 10,676,771

Data Source

Audited Financial Statements

	2014	2015	2016	2017	2018	2019
\$	16,305,032	\$ 16,223,294	\$ 16,775,162	\$ 18,430,223	\$ 18,158,240	\$ 17,512,204
	506	-	-	-	-	-
	3,685,698	3,644,310	3,807,735	3,927,071	3,639,636	3,290,671
	2,252,212	2,565,860	2,303,015	1,956,830	2,276,098	1,903,684
	22,243,448	22,433,464	22,885,912	24,314,124	24,073,974	22,706,559
	27,452,295	28,799,208	30,509,632	32,337,005	34,582,294	35,321,005
	3,422,436	3,388,961	3,698,169	4,982,036	5,483,930	4,992,499
	14,505,530	15,656,600	15,406,299	16,818,130	18,103,893	19,027,298
	3,379,827	3,465,512	3,679,864	3,970,697	4,756,946	3,436,633
	5,508,492	5,434,458	5,421,335	5,284,486	5,300,236	4,960,152
	8,249,079	7,394,954	8,231,829	9,677,961	9,998,635	10,258,834
	11,693,407	16,401,336	17,932,356	18,604,942	22,353,685	23,630,722
	4,354,954	4,864,003	4,862,601	5,073,146	5,021,218	5,198,526
	78,566,020	85,405,032	89,742,085	96,748,403	105,600,837	106,825,669
	(56,322,572)	(62,971,568)	(66,856,173)	(72,434,279)	(81,526,863)	(84,119,110)
	44,772,454	46,235,795	47,268,226	48,424,979	49,910,982	51,737,359
	938,710	982,533	789,403	1,119,936	840,763	909,552
	73,215	60,488	98,540	351,301	213,607	163,326
	18,174,857	19,537,788	18,195,652	28,369,587	31,212,793	33,301,767
	13,057,848	11,907,499	11,062,847	10,034,531	10,367,760	10,657,188
	339,338	382,580	524,472	748,638	540,841	4,639,374
	(2,896,570)	(2,729,908)	(2,606,700)	(2,459,808)	(2,278,543)	(2,069,448)
	-	-	-	-	-	-
	185,593	7,854	4,344	15,000	200,000	129,050
	-	(171,226)	(677,898)	196	(26,346)	4,957
	74,645,445	76,213,403	74,658,886	86,604,360	90,981,857	99,473,125
	18,322,873	13,241,835	7,802,713	14,170,081	9,454,994	15,354,015
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	18,322,873	\$ 13,241,835	\$ 7,802,713	\$ 14,170,081	\$ 9,454,994	\$ 15,354,015

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Farm Property	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2009	\$ 245,268,519	\$ 8,289,110,357	\$ 1,308,332,696	\$ 584,878,413	\$ 12,654,889	\$ 10,440,244,874	0.4042	\$ 31,320,734,622	33.333%
2010	242,073,300	7,773,789,960	1,257,147,922	572,600,110	14,588,286	9,860,199,578	0.4085	29,580,598,734	33.333%
2011	244,763,084	7,141,154,417	1,158,458,130	535,180,935	16,745,262	9,096,301,828	0.4692	27,288,905,484	33.333%
2012	242,689,302	6,466,477,105	1,131,319,751	521,061,617	17,983,248	8,379,531,023	0.5323	25,138,593,069	33.333%
2013	245,110,264	6,014,681,955	1,087,411,079	537,384,959	20,513,688	7,905,101,945	0.5761	23,715,305,835	33.333%
2014	252,472,246	5,965,018,874	1,075,737,217	545,047,744	21,101,457	7,859,377,538	0.5924	23,578,132,614	33.333%
2015	258,324,853	6,245,265,302	1,085,119,000	555,101,893	22,980,280	8,166,791,328	0.6070	24,500,373,984	33.333%
2016	269,688,712	6,755,168,133	1,127,143,007	583,325,546	25,172,438	8,760,497,836	0.6169	26,281,493,508	33.333%
2017	282,780,108	7,175,849,106	1,154,558,701	576,991,798	27,060,484	9,217,240,197	0.5527	27,651,720,591	33.333%
2018	298,605,458	7,583,937,102	1,211,417,505	609,686,927	29,687,519	9,733,334,511	0.5419	29,200,003,533	33.333%

Note: Property in the College is reassessed every four years. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
COLLEGE DIRECT RATES										
Education	0.2493	0.2709	0.2988	0.3360	0.3937	0.3910	0.3793	0.3729	0.3787	0.3695
Operations and maintenance	0.0747	0.0812	0.0895	0.1000	0.0847	0.0841	0.0705	0.0693	0.0707	0.0690
Operations and maintenance, restricted	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Liability, protection and settlement	0.0090	0.0097	0.0107	0.0121	0.0133	0.0132	0.0125	0.0123	0.0125	0.0122
Audit	0.0007	0.0007	0.0008	0.0009	0.0010	0.0010	0.0009	0.0009	0.0009	0.0009
Public Building Commission rental	0.0380	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Bond and interest	0.0325	0.0460	0.0694	0.0833	0.0834	0.0875	0.0845	0.0851	0.0899	0.0903
Total direct rate	0.4042	0.4085	0.4692	0.5323	0.5761	0.5768	0.5477	0.5405	0.5527	0.5419
OVERLAPPING RATES										
School district	4.1835	4.2740	5.1603	5.9471	6.7592	6.8578	6.5898	6.1478	5.9882	5.8301
County	0.5395	0.5931	0.6599	0.7024	0.7637	0.7810	0.7423	0.6454	0.5683	0.5484
Township	0.2189	0.2428	0.2742	0.2162	0.2517	0.2602	0.2478	0.2261	0.2163	0.2210
City	1.6565	2.6082	2.7147	2.9749	3.2412	3.5964	3.5050	3.3624	3.3048	3.2150
Park district	0.6664	0.4803	0.5286	0.5841	0.6257	0.6307	0.5999	0.5590	0.5322	0.4903
TOTAL RATES	7.6690	8.6069	9.8069	10.9570	12.2176	12.7029	12.2325	11.4812	11.1625	10.8467

