

MORTON COLLEGE

District 527 | Cicero, Illinois



Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017

Morton College, Community College District 527
Comprehensive Annual Financial Report
June 30, 2017 and 2016

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INTRODUCTORY SECTION



MORTON COLLEGE

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017

Morton College, Community College District No. 527

October 16, 2017

To Members of the Board of Trustees of Morton College,
Community College District No. 527:

The Comprehensive Annual Financial Report (“CAFR”) of Morton College, (“the College”), Community College District No. 527, County of Cook, State of Illinois, for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management of the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the College. All disclosures necessary to enable the reader to gain an understanding of the College’s financial activities in relation to its mission have been included.

FINANCIAL STATEMENTS

This letter of transmittal should be read in conjunction with the accompanying *Management’s Discussion and Analysis*, which focuses on current activities, accounting changes, and currently known facts.

VISION, MISSION AND GOALS

The District’s Vision Statement:

Our Vision is to be the leader among educational institutions in the delivery of quality academic and workforce development programs that enhance the quality of life for the towns of Berwyn, Cicero, Forest View, Lyons, McCook, and Stickney.

The District’s Mission Statement:

As a comprehensive Community College, recognized by the Illinois Community College Board (“ICCB”), the mission of Morton College is to enhance the quality of life of our diverse community through exemplary teaching and learning opportunities, community service, and life-long learning.

Consistent with our mission, Morton College’s educational philosophy conforms to requirements set forth in state law and stresses the importance of helping individuals live and work as better informed citizens in a dynamic society. This philosophy is reflected in the College’s programs that model core values of truth, compassion, fairness, responsibility and respect.

The following strategic goals define the framework within the District’s annual operating and capital budgets are formulated and considered for the next three to five years.

1. Make student success the core work of Morton College.
2. Develop new programs and strengthen existing programs to respond to projected economic trends.
3. Promote the health and economic vitality of the community through dynamic partnerships, coalitions and collaboration.
4. Build on relationships with school districts to create a seamless education experience in Morton College’s service area.
5. Expand program delivery options, including the use of instructional technology in student learning.
6. Foster an entrepreneurial environment to create new revenue sources and operational efficiencies.
7. Make better use of existing data and information and create new actionable information to support College operations and strategic planning.
8. Expand professional growth opportunities for faculty and staff to cultivate an environment of continuous quality improvement.

DIVERSITY STATEMENT

Diversity at Morton College is more than just a variety of people with different backgrounds. It is the core of who we are as an educational culture and it supports our goals as an organization. Consistent with its mission of social responsibility and community development, Morton College continually works “to enhance the quality of life of our diverse community.”

GENERAL

The College prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as set forth by the Governmental Accounting Standards Board (“GASB”). The College maintains its accounts in accordance with guidelines set forth by the National Association of College and University Business Officers (“NACUBO”) and the ICCB. The ICCB requires accounting by funds in order that limitations and restrictions on resources can be easily accounted for. The financial records of the College are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when incurred.

ECONOMIC CONDITION AND OUTLOOK

The following table illustrates enrollments over the last five years:

**Student Enrollment Headcount
Fiscal Year**

PROGRAM TYPE	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Transfer Program	1,957	1,894	1,885	1,936	2,052
Career Programs	2,023	1,989	1,622	1,554	1,674
Liberal Studies	538	532	439	454	467
Course Enrollees	966	930	1,456	1,682	1,976
Adult Education/ESL	<u>1,164</u>	<u>1,597</u>	<u>1,714</u>	<u>1,883</u>	<u>1,814</u>
Total	<u>6,648</u>	<u>6,942</u>	<u>7,116</u>	<u>7,509</u>	<u>7,983</u>
Total FTE	<u>2,716</u>	<u>2,996</u>	<u>3,009</u>	<u>3,114</u>	<u>3,229</u>

FINANCIAL INFORMATION

Internal Controls. Management of the College is responsible for establishing and maintaining internal controls designed to protect the assets of the College, prevent loss from theft or misuse and to provide adequate accounting data to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls. The objective of the College budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College’s Board of Trustees.

Activities of the following fund groups and individual funds are included in the annual budget. These funds are required for ICCB reporting purpose only.

<u>FUND GROUP</u>	<u>FUND</u>
Current Unrestricted	Education Operating and Maintenance Auxiliary / Enterprise
Current Restricted	Restricted Purpose Working Cash Liability, Protection, and Settlement Audit
Plant and Other	Bond and Interest Investment in Plant Operating and Maintenance (Restricted)

The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established for each individual fund of the College. The College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at the end of each fiscal year.

As demonstrated by the statements included in financial section of this report, the College meets its responsibility for sound financial management.