Data Source

Office of the County Clerk

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

2019				2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total College Taxable Assessed Valuation	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total College Taxable Assessed Valuation
Simon/Chelsea Chicago Dev.	\$ 72,481,374	1	0.74%	Simon/Chelsea Chicago Dev.	\$ 37,539,687	1	0.38%
LPF Geneva Commons, LLC	37,699,456	2	0.39%	Menards, Inc.	36,437,003	2	0.37%
Liberty Property LP	35,304,308	3	0.36%	V V2/Geneva Commons LP	30,579,171	3	0.31%
Chicago Premium Outlets Expansion LLC	21,654,069	4	0.22%	Liberty Property LP	27,549,101	4	0.28%
Menards, Inc.	20,203,250	5	0.21%	Toyota Motor Sales, USA, Inc.	23,605,102	5	0.24%
Aldi, Inc.	13,026,109	6	0.13%	Wal-Mart	14,695,109	6	0.15%
Caterpillar Tractor Co.	11,595,424	7	0.12%	Caterpillar Tractor Co.	14,112,730	7	0.14%
United Facilities Inc.	11,464,190	8	0.12%	United Facilities Inc.	11,624,818	8	0.12%
NK Kirkland Crossing, LLC	10,699,084	9	0.11%	Kir Batavia 051 LLC	10,171,600	9	0.10%
DPIF IL 2 Batavia LLC	<u>9,326,080</u>	10	<u>0.10%</u>	Aurora Industrial Holding Company	<u>9,893,004</u>	10	<u>0.10%</u>
	<u>\$ 243,453,344</u>		<u>2.50%</u>		<u>\$ 216,207,325</u>		<u>2.19%</u>

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

Data Source

PMA

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 42,195,094	\$ 18,323,807	43.43%	\$ 23,818,789	\$ 42,142,596	99.88%
2010	40,287,362	19,418,518	48.20%	20,793,608	40,212,126	99.81%
2011	42,684,389	20,807,733	48.75%	21,757,277	42,565,010	99.72%
2012	44,625,395	21,930,684	49.14%	22,490,936	44,421,620	99.54%
2013	45,557,395	22,433,339	49.24%	22,985,076	45,418,415	99.69%
2014	46,855,267	23,273,461	49.67%	23,411,476	46,684,937	99.64%
2015	48,007,526	23,419,254	48.78%	24,409,775	47,829,029	99.63%
2016	49,157,648	23,923,841	48.67%	25,048,661	48,972,502	99.62%
2017	50,921,506	25,431,638	49.94%	25,403,955	50,835,593	99.83%
2018	52,700,681	23,404,590	44.41%	-	23,404,590	44.41%

Note: Property in the College is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Business-Type Activities					Total Primary Government	Assessed Valuation of District	As a Percentage of Taxable Property	District Population Estimate	Debt Per Capita	As a Percentage of Personal Income
	General Obligation Bonds	Alternate Revenue Bonds	PBC Refunding Lease	Installment Contracts	Alternate Revenue Bonds						
2010	\$ 84,460,766	\$ 990,000	\$ 1,190,000	\$ -	\$ 1,060,000	\$ 87,700,766	\$ 10,440,244,874	0.84%	421,402	\$ 208.12	0.48%
2011	84,393,274	845,000	-	-	910,000	86,148,274	9,860,199,578	0.87%	424,829	202.78	0.46%
2012	85,839,034	690,000	-	-	745,000	87,274,034	9,096,301,828	0.96%	446,877	195.30	0.45%
2013	88,318,825	-	-	-	-	88,318,825	8,379,531,023	1.05%	441,799	199.91	0.46%
2014	81,947,542	-	-	-	-	81,947,542	7,905,101,945	1.04%	443,938	184.59	0.40%
2015	77,887,844	-	-	-	-	77,887,844	7,859,377,538	0.99%	444,813	175.10	0.37%
2016	73,203,145	-	-	-	-	73,203,145	8,166,791,328	0.90%	449,304	162.93	0.32%
2017	68,088,447	-	-	-	-	68,088,447	8,760,497,836	0.78%	463,938	146.76	0.28%
2018	62,504,836	-	-	-	-	62,504,836	9,217,240,197	0.68%	453,044	137.97	0.25%
2019	56,232,312	-	-	-	-	56,232,312	9,733,334,511	0.58%	454,246	123.79	0.21%

Note: Details of the College's outstanding debt can be found in the notes to financial statements.

See the schedule of Demographic and Economic Information on page 76 for personal income and population data.

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2010	\$ 84,460,766	\$ 5,607,251	\$ 78,853,515	0.76%	\$ 187.12
2011	84,393,274	2,226,867	82,166,407	0.83%	194.98
2012	85,839,034	3,159,601	82,679,433	0.91%	185.02
2013	88,318,825	3,856,996	84,461,829	1.01%	191.18
2014	81,947,542	1,657,300	80,290,242	1.02%	180.86
2015	77,887,844	1,998,204	75,889,640	0.97%	170.61
2016	73,203,145	2,196,109	71,007,036	0.87%	158.04
2017	68,088,447	2,457,878	65,630,569	0.75%	130.09
2018	62,504,836	2,860,886	59,643,950	0.65%	121.72
2019	56,232,312	3,314,446	52,917,866	0.54%	116.50

Note: Details of the College's outstanding debt can be found in the notes to financial statements.

See the schedule of Assessed Value and Actual Value of Taxable Property on page 66 for property value data.

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2019

Governmental Unit	Gross Debt	Percentage Debt Applicable to the College (1)	College's Share of Debt
Community College District No. 516	\$ 56,232,312	100.00%	\$ 56,232,312
Schools			
School District Number 66	1,032,900	0.67%	6,920
Unit School District Number 1	1,760,000	99.90%	1,758,240
Unit School District Number 2	4,020,000	0.19%	7,638
Unit School District Number 88	34,274,877	100.00%	34,274,877
Unit School District Number 101	52,965,000	100.00%	52,965,000
Unit School District Number 115	60,789,166	98.02%	59,585,541
Unit School District Number 129	139,615,000	100.00%	139,615,000
Unit School District Number 131	112,181,212	100.00%	112,181,212
Unit School District Number 204	169,785,000	0.11%	186,764
Unit School District Number 302	75,380,788	100.00%	75,380,788
Unit School District Number 304	116,701,851	100.00%	116,701,851
Unit School District Number 308	290,728,062	94.37%	274,360,072
Unit School District Number 429	8,625,000	100.00%	8,625,000
Unit School District Number 430	889,977	100.00%	889,977
Unit School District Number 432	9,810,000	100.00%	9,810,000
Kane County Forest Preserve	139,615,000	42.44%	59,252,606
Kendall County Forest Preserve	35,860,000	82.49%	29,580,914
Will County Forest Preserve	97,975,000	1.55%	1,518,613
Campton Township	26,940,000	9.21%	2,481,174
Cities and Villages			
City of Aurora	113,080,000	55.49%	62,748,092
City of Batavia	34,815,000	100.00%	34,815,000
City of Geneva	1,275,000	100.00%	1,275,000
City of Plano	254,000	100.00%	254,000
City of Sandwich	92,225,000	0.18%	166,005
City of St. Charles	4,420,000	99.93%	4,416,906
City of Yorkville	900,000	100.00%	900,000
Village of North Aurora	26,905,000	100.00%	26,905,000
Village of Plainfield	110,000	9.88%	10,868
Village of Somonauk	390,000	100.00%	390,000

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Continued)

June 30, 2019

Governmental Unit	Gross Debt	Percentage Debt Applicable to the College (1)	College's Share of Debt
Library Districts			
Aurora Library District	\$ 18,550,000	55.49%	\$ 10,293,395
Geneva Public Library District	20,800,000	100.00%	20,800,000
Batavia Library District	5,780,000	100.00%	5,780,000
Oswego Library District	1,325,000	100.00%	1,325,000
Plano Community Library District	2,550,000	100.00%	2,550,000
Somonauk Library District	1,890,000	98.14%	1,854,846
Sugar Grove Library District	3,610,000	100.00%	3,610,000
Park Districts			
Fox Valley Park District	28,700,000	65.05%	18,669,350
Oswegoland Park District	5,190,000	91.90%	4,769,610
Plainfield Township Park District	11,649,000	1.23%	143,283
St. Charles Park District	19,410,000	0.16%	31,056
Total Overlapping Debt	<u>1,772,776,833</u>		<u>1,180,889,598</u>
Total Primary and Overlapping Debt	<u>\$ 1,829,009,145</u>		<u>\$ 1,237,121,910</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the College to valuation of property subject to taxation in overlapping units.

Data Source

PMA

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Legal debt limit	\$ 300,157,040	\$ 283,480,738	\$ 261,518,678	\$ 240,911,517	\$ 227,271,681	\$ 225,957,104	\$ 234,795,251	\$ 251,864,313	\$ 264,995,656	\$ 279,833,367
Total net debt applicable to limit	84,089,724	84,739,664	83,190,063	79,910,020	74,330,000	71,050,000	67,145,000	62,810,000	58,005,000	56,232,312
LEGAL DEBT MARGIN	\$ 216,067,316	\$ 198,741,074	\$ 178,328,615	\$ 161,001,497	\$ 152,941,681	\$ 154,907,104	\$ 167,650,251	\$ 189,054,313	\$ 206,990,656	\$ 223,601,055
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	28.02%	29.89%	31.81%	33.17%	32.71%	31.44%	28.60%	24.94%	21.89%	20.09%
Legal debt margin calculation for fiscal 2018										
Assessed value									\$ 9,733,334,511	
Legal debt margin										<u>2.875%</u>
Debt limit										279,833,367
Debt applicable to limit general obligation bonds										<u>56,232,312</u>
LEGAL DEBT MARGIN										<u><u>\$ 223,601,055</u></u>

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

PLEDGED-REVENUE COVERAGE - ALTERNATE REVENUE BONDS

Last Ten Fiscal Years

Fiscal Year	Allowable Funding Sources										Coverage
	Interest Earnings Education O&M Funds	Net Copley Rental Income Before Interest Charges	Net Bookstore Income	Funds Available	1995A Certificates and 1998 AR Bonds Debt Service		1995 Certificates and 2002 AR Bonds Debt Service		Total Debt Service		
					Principal	Interest	Principal	Interest			
2010	\$ 168,139	\$ 2,400	\$ 331,066	\$ 501,605	\$ 145,000	\$ 48,833	\$ 150,000	\$ 62,835	\$ 406,668	\$ 1.23	
2011	159,190	36,268	236,847	432,305	145,000	42,380	150,000	55,035	392,415	1.10	
2012	71,835	46,402	287,922	406,159	155,000	35,630	165,000	46,605	402,235	1.01	
2013	54,970	40,002	468,728	563,700	690,000	19,789	745,000	25,995	1,480,784	0.38	
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Note: The 1998 AR Bonds and the 2002 AR Bonds were called and paid in full during the fiscal year ended June 30, 2013.

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	District Population	Kane County Population	Kane County Total Personal Income	Kane County Per Capita Personal Income	District Unemployment Rates					State of Illinois Unemployment Rate	
					Kane County	Kendall County	DeKalb County	LaSalle County	Will County		
2010	421,402	B/C/E	510,180	\$ 18,601,249,000	\$ 36,903	11.88%	11.40%	10.88%	16.00%	11.85%	11.67%
2011	424,829	B/C/E	508,853	18,320,760,000	35,790	9.60%	8.70%	8.60%	12.20%	9.50%	8.90%
2012	446,877	B/C/E	516,378	18,613,662,000	36,047	9.69%	8.28%	8.57%	11.80%	9.65%	9.23%
2013	441,799	B/C/L	520,271	19,402,519,000	37,293	10.34%	9.08%	9.22%	12.17%	10.30%	9.67%
2014	443,938	B/C/L	522,487	20,700,135,000	39,618	8.61%	7.70%	7.91%	11.21%	8.90%	8.50%
2015	444,813	B/C/L	523,643	21,021,492,000	40,145	6.04%	5.77%	5.61%	7.30%	6.88%	6.29%
2016	449,304	B/C/L	527,306	22,604,490,000	42,868	6.87%	5.91%	6.49%	8.45%	6.89%	6.75%
2017	463,938	B/C/L	530,847	23,971,167,000	45,156	5.77%	4.47%	5.70%	6.79%	5.20%	5.28%
2018	453,044	B/C/L	531,715	24,566,385,000	46,202	4.59%	4.32%	3.91%	5.50%	5.07%	4.57%
2019	454,246	B/C/L	534,667	26,185,561,000	48,975	5.23%	3.62%	4.65%	6.28%	4.12%	4.60%

Personal income figures are not available for the College.