Property Taxes. The following table illustrates the College's final property tax levy rates over the last five years:

Levy Rates (Per \$100 of assessed valuations):

Property Tax Year		<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assessed valuation (in millions)	<u>Legal Limit</u>	<u>1,442</u>	<u>1,393</u>	<u>1,434</u>	<u>1,538</u>	<u>1,641</u>
Tax Rates						
Education Fund	0.7500	0.4860	0.4999	0.4711	0.4226	0.3866
Operation and Maintenance Fund	0.1000	0.0926	0.1000	0.1000	0.1000	0.1000
Operation and Maintenance Fund (restricted)	0.0500				-	
Bond and interest	-	0.0448	0.0463	0.0448	0.0413	0.0273
Life Safety Fund	0.0500					
Liability Insurance Fund	-	0.0370	0.0373	0.0399	0.0321	0.0263
Social Security Fund	-	0.0150	0.0149	0.0145	0.0115	0.0105
Audit Fund	<u>0.0050</u>	<u>0.0046</u>	<u>0.0048</u>	<u>0.0050</u>	<u>0.0050</u>	<u>0.0050</u>
Total	<u>0.9550</u>	<u>0.6800</u>	<u>0.7032</u>	<u>0.6753</u>	<u>0.6125</u>	<u>0.5557</u>

The assessed value of taxable property for 2016, for taxes collectible in 2017, is \$1,442,272,976.

The College's average collection rate over the past five years, including collection of back taxes, has been approximately 98.0%, as Cook County extends the College's levies up to 103.0% depending on the tax cap limitation.

PROSPECTS FOR THE FUTURE

For FY2017, the state approved the “Stopgap” budget, a six month budget with appropriations of \$2.8M for the Base Operating and Equalization Grants. In July 2017, SB6 was passed with allocations of \$2.8M in supplemental funding for FY2017. Funding for FY2018 was also allocated.

Public Act 89-1 placed limitations on the annual growth of property tax collections of most local governments, including the College.

DEBT ADMINISTRATION

The College has two General Obligation Bond series outstanding for projects. As of June 30, 2017, \$3,455,000 was outstanding and during fiscal year ended June 30, 2017, \$440,000 in principal was retired. See Note 4.

OTHER INFORMATION

Awards. The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the College for its comprehensive annual financial report for the fiscal year ended June 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Independent Audit. State statutes require an annual audit by independent certified public auditors. The Morton College’s Board of Trustees selected BKD, LLP as the College’s auditors. The auditors’ report on the financial statements and schedules is included in the financial section of the report.

Acknowledgements. The preparation of the CAFR was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

ISI Mireya Perez

Mireya Perez
Chief Financial Officer

ISI Dr. Stanley Fields

Dr. Stanley Fields
President

Morton College, Community College District 527

PRINCIPAL OFFICIALS

June 30, 2017

BOARD OF TRUSTEES

Frank J. Aguilar , Chair
Anthony Martinucci, Vice Chair
Jose A. Collazo , Secretary
Susan L. Banks, Trustee
Joseph J. Belcaster, Trustee
Melissa Cundari, Trustee
Frances F. Reitz, Trustee
Estefani Hernandez Perez, Student Member

ADMINISTRATION

Dr. Stanley Fields, President

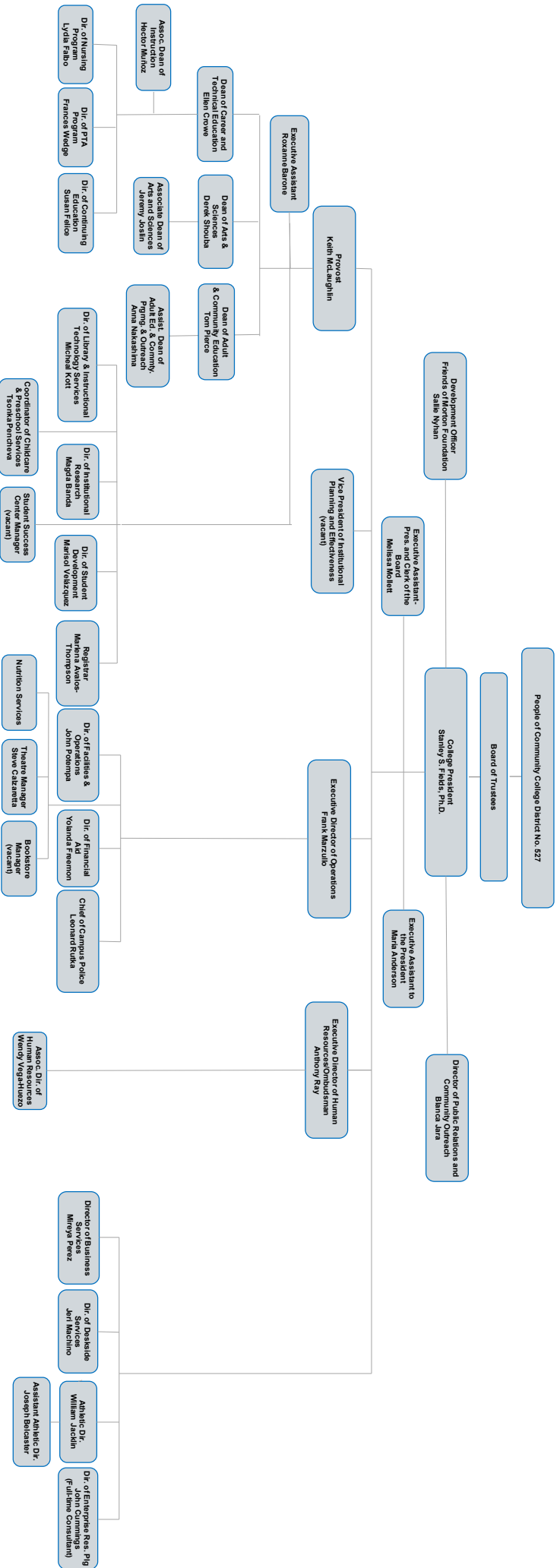
Dr. Keith McLaughlin – Provost
Derek Shouba – Dean of Arts and Sciences
Dr. Ellen Crowe – Dean of Careers and Technical Education
Dr. Tom Pierce – Dean of Adult and Continuing Education

David A. Gonzalez, Treasurer
Mireya Perez, Director of Business Services

DEPARTMENT ISSUING REPORT

Business Office

MORTON COLLEGE - ORGANIZATIONAL CHART



Revised
03.15.17



Government Finance Officers Association

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

Presented to

**Morton College
Illinois Community College
District 527**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

The background of the top half of the cover features a collage of financial and business-related graphics. On the left, a calculator is partially visible with a dashed white line graph overlaid on its keypad. In the center, there is a 3D bar chart with several bars of varying heights. To the right, a large, dark blue arrow points upwards and to the right. The overall color scheme is dominated by various shades of blue, with a bright light source creating a glow behind the bar chart.

FINANCIAL SECTION



MORTON COLLEGE

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017

Independent Auditor's Report

Board of Trustees
Morton College - Community College
District No. 527
Cicero, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Morton College, Community College District No. 527 (College), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Morton College, Community College District No. 527 as of June 30, 2017 and 2016, and the respective changes in its financial position and cash flows, for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the College's Proportionate Share of the Net Pension Liability and Schedule of College's Contributions, as identified 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Morton College - Community College District No. 527's basic financial statements. The introductory section, statistical section and special reports section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The special reports section is required by the Illinois Community College Board and is presented on the modified accrual basis of accounting.

The special reports section is the responsibility of management and was derived from and relates 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the special reports section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Trustees
Morton College, Community College
District No. 527
Page 3

The introductory section and statistical section in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 16, 2017, on our consideration of Morton 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Morton College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Morton College's internal control over financial reporting and compliance.

BKD, LLP

Oakbrook Terrace, Illinois
October 16, 2017

Management's Discussion and Analysis

MORTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 527
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017 and 2016
(UNAUDITED)

This section of Morton College's Financial Report presents Management's Discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2017 and June 30, 2016. Since this Management's Discussion and Analysis (MD&A) is designed to focus on current year's activities, resulting changes and currently known facts, it should be read in conjunction with the transmittal letter (pages i-iv), the College's basic financial statements (pages 10-13) and the footnotes (pages 14-35). Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

The financial statements prepared under Governmental Accounting Standards Board (GASB) Statement No. 34 focus on the College as a whole. The College's basic financial statements (see pages 10-13) are designed to emulate corporate presentation models whereby all College activities are consolidated into one total column. The Statements of Net Position presents information on all the College's assets and liabilities, with the difference between the two reported as net position. These statements combine and consolidate current and long-term financial resources and capital assets. The Statements of Revenues, Expenses and Changes in Net Position focus on both the gross costs and the net costs of College activities, which are supported mainly by property taxes, state and other revenues. This approach is intended to summarize and simplify the user's analysis of costs of various College services to students and the public.

Financial Highlights
Financial Analysis of the College as a Whole
Net Position
As of June 30, (In millions)

	2017	2016	Increase (Decrease)
Current assets	\$ 27.6	\$ 25.4	\$ 2.2
Noncurrent assets:			
Restricted cash and long-term investments	-	0.1	(0.1)
Capital assets, net of depreciation	25.6	27.0	(1.4)
Total assets	53.2	52.5	0.7
Deferred outflows of resources - unamort loss on refunding	0.1	0.2	(0.1)
Current liabilities	4.9	4.8	0.1
Noncurrent liabilities	3.4	3.9	(0.5)
Total liabilities	8.3	8.7	(0.4)
Deferred inflows of resources - unearned property taxes	5.1	5.0	0.1
Net position:			
Investment in capital assets	21.8	22.8	(1.0)
Restricted	11.0	10.9	0.1
Unrestricted	7.1	5.3	1.8
Total net position	\$ 39.9	\$ 39.0	\$ 0.9

This schedule was prepared from the College's statements of net position (page 10), which is presented on an accrual basis of accounting.

MORTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 527
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017 and 2016
(UNAUDITED)

2017

Total net position, at June 30, 2017, increased by \$1.0 million compared to fiscal year 2016 bringing it to \$39.9 million. The increase is primarily caused by the increase in Government Claims receivable of \$2.8 million. The following are key changes by fund: an increase in instruction for \$5.2 million and a decrease in operations and maintenance of plant for \$3.4 million.