Kane County is the largest county in the College with 66% of the assessed valuation of the College.

Sources of information:

B = Bureau of Economic Analysis, US Department of Commerce, "BearFacts" for Geography Kane County, IL (2017)

<http://www.bea.gov/regional/bearfacts> (for Kane County)

C = 2019 Nielsen demographics purchase, 2019 current population estimate, all in district residential zip codes (including all Aurora)

E = 2014 Regional Business Report (EMSI) www.economicmodeling.com IPEDS and other local data

L = Bureau of Labor Statistics: January to April 2019, average unemployment % by county (and state), not seasonally adjusted

<http://www.bls.gov/lau/#tables>

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2019				2010			
Employer	Rank	Employees	% of District Population	Employer	Rank	Employees	% of District Population
Fermi National Accelerator Laboratory	1	3,000	0.66%	Capterpillar Tractor Co.	1	3,000	0.71%
Capterpillar Tractor Co.	2	3,000	0.66%	Fermi National Accelerator Laboratory	2	2,000	0.47%
Oswego Community School District #308	3	2,509	0.55%	Delnor Community Hospital	3	1,650	0.39%
Rush Copley Medical Center	4	1,736	0.38%	Hollywood Casino	4	1,600	0.38%
West Aurora High School District #129	5	1,736	0.38%	Waubonsee Community College	5	1,571	0.37%
Northwestern Medicine Delnor Hospital	6	1,735	0.38%	West Aurora School District #129	6	1,539	0.37%
Hollywood Casino	7	1,600	0.35%	Rush-Copley Medical Center	7	1,400	0.33%
East Aurora High School District #131	8	1,600	0.35%	East Aurora School District #131	8	1,340	0.32%
Waubonsee Community College	9	1,299	0.29%	City of Aurora	9	1,313	0.31%
Amazon.com Fulfillment Center	10	1,000	0.22%	LTD Commodities	10	1,300	0.31%

Data Source

EMSI Industry Overview February 2016; 2015 Harris Industrial Directory; 2016 MNI Illinois Services Directory and 2016 MNI Illinois Manufacturing Directory business data by geography, 2015-2016 Integrated Postsecondary Educational Data System (IPEDS)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Faculty										
Full-time	110	115	107	116	116	118	118	116	115	111
Part-time	600	620	684	541	504	509	501	463	344	332
Full-time administrators	34	35	34	35	38	38	38	42	42	38
Classified staff										
Full-time	221	228	239	243	253	268	260	261	276	275
Part-time	277	275	299	250	229	218	215	224	234	300
Total full-time staff	365	378	380	394	407	424	416	419	433	424
Total employees	1,242	1,273	1,363	1,185	1,140	1,151	1,132	1,106	1,011	1,056

Data Source

College records

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Credit Hours Generated										
Baccalaureate	118,513.0	120,340.0	118,997.0	120,415.0	117,666.0	115,683.0	117,477.0	117,457.5	111,117.0	105,886.0
Business	13,628.0	15,319.0	14,478.0	15,759.0	13,525.0	12,698.0	12,055.0	11,699.0	11,269.0	11,320.0
Technical	11,160.0	11,477.0	11,820.0	10,770.0	10,519.0	10,760.0	11,150.0	10,217.5	9,800.0	9,248.0
Health	12,053.0	11,752.0	11,826.0	11,581.0	10,099.0	8,946.0	8,995.0	9,153.5	8,735.5	9,320.0
Remedial	18,071.0	17,676.0	17,662.0	18,028.0	15,846.0	13,434.0	11,509.0	10,401.0	10,327.0	9,785.0
ABE, ASE, GED	28,907.0	31,393.0	25,351.0	26,615.0	25,472.0	24,161.0	21,937.0	16,501.5	15,933.5	15,383.0
Total	202,332	207,957	200,134	203,168	193,127	185,682	183,123	175,430	167,182	160,942
Student headcount	29,454	29,865	29,389	30,757	29,371	28,961	28,670	27,164	26,237	25,176
Student FTE	13,471	13,998	13,749	14,213	13,546	13,050	12,712	12,304	11,670	11,324
Tuition Rate per Hour	\$ 85.00	\$ 93.00	\$ 95.00	\$ 97.00	\$ 100.00	\$ 104.00	\$ 110.00	\$ 118.00	\$ 126.00	\$ 128.00
Tuition and Fee Revenue	\$ 17,746,185	\$ 19,986,228	\$ 20,665,865	\$ 21,295,615	\$ 20,577,627	\$ 20,495,799	\$ 21,103,357	\$ 22,486,607	\$ 22,610,250	\$ 21,577,079
Degrees and Certificates awarded:										
A.A., A.S., A.E.S.	496	555	732	782	740	787	765	823	816	797
A.G.S.	30	44	44	63	54	66	37	46	56	70
A.A.S.	229	234	258	270	247	242	226	253	263	283
Certificates	835	883	1457	941	780	1081	730	702	789	742

Data Source

Various state reports and college records

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Facility Information	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Acres (all campuses)	254	254	254	216	216	216	216	216	216	216
Net utilizable square feet (all campuses)	738,329	815,030	815,030	815,030	816,841	895,361	895,046	905,308	906,155	906,155
Number of buildings (all campuses)	21	22	22	22	22	23	22	22	22	22
Number of classrooms	158	179	179	167	163	166	157	170	150	150
Number of laboratories	96	115	115	126	121	121	120	135	140	140
Number of libraries	4	4	4	4	4	4	4	4	4	4
Number of offices	458	516	516	516	516	533	532	552	547	547
Number of other	832	857	857	858	827	851	863	885	886	886
Square feet - classrooms	131,484	154,243	154,243	141,643	142,671	147,962	139,117	148,795	139,551	139,551
Square feet - labs	77,680	90,943	90,943	101,505	99,223	99,201	98,253	110,932	117,017	117,017
Square feet - libraries	22,915	27,420	27,420	26,814	27,237	29,093	28,572	30,883	31,634	31,634
Square feet - offices	91,269	108,116	108,116	107,892	112,005	116,302	116,155	116,631	115,483	115,483
Square feet - other	414,981	434,308	434,308	437,176	435,705	502,803	512,949	498,067	502,470	502,470
Total square feet	738,329	815,030	815,030	815,030	816,841	895,361	895,046	905,308	906,155	906,155

Data Source

College RAMP reports filed with ICCB



SPECIAL REPORTS



SUPPLEMENTAL FINANCIAL INFORMATION

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2019

ALL FISCAL YEAR 2019 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1 Education Fund	\$ 52,441,332
2 Operation and Maintenance Fund	6,182,254
3 Public Building Commission Operation and Maintenance Fund	-
4 Bond and Interest Fund	1,600
5 Public Building Commission Rental Fund	-
6 Restricted Purposes Fund	11,632,249
7 Audit Fund	81,562
8 Liability, Protection and Settlement Fund	1,928,907
9 Auxiliary Enterprises Fund (subsidy only)	<u>5,288</u>
10 TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)	<u>\$ 72,273,192</u>
11 Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>4,965,239</u>
12 TOTAL COSTS INCLUDED (line 10 plus line 11)	<u><u>\$ 77,238,431</u></u>
13 TOTAL CERTIFIED SEMESTER CREDIT HOURS FOR FY 2019	<u>160,942</u>
14 PER CAPITA COST (line 12 divided by line 13)	<u><u>\$ 479.91</u></u>
15 All FY 2019 state and federal operating grants for noncapital expenditures DO NOT INCLUDE ICCB GRANTS	<u>9,671,483</u>
16 FY 2019 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>60.09</u>
17 District's average ICCB grant rate (excluding equalization grants) for FY 2019	<u>33.54</u>
18 District's student tuition and fee rate per semester credit hour for FY 2019	<u>138.00</u>
19 Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)	<u>248.28</u>

(See independent auditor's report.)

UNIFORM FINANCIAL STATEMENTS

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
FISCAL YEAR ENDED JUNE 30, 2019

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Restricted Fund	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund
FUND BALANCE, JULY 1, 2018	\$ 20,734,098	\$ 7,469,732	\$ 59,309,454	\$ 2,860,886	\$ 4,375,975	\$ 100,319	\$ 4,143,049
REVENUES							
Local tax revenue	35,379,139	6,607,388	-	8,502,109	-	-	-
All other local revenue	909,552	-	-	-	-	-	-
ICCB grants	5,647,250	-	-	-	-	854,005	-
All other state revenue	-	-	-	-	-	26,800,512	-
Federal revenue	191,139	-	-	-	-	10,641,566	-
Student tuition and fees	21,577,079	-	-	-	-	-	-
All other revenue	2,557,511	456,064	2,281,373	48,701	5,573,968	163,326	156,010
Total revenues	66,261,670	7,063,452	2,281,373	8,550,810	5,573,968	38,459,409	156,010
EXPENDITURES							
Instruction	20,631,564	-	-	-	1,214,232	13,855,425	-
Academic support	3,451,600	-	-	-	161,594	1,369,812	-
Student services	9,147,638	-	-	-	432,785	6,202,253	-
Public service/continuing education	1,905,051	-	-	-	147,021	1,427,350	-
Organized research	-	-	-	-	-	-	-
Auxiliary services	1,784	-	-	-	4,388,767	425,802	-
Operations and maintenance	244,042	6,290,477	1,481,338	-	216,965	2,118,621	-
Institutional support	16,471,354	-	6,166	8,097,250	427,192	5,214,566	442
Scholarships, student grants, waivers	720,082	-	-	-	-	7,940,945	-
Total expenditures	52,573,115	6,290,477	1,487,504	8,097,250	6,988,556	38,554,774	442
NET TRANSFERS	(13,527,063)	(700,000)	11,275,910	-	2,005,288	95,865	-
FUND BALANCES, JUNE 30, 2019	\$ 20,895,590	\$ 7,542,707	\$ 71,379,233	\$ 3,314,446	\$ 4,966,675	\$ 100,819	\$ 4,298,617

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1 (Continued)
FISCAL YEAR ENDED JUNE 30, 2019

	Audit Fund	Liability, Protection Settlement Fund	Building Bonds Proceeds Fund	PBC * Rental Fund	PBC * Operations and Maintenance Fund	Total
FUND BALANCE, JULY 1, 2018	\$ 14,101	\$ 1,415,446	\$ -	\$ -	\$ -	\$ 100,423,060
REVENUES						
Local tax revenue	83,876	1,164,847	-	-	-	51,737,359
All other local revenue	-	-	-	-	-	909,552
ICCB grants	-	-	-	-	-	6,501,255
All other state revenue	-	-	-	-	-	26,800,512
Federal revenue	-	797	-	-	-	10,833,502
Student tuition and fees	-	-	-	-	-	21,577,079
All other revenue	114	29,644	-	-	-	11,266,711
Total revenues	83,990	1,195,288	-	-	-	129,625,970
EXPENDITURES						
Instruction	-	-	-	-	-	35,701,221
Academic support	-	-	-	-	-	4,983,006
Student services	-	-	-	-	-	15,782,676
Public service/continuing education	-	-	-	-	-	3,479,422
Organized research	-	-	-	-	-	-
Auxiliary services	-	-	-	-	-	4,816,353
Operations and maintenance	-	-	-	-	-	10,351,443
Institutional support	81,562	1,928,907	-	-	-	32,227,439
Scholarships, student grants, waivers	-	-	-	-	-	8,661,027
Total expenditures	81,562	1,928,907	-	-	-	116,002,587
NET TRANSFERS	-	850,000	-	-	-	-
FUND BALANCES, JUNE 30, 2019	\$ 16,529	\$ 1,531,827	\$ -	\$ -	\$ -	\$ 114,046,443

*Public Building Commission

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

SUMMARY OF CAPITAL ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2
FISCAL YEAR ENDED JUNE 30, 2019