2016

Total net position, at June 30, 2016, decreased by \$1.5 million compared to fiscal year 2015 bringing it to \$39.0 million. The decrease is primarily caused by the beginning net position restatement due to the College's reassessment of allowance for uncollectible accounts related to tuition and fees; see Note 10 for more information. The following are key changes by fund: a decrease in instruction for \$2.1 million and an increase in operations and maintenance of plant for \$3.2 million.

The change in net position is explained on page 8 after the Analysis of Net Position schedule.

Operating Results
For the Years Ended June 30, (In millions)

	<u>2017</u>	<u>2016</u>	Increase (Decrease)
Operating revenues:			
Tuition and fees	\$ 9.8	\$ 10.0	\$ (0.2)
Scholarship allowance	(5.1)	(5.4)	0.3
Auxiliary and other	<u>1.7</u>	<u>1.7</u>	<u>-</u>
Total	6.4	6.3	0.1
Less operating expenses	<u>42.2</u>	<u>39.6</u>	<u>2.6</u>
Net operating loss	<u>(35.8)</u>	<u>(33.3)</u>	<u>(2.5)</u>
Nonoperating revenues and expenses:			
Property taxes	9.7	9.1	0.6
State grants and contracts	18.5	15.1	3.4
Federal grants and contracts	8.7	8.9	(0.2)
Investment income	0.1	-	0.1
Interest expense	<u>(0.2)</u>	<u>(0.2)</u>	<u>-</u>
Total	<u>36.8</u>	<u>32.9</u>	<u>3.9</u>
Increase (decrease) in net position	1.0	(0.4)	1.4
Net position, beginning of year	<u>38.9</u>	<u>39.3</u>	<u>(0.4)</u>
Net position, end of year	<u>\$ 39.9</u>	<u>\$ 38.9</u>	<u>1.0</u>
Total revenues	<u>\$ 43.4</u>	<u>\$ 39.4</u>	<u>\$ 4.0</u>
Total expenses	<u>\$ 42.4</u>	<u>\$ 39.8</u>	<u>\$ 2.6</u>

MORTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 527
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017 and 2016
(UNAUDITED)

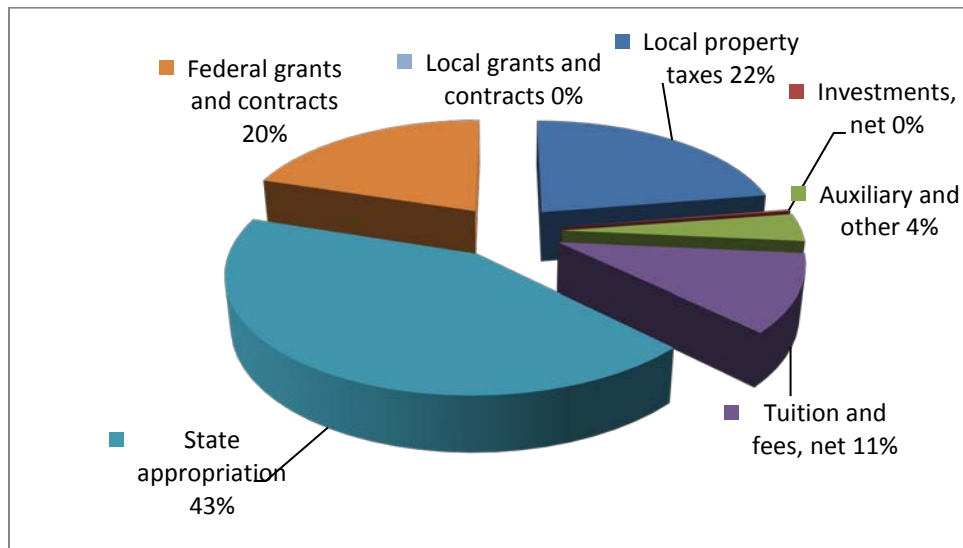
2017

Net operating loss, for the twelve months ended June 30, 2017, increased to \$35.8 million from \$33.3 million in 2016 mainly due to changes in expenses which include: an increase in instruction for \$5.2 million and a decrease in operations and maintenance of plant for \$3.4 million.

2016

Net operating loss, for the twelve months ended June 30, 2016, increased to \$33.3 million from \$32.5 million in 2015 mainly due to changes in expenses which include: a decrease in Instruction for \$2.1 million and an increase in operations and maintenance of plant for \$3.2 million.