	Capital Asset/Debt Account Groups July 1, 2018	Additions	Deletions	Capital Asset/Debt Account Groups June 30, 2019
CAPITAL ASSETS				
Sites and improvements	\$ 17,418,068	\$ -	\$ -	\$ 17,418,068
Buildings, additions and improvements	141,969,686	-	-	141,969,686
Equipment	10,941,547	636,202	(458,530)	11,119,219
Other capital assets	1,160,556	370,862	(169,443)	1,361,975
Total capital assets	171,489,857	1,007,064	(627,973)	171,868,948
Less accumulated depreciation	(59,182,447)	(5,196,285)	627,973	(63,750,759)
NET CAPITAL ASSETS	\$ 112,307,410	\$ (4,189,221)	\$ -	\$ 108,118,189
FIXED DEBT				
Bonds payable	\$ 62,504,836	\$ -	\$ (6,272,524)	\$ 56,232,312
Other post employment benefit liability	30,559,765	2,698,942	-	33,258,707
Other fixed liabilities	2,540,919	131,343	-	2,672,262
TOTAL FIXED DEBT	\$ 95,605,520	\$ 2,830,285	\$ (6,272,524)	\$ 92,163,281
	Outstanding July 1, 2018	Issued	Redeemed	Outstanding June 30, 2019
EDUCATION FUND				
Tax anticipation warrants	\$ -	\$ -	\$ -	\$ -
Tax anticipation notes	-	-	-	-
OPERATIONS AND MAINTENANCE FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
BOND AND INTEREST FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
AUDIT FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
LIABILITY, PROTECTION AND SETTLEMENT FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
PBC RENTAL FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
PBC OPERATIONS AND MAINTENANCE FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2019

	Education Fund	Operations and Maintenance Fund	PBC Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE				
Local Government				
Local Taxes	\$ 35,379,139	\$ 6,607,388	\$ -	\$ 41,986,527
Chargeback Revenue	-	-	-	-
CPPRT	909,552	-	-	909,552
Other	-	-	-	-
Total Local Government	36,288,691	6,607,388	-	42,896,079
State Government				
ICCB Base Operating Grant	5,225,910	-	-	5,225,910
ICCB Equalization Grant	50,000	-	-	50,000
ICCB Career & Technical Education	371,340	-	-	371,340
ICCB Adult education	-	-	-	-
Other ICCB Grants not listed above	-	-	-	-
Dept. of Corrections	-	-	-	-
Dept. of Veteran Affairs	-	-	-	-
Illinois Student Assistance Commission	-	-	-	-
Other State not listed above	-	-	-	-
Total State Government	5,647,250	-	-	5,647,250
Federal Government				
Department of Education	159,853	-	-	159,853
Department of Labor	16,461	-	-	16,461
Department of Health and Human Services	-	-	-	-
Other	14,825	-	-	14,825
Total Federal Government	191,139	-	-	191,139
Student Tuition and Fees				
Tuition	19,301,129	-	-	19,301,129
Fees	2,275,950	-	-	2,275,950
Other Student Assessments	-	-	-	-
Total Student Tuition and Fees	21,577,079	-	-	21,577,079
Other Sources				
Sales and Service fees	1,428,180	-	-	1,428,180
Facilities Revenue	178,340	178,497	-	356,837
Investment Revenue	837,967	271,092	-	1,109,059
Non-Governmental Grants	-	-	-	-
Other	130,921	6,475	-	137,396
Total Other Revenue Sources	2,575,408	456,064	-	3,031,472
Total Revenue	66,279,567	7,063,452	-	73,343,019
Less Non-Operating Items				
Tuition Chargeback Revenue	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	(17,897)	-	-	(17,897)
ADJUSTED REVENUE	\$ 66,261,670	\$ 7,063,452	\$ -	\$ 73,325,122

Inter-college revenues that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3 (Continued)
FISCAL YEAR ENDED JUNE 30, 2019

	Education Fund	Operations and Maintenance Fund	PBC Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES BY PROGRAM				
Instruction	\$ 20,631,564	\$ -	\$ -	\$ 20,631,564
Academic Support	3,451,600	-	-	3,451,600
Student Services	9,147,638	-	-	9,147,638
Public Service/Continuing Education	1,905,051	-	-	1,905,051
Organized Research	-	-	-	-
Auxiliary Services	1,784	-	-	1,784
Operations and Maintenance	244,042	6,290,477	-	6,534,519
Institutional Support	16,471,354	-	-	16,471,354
Scholarships, Grants, Waivers	720,082	-	-	720,082
Total Expenditures	52,573,115	6,290,477	-	58,863,592
Adjustments				
Tuition Chargeback	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	13,544,960	700,000	-	14,244,960
ADJUSTED EXPENDITURES	\$ 66,118,075	\$ 6,990,477	\$ -	\$ 73,108,552
OPERATING EXPENDITURES BY OBJECT				
Salaries	\$ 34,217,857	\$ 2,223,387	\$ -	\$ 36,441,244
Employee Benefits	5,826,540	449,172	-	6,275,712
Contractual Services	4,256,996	1,260,402	-	5,517,398
General Materials and Supplies	5,970,699	565,759	-	6,536,458
Conference and Meeting Expenses	766,347	14,445	-	780,792
Fixed Charges	121,059	694	-	121,753
Utilities	5,989	1,667,666	-	1,673,655
Capital Outlay	152,224	108,223	-	260,447
Other	1,255,404	729	-	1,256,133
Total Expenditures	52,573,115	6,290,477	-	58,863,592
Adjustments				
Tuition Chargeback	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	13,544,960	700,000	-	14,244,960
ADJUSTED EXPENDITURES	\$ 66,118,075	\$ 6,990,477	\$ -	\$ 73,108,552

Inter-college revenues that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
FISCAL YEAR ENDED JUNE 30, 2019**