Revenues by Source (2017):



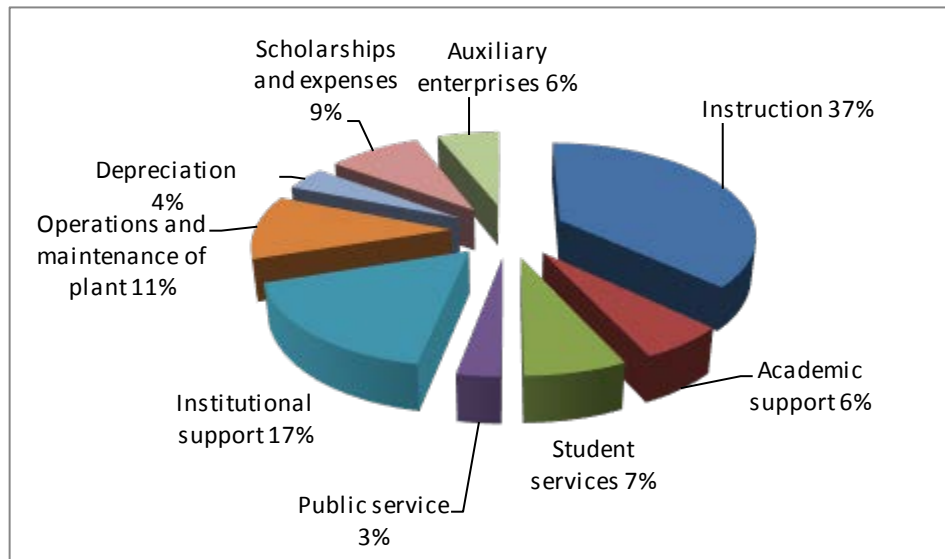
**Operating Expenses
For the Years Ended June 30,
(In millions)**

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
Instruction	\$ 15.7	\$ 10.5	\$ 5.2
Academic support	2.6	2.6	-
Student services	3.1	2.7	0.4
Public service	1.1	0.6	0.5
Institutional support	7.0	6.6	0.4
Operations and maintenance of plant	4.6	8.0	(3.4)
Depreciation	1.9	2.0	(0.1)
Scholarships and fellowships	3.7	4.1	(0.4)
Auxiliary enterprises	2.5	2.5	-
Total	<u>\$ 42.2</u>	<u>\$ 39.6</u>	<u>\$ 2.6</u>

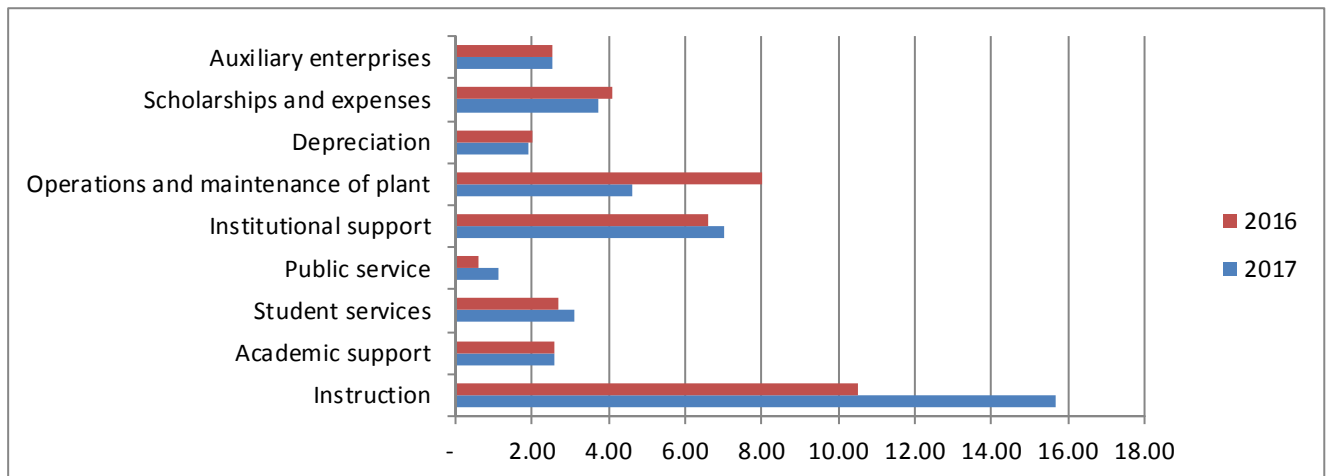
MORTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 527
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017 and 2016
(UNAUDITED)

The following is a graphic illustration of operating expenses:

Operating Expenses by Function (2017):



Comparison of Operating Expenses Fiscal Years 2017 and 2016 (in millions):



2017

Total operating expenses increased to \$42.2 million from \$39.6 million mainly due to the following: an increase in Instruction for \$5.2 million and a decrease in operations and maintenance of plant for \$3.4 million.

2016

Total operating expenses increased to \$39.6 million from \$38.4 million mainly due to the following: a decrease in Instruction for \$2.1 million and an increase in operations and maintenance of plant for \$3.2 million.

MORTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 527
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017 and 2016
(UNAUDITED)

Analysis of Net Position
June 30,
(In millions)

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
Net position:			
Net investment in capital assets	\$ 21.8	\$ 22.8	\$ (1.0)
Restricted expendable	11.0	10.9	0.1
Unrestricted	<u>7.1</u>	<u>5.3</u>	<u>1.8</u>
Total	<u>\$ 39.9</u>	<u>\$ 39.0</u>	<u>\$ 0.9</u>

2017

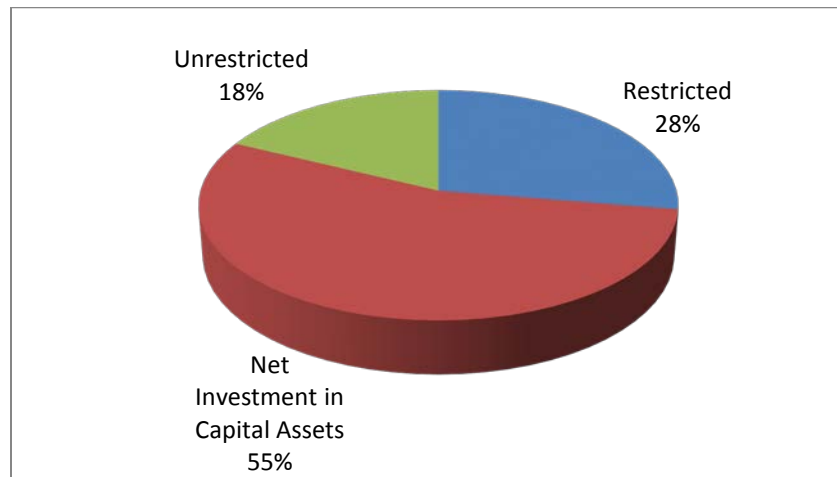
Total net position, at June 30, 2017 increased by \$.9 million compared to fiscal year 2016 bringing it to \$39.9 million. The increase is primarily caused by the increase in state grants and contracts of \$3.4M, increase in property taxes of \$.6M and increase in net operating loss of \$2.5M. The following key changes by fund also contributed in the decrease in net position for FY 2016: an increase in Instruction for \$5.2 million and a decrease in Operations and Maintenance of plant for \$3.4 million.

2016

Total net position, at June 30, 2016 decreased by \$1.5 million compared to fiscal year 2015 bringing it to \$39.0 million. The decrease is primarily caused by the beginning net position restatement due to the College's reassessment of allowance for uncollectible accounts related to tuition and fees, see Note 10 for more information. The following key changes by fund also contributed in the decrease in net position for FY 2016: a decrease in Instruction for \$2.1 million and an increase in Operations and Maintenance of plant for \$3.2 million.

The following is a graphic illustration of net position.

Net Position
June 30, 2017



MORTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 527
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017 and 2016
(UNAUDITED)

Analysis of Capital Assets
June 30, (In millions)

	<u>2017</u>	<u>2016</u>	Increase (Decrease)
Capital assets:			
Land improvements	\$ 2.6	\$ 2.6	\$ -
Construction in progress	-	4.6	(4.6)
Building	35.5	30.6	4.9
Equipment	<u>7.7</u>	<u>7.5</u>	<u>0.2</u>
Total	45.8	45.3	0.5
Less: accumulated depreciation	<u>(20.2)</u>	<u>(18.4)</u>	<u>(1.8)</u>
Net capital assets	<u>\$ 25.6</u>	<u>\$ 26.9</u>	<u>\$ (1.3)</u>

2017

Net capital asset decrease of \$1.3 million mainly relates to \$4.6 million decrease in construction in progress, \$4.9 million increase in building and \$0.2 million increase in equipment, offset by \$1.8 million net increase in accumulated depreciation. For more detail information on capital asset activity please see Note 4.

2016

Net capital asset increase of \$2.1 million mainly relates to \$3.8 million increase in construction in progress, \$0.2 million increase in building and \$0.2 million increase in equipment, offset by \$2.1 million net increase in accumulated depreciation. For more detail information on capital asset activity please see Note 4.

Long Term Debt
June 30,
(In millions)

	<u>2017</u>	<u>2016</u>	Increase (Decrease)
Long-term debt:			
General obligations	\$ 3.4	\$ 3.9	\$ (0.5)
Capital lease payable	<u>0.1</u>	<u>0.1</u>	<u>-</u>
Total	<u>\$ 3.5</u>	<u>\$ 4.0</u>	<u>\$ (0.5)</u>

2017

The \$0.5 million decrease in long-term debt is due to the annual debt payment on Series 2006 for \$0.4 and annual debt payment on Series 2014 for \$0.1. For more detail information on long-term debt activity please see Note 5.

2016

The \$0.4 million decrease in long-term debt is due to the annual debt payment on Series 2006 for \$0.3 and annual debt payment on Series 2014 for \$0.1. For more detail information on long-term debt activity please see Note 5.

Other Factors

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

Basic Financial Statements

Morton College, Community College District No. 527
Statements of Net Position
June 30, 2017 and 2016

Assets

	2017	2016
Current Assets		
Cash and cash equivalents	\$ 16,116,193	\$ 17,071,140
Receivables, net		
Property taxes and corporate personal property replacement taxes, net allowances of \$1,435,905 in 2017 and \$1,895,271 in 2016, respectively	3,663,290	3,365,810
Government claims	4,607,819	1,788,086
Tuition and fees, net of allowances for doubtful accounts of \$4,688,919 in 2017 and \$4,251,423 in 2016	2,034,086	1,862,929
Other	302,151	318,622
Inventories	765,880	608,998
Prepaid expenses and other current assets	124,233	392,375
Total current assets	27,613,652	25,407,960
Noncurrent Assets		
Restricted cash and cash equivalents	-	138,138
Long-term investments	1,858	13,058
Capital assets, net of accumulated depreciation, where applicable	25,552,103	26,971,418
Total noncurrent assets	25,553,961	27,122,614
Total assets	53,167,613	52,530,574

Deferred Outflows of Resources

Unamortized loss on refunding	158,380	215,370
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Morton College, Community College District No. 527
Statements of Net Position
June 30, 2017 and 2016

Liabilities

	2017	2016
Current Liabilities		
Accounts payable	\$ 294,010	\$ 334,573
Accrued salaries and vacation	747,954	711,257
Unearned revenue		
Tuition and fees	2,508,788	2,293,415
Grants	91,101	125,947
Other current liabilities	165,363	344,019
Long-term obligations - current		
Current portion of capital lease payable	56,035	53,017
Current portion of general obligation bonds	460,000	440,000
Deposits held in custody for others	575,005	543,639
Total current liabilities	4,898,256	4,845,867
Noncurrent Liabilities		
Capital lease payable, net of current portion	37,440	78,446
General obligation bonds, net of current portion	3,309,910	3,819,264
Total noncurrent liabilities	3,347,350	3,897,710
Total liabilities	8,245,606	8,743,577

Deferred Inflows of Resources

Property taxes	5,121,053	5,066,888
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Net Position

Net investment in capital assets	21,847,098	22,796,061
Restricted for		
Capital projects	549,584	483,236
Working cash	9,442,448	9,392,979
Debt service	966,420	1,011,459
Unrestricted	7,153,784	5,251,744
Total net position	\$ 39,959,334	\$ 38,935,479

Morton College, Community College District No. 527
Statements of Revenue, Expenses and Changes in Net Position
Years Ended June 30, 2017 and 2016

	2017	2016
Operating Revenues		
Tuition and fees, net of scholarship allowances of \$5,150,587 and \$5,357,071 for 2017 and 2016, respectively	\$ 4,684,983	\$ 4,596,204
Sales and services of auxiliary activities	1,696,682	1,720,315
Total operating revenues	6,381,665	6,316,519
Operating Expenses		
Instruction	15,728,370	10,517,895
Academic support	2,585,214	2,766,990
Student services	3,072,864	2,552,963
Public service	1,134,636	558,055
Auxiliary enterprises	2,463,156	2,482,407
Operations and maintenance of plant	4,607,377	7,959,932
Institutional support	7,036,574	6,589,007
Scholarships and fellowships	3,684,305	4,095,799
Depreciation	1,870,339	2,068,042
Total operating expenses	42,182,835	39,591,090
Operating Loss	(35,801,170)	(33,274,571)
Nonoperating Revenue (Expense)		
Federal grants and contracts	8,651,665	8,852,948
State grants and contracts	18,480,322	15,145,280
Local grants and contracts	11,625	3,300
Property taxes	9,763,900	9,128,821
Interest expense on bonds	(177,874)	(204,466)
Investment income	95,387	27,677
Total nonoperating revenue (expense)	36,825,025	32,953,560
Increase (Decrease) in Net Position	1,023,855	(321,011)
Net Position, Beginning of Year	38,935,479	39,256,490
Net Position, End of Year	\$ 39,959,334	\$ 38,935,479

Morton College, Community College District No. 527
Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Activities		
Tuition and fees	\$ 4,729,199	\$ 4,551,541
Payments to suppliers	(13,385,037)	(13,129,143)
Payments to employees	(16,611,015)	(16,606,833)
Auxiliary enterprise charges, net	1,696,682	1,720,315
Net cash used in operating activities	<u>(23,570,171)</u>	<u>(23,464,120)</u>
Noncapital Financing Activities		
Local property taxes	9,520,585	9,349,931
Grants and contracts	8,621,952	8,607,303
State appropriations	5,327,212	4,276,642
Net cash provided by noncapital financing activities	<u>23,469,749</u>	<u>22,233,876</u>
Capital and Related Financing Activities		
Purchase of capital assets	(434,179)	(4,317,637)
Principal paid on capital debt	(494,834)	(469,761)
Interest paid on capital debt	(170,237)	(197,112)
Net cash used in capital and related financing activities	<u>(1,099,250)</u>	<u>(4,984,510)</u>
Investing Activities		
Proceeds from sales and maturities of investments	11,200	22,602
Interest received on investments	95,387	27,677
Net cash provided by investing activities	<u>106,587</u>	<u>50,279</u>
Net Decrease in Cash and Cash Equivalents	(1,093,085)	(6,164,475)
Cash, and Cash Equivalents, Beginning of Year	<u>17,209,278</u>	<u>23,373,753</u>
Cash and Cash Equivalents, End of Year	<u>\$ 16,116,193</u>	<u>\$ 17,209,278</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (35,801,170)	\$ (33,274,571)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation	1,870,339	2,068,042
State payment in kind for retirement	10,356,340	7,891,824
(Increase) decrease in assets		
Tuition and fees receivable	(171,157)	(137,861)
Inventories	(156,882)	4,388
Prepaid expenses	268,142	(133,266)
Increase (decrease) in liabilities		
Accounts payable	(40,563)	(103,762)
Accrued salaries and vacation	36,697	(25,725)
Unearned tuition and fees	215,373	93,198
Other current liabilities	(178,656)	137,075
Amounts held in custody for others	31,366	16,538
Net cash used in operating activities	<u>\$ (23,570,171)</u>	<u>\$ (23,464,120)</u>
Noncash Transactions		
Capital lease acquisitions	\$ 16,846	\$ 8,848