REVENUES BY SOURCE

Local Government	\$ -
Total Local Government	-
State Government	
ICCB - Workforce Development Grants	-
ICCB - Retirees Health Insurance Grants	-
ICCB - P-16 Initiative Grants	-
ICCB - Special Initiative Grants	-
ICCB - Program Improvement Grant	-
ICCB - Adult Education	854,005
ICCB - (Other, Attach Itemization)	-
Department of Corrections	-
Illinois Student Assistance Commission	-
Other	26,800,512
Total State Government	27,654,517
Federal Government	
Department of Education	10,217,337
Department of Labor	422,559
Department of Health and Human Services	-
Other	1,670
Total Federal Government	10,641,566
Other Sources	
Tuition and Fees	-
Other	163,326
Total Other Sources	163,326
TRANSFERS	95,865
TOTAL RESTRICTED PURPOSES FUND REVENUES	\$ 38,555,274

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4 (Continued)
FISCAL YEAR ENDED JUNE 30, 2019**

EXPENDITURES BY PROGRAM

Instruction	\$ 13,855,425
Academic Support	1,369,812
Student Services	6,202,253
Public Service/Continuing Education	1,427,350
Organized Research	-
Auxiliary Services	425,802
Operations and Maintenance	2,118,621
Institutional Support	5,214,566
Scholarships, Grants, Waivers	7,940,945

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES \$ 38,554,774

EXPENDITURES BY OBJECT

Salaries	\$ 1,995,318
Employee Benefits	27,142,917
Contractual Services	382,012
Student Financial Aid	7,940,945
General Materials and Supplies	489,664
Travel & Conference/Meeting Expenses	174,756
Fixed Charges	3,578
Utilities	-
Capital Outlay	164,801
Other	260,783

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES \$ 38,554,774

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**CURRENT FUNDS* - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
FISCAL YEAR ENDED JUNE 30, 2019**

INSTRUCTION

Instructional Programs	\$ 22,123,730
Other	<u>12,509,459</u>
Total Instruction	<u>34,633,189</u>

ACADEMIC SUPPORT

Library Center	1,810,847
Instructional Materials Center	781,229
Educational Media Services	259,078
Academic Computing Support	3,868,635
Academic Administration and Planning	297,018
Other	<u>1,369,812</u>
Total Academic Support	<u>8,386,619</u>

STUDENT SERVICES SUPPORT

Admissions and Records	1,865,455
Counseling and Career Services	3,890,486
Financial Aid Administration	985,228
Other	<u>8,844,652</u>
Total Student Services Support	<u>15,585,821</u>

PUBLIC SERVICE/CONTINUING EDUCATION

Community Education	1,034,674
Customized Training (Instructional)	1,327,880
Community Services	-
Other	<u>969,848</u>
Total Public Service/Continuing Education	<u>3,332,402</u>

ORGANIZED RESEARCH

AUXILIARY SERVICES

<u>-</u>
<u>7,416,142</u>

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**CURRENT FUNDS* - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5 (Continued)
FISCAL YEAR ENDED JUNE 30, 2019**

OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	\$ 1,348,792
Custodial Services	1,124,118
Grounds	1,124,118
Campus Security	1,360,321
Transportation	145,355
Utilities	1,667,666
Administration	557,009
Other	<u>2,118,621</u>
 Total Operations and Maintenance of Plant	 <u>9,446,000</u>
 INSTITUTIONAL SUPPORT	
Executive Management	1,798,248
Fiscal Operations	1,974,049
Community Relations	2,701,340
Administrative Support Services	1,654,807
Board of Trustees	65,675
General Institutional	1,280,916
Institutional Research	555,183
Administrative Data Processing	3,711,407
Other	<u>5,214,566</u>
 Total Institutional Support	 <u>18,956,191</u>
 SCHOLARSHIPS, STUDENTS GRANTS, & WAIVERS	 <u>8,661,027</u>
 TOTAL CURRENT FUNDS EXPENDITURES	 <u><u>\$ 106,417,391</u></u>

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

(See independent auditor's report.)

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Waubonsee Community College
District 516
Sugar Grove, Illinois

We have audited the accompanying balance sheet of the Waubonsee Community College District 516 (the College) State Adult Education and Family Literacy Grant Programs as of June 30, 2019 and the related statements of revenues, expenditures and changes in fund balance for the year then ended.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the College's management. 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 guidelines of the Illinois Community College Board *Fiscal Management Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We also reviewed the compliance with the provisions of the agreement between the College and the Illinois Community College Board (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 Waubensee Community College District 516's State Adult Education and Family Literacy Grant Programs as of June 30, 2019 and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying balance sheet and statement 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 opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the balance sheet of the College State Adult Education and Family Literacy Grant Programs as of June 30, 2019 and the related statement of revenues, expenditures and changes in fund balance for the year then ended. The schedule expenditure amounts and percentages for ICCB Grant Funds only is presented for purposes of additional analysis and is not a required part of these financial statements. The schedule expenditure amounts and percentages for ICCB Grant Funds only is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare these financial statements. The information has been subjected to the auditing procedures applied in the audit of these financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 is fairly stated in all material respects in relation to these financial statements as a whole.

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to comply with the terms, covenants, provisions or conditions of the agreements, 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 with the above-referenced terms, covenants, provisions or conditions of the agreements, insofar as they relate to accounting matters.

Sikich LLP

Naperville, Illinois
October 10, 2019

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS
BALANCE SHEET**

June 30, 2019

	State Basic	State Performance	Total
ASSETS			
Accounts receivable	\$ 57,379	\$ 28,022	\$ 85,401
TOTAL ASSETS	\$ 57,379	\$ 28,022	\$ 85,401
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 396	\$ 2,365	\$ 2,761
Accrued payroll	9,039	2,476	11,515
Accrued compensated absences	21,307	4,180	25,487
Due to other funds	26,637	19,001	45,638
Total liabilities	57,379	28,022	85,401
FUND BALANCES			
None	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 57,379	\$ 28,022	\$ 85,401