Morton College, Community College District No. 527
Notes to Basic Financial Statements
June 30, 2017 and 2016

Note 1: Organization and Summary of Significant Accounting Policies

Morton College, Community College District No. 527 is a separate taxing body created under the *Illinois Public Community College Act of 1965*, serving the towns of Berwyn, Cicero, Forest View, Lyons, McCook and Stickney. Established in 1924, it is the second oldest two-year college in Illinois providing baccalaureate-oriented, career-oriented and continuing education courses. The Board of Trustees, which is elected by residents of the District, is the College's governing body that establishes the policies and procedures by which the College is governed.

Reporting Entity

The accompanying financial statements include all entities for which the Board of Trustees of the College has financial accountability. In defining the financial reporting entity, the College has considered whether there are any potential component units. The decision whether to include a potential component unit in the reporting entity was made by applying the criteria set forth in Government Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. These statements amend Statement No. 14, *The Financial Reporting Entity*, to provide guidance to determine whether certain organizations for which the College is not financially accountable should be reported as a component unit based upon the nature and significance of the relationship with the College. Generally, it requires reporting as a component an organization that raises and holds significant economic resources for the direct benefit of a government unit. Based on the above criteria, the College does not have any significant component units.

Basis of Accounting

The College's financial statements have been prepared in accordance with generally accepted accounting principles as applicable to public colleges and universities outlined in GASB Statement No. 35 as well as those prescribed by the Illinois Community College Board (ICCB).

The College reports as a business-type activity, as defined by GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Accrual Basis

The financial statements of the College have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenditures are recognized when the related liabilities are incurred and certain measurement and matching criteria are met.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Morton College, Community College District No. 527
Notes to Basic Financial Statements
June 30, 2017 and 2016

Investments

Investments are reported at fair value, based upon quoted market prices. Changes in the carrying value of investments, resulting in unrealized gains or losses, are reported as a component of investment income in the statement of revenues, expenses and changes in net position. The Illinois Funds is an external investment pool administered by the Illinois State Treasurer. The fair value of the College's investment in the fund is the same as the value of the pool shares.

Inventories

Inventories are reported at the lower of cost or market principally determined by the retail inventory method. Inventories primarily represent items held for resale by the College's bookstore.

Restricted Cash and Cash Equivalents

Cash that is externally restricted to purchase or construct capital assets is classified as a restricted asset in the statement of net position.

Capital Assets

Capital assets are reported at cost at the date of acquisition or their estimated acquisition value at the date of donation. For movable property, the College's capitalization policy includes all items with a unit cost of \$5,000 or more. Renovations to buildings and land improvements that exceed \$50,000 and significantly increase the value or extend the useful life of the structure are capitalized.

Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings and 5 years for equipment.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of general obligation bonds and capital leases with contractual maturities greater than one year.

Unearned Tuition and Fee Revenue

Tuition and fee revenues collected during the fiscal year which relate to the period after June 30, 2017 and 2016, have been recognized as unearned revenues. Unearned revenues arise when resources are received by the College before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the College has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet or statement of net position and revenue is recognized.

Morton College, Community College District No. 527
Notes to Basic Financial Statements
June 30, 2017 and 2016

Bond Premium

Bond premiums are capitalized and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable.

Net Investment in Capital Assets

This represents the College's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisition, construction or improvement of those capital assets.

Restricted Net Position

Restricted expendable net position include resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Net position restricted for capital projects includes unspent grant proceeds that are restricted by the grantor for future capital projects. Net position for debt service is resources accumulated for retirement of debt service that is restricted via the College's annual property tax levy. The Working Cash restriction represents the principal balance of the Working Cash subfund, which pursuant to College Board of Trustees resolution and Illinois law, is held in perpetuity. 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.

Unrestricted Net Position

Unrestricted net position represents net positions that are not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of management or the governing board.

Operating Revenues and Expenses

Revenue and expense transactions are normally classified as operating revenue and expenses when such transactions are generated by the College's principal ongoing operations. However, most revenue that is considered to be nonexchange, such as tax revenue, federal Pell Grant revenue and state appropriations, is nonoperating revenue.

Personal Property Replacement Taxes

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

Morton College, Community College District No. 527
Notes to Basic Financial Statements
June 30, 2017 and 2016

Revenue Recognition