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended June 30, 2019

	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
REVENUES			
State sources	\$ 573,785	\$ 280,220	\$ 854,005
Total revenues	<u>573,785</u>	<u>280,220</u>	<u>854,005</u>
EXPENDITURES			
Direct instruction			
Direct instruction	<u>288,600</u>	<u>21,540</u>	<u>310,140</u>
Total direct instruction	<u>288,600</u>	<u>21,540</u>	<u>310,140</u>
Contractual services	<u>-</u>	<u>-</u>	<u>-</u>
Student services			
Guidance services	124,173	52,075	176,248
Literacy services	8,980	3,520	12,500
Assessment and testing	<u>75,929</u>	<u>15,509</u>	<u>91,438</u>
Total student services	<u>209,082</u>	<u>71,104</u>	<u>280,186</u>
Direct program support			
Improvement of instructional services	188	21,302	21,490
General administration	7,748	143,947	151,695
Workforce coordination	-	1,696	1,696
Data and information systems	<u>25,664</u>	<u>-</u>	<u>25,664</u>
Total program support	<u>33,600</u>	<u>166,945</u>	<u>200,545</u>
Indirect cost	<u>42,503</u>	<u>20,631</u>	<u>63,134</u>
Total expenditures	<u>573,785</u>	<u>280,220</u>	<u>854,005</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
FUND BALANCES, JULY 1, 2018			<u>-</u>
FUND BALANCES, JUNE 30, 2019			<u>\$ -</u>

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS
EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY**

For the Year Ended June 30, 2019

	Audited Expenditure Amount	Audited Expenditure Percentage
STATE BASIC		
Instruction (45% minimum required)	\$ 288,600	50.30%
General administration (15% maximum allowed)	76,103	13.26%

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS - STATE GRANT PROGRAMS

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Waubonsee Community College District 516 (the College) conform to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board. The following is a summary of the more significant accounting policies:

a. General

The accompanying statements include transactions resulting from the Illinois Community College Board (ICCB) State Adult Education and Family Literacy Restricted Grant Program. These transactions have been accounted for in the Restricted Purposes Funds of the governmental subgroup.

b. Basis of Accounting

The statements have been prepared on the modified accrual basis of accounting and the current financial resources measurement focus. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2019. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, if any, are recorded as restricted fund balances.

c. Capital Assets

Capital asset purchases are recorded as expenditures - capital outlay.

2. PAYMENTS OF PRIOR YEAR'S ENCUMBRANCES

Payments of prior year's encumbrances for goods received prior to August 31 are reflected as expenditures during the current fiscal year.

WAUBONSEE COMMUNITY COLLEGE

DISTRICT 516

SUGAR GROVE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS - STATE GRANT PROGRAMS (Continued)

3. BACKGROUND INFORMATION ON STATE GRANT ACTIVITY

a. Unrestricted Grants

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment with a small portion of the allocation based upon gross square footage of space at the College.

Equalization Grants

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

b. Restricted Adult Education Grants/State

State Basic and State Performance

Grant awarded to Adult Education and Family Literacy providers to assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency; to assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children, to assist in completion of a secondary school education, and to assist immigrants and other individuals who are English language learners in improving their reading, writing, speaking and comprehension skills in English and mathematics.

Instructional activities included in the adult education grants may include adult basic education, adult secondary education, English language acquisition, career exploration/awareness skills, integrated English literacy/civics education, bridge programs, integrated career and academic preparation systems, high school credit, vocational training, family literacy, volunteer literacy coordination, workplace literacy, and correction education.

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**INDEPENDENT ACCOUNTANT'S REPORT ON ENROLLMENT DATA
AND OTHER BASES UPON WHICH CLAIMS ARE FILED AND
SUPPORTING RECONCILIATION OF SEMESTER CREDIT HOURS**

Members of the Board of Trustees
Waubonsee Community College
District 516
Sugar Grove, Illinois

We have examined management of Waubonsee Community College - Illinois Community College District 516's (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of Waubonsee Community College during the period July 1, 2018 through June 30, 2019. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the College's compliance with the specified requirements.

In our opinion, management's assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of Waubonsee Community College is fairly stated, in all material respects.

Sikich LLP

Naperville, Illinois
October 10, 2019

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED

For the Year Ended June 30, 2019

CATEGORIES	Total Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted
Baccalaureate	-	15,852.5	-	45,879.0	-	44,154.5	-	105,886.0
Business occupational	-	1,356.0	-	5,020.0	-	4,944.0	-	11,320.0
Technical occupational	-	753.5	-	4,297.5	84.0	4,113.0	84.0	9,164.0
Health occupational	-	1,877.5	-	3,516.5	-	3,926.0	-	9,320.0
Remedial developmental	-	887.0	-	5,192.0	-	3,706.0	-	9,785.0
Adult basic education/adult secondary education	1,205.0	4,740.0	4,626.0	37.0	4,775.0	-	10,606.0	4,777.0
TOTAL CREDIT HOURS VERIFIED	1,205.0	25,466.5	4,626.0	63,942.0	4,859.0	60,843.5	10,690.0	150,252.0

	In-District	Chargeback/ Contractual Agreement	Total
Reimbursable credit hours (unrestricted)	136,771.5	3,472.5	140,244.0
Reimbursable credit hours (restricted)	9,338.0		9,338.0
Reimbursable credit hours (unrestricted)	12,094.5		351.0
Reimbursable credit hours (restricted)	-		-

A student's legal residence is used to determine the student's residency for both tuition calculation and submission of reports for state funding purposes. According to ICCB guidelines, a student must reside within the district for at least 30 days prior to the start of the semester in order to meet in district residency requirements.

The College uses the U.S. Postal Service to verify a student's permanent residence. If there is a question about a student's residency, the student must submit a combination of three types of documentation:

- (1) rental or property ownership documentation
- (2) governmental recognition of the residential address (employer, state or federal documents)
- (3) institutional recognition of the residential address (utilities, bank, etc.)

Each case is treated individually and documentation tailored to the student's specific situation.

DISTRICT'S 2018 EQUALIZED ASSESSED VALUATION \$ 9,733,334,511

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS

For the Year Ended June 30, 2019

	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	105,886.0	105,886.0	-	-	-	-
Business occupational	11,320.0	11,320.0	-	-	-	-
Technical occupational	9,164.0	9,164.0	-	84.0	84.0	-
Health occupational	9,320.0	9,320.0	-	-	-	-
Remedial developmental	9,785.0	9,785.0	-	-	-	-
Adult basic education/adult secondary education	4,777.0	4,777.0	-	10,606.0	10,606.0	-
TOTAL	150,252.0	150,252.0	-	10,690.0	10,690.0	-

(See independent auditor's report.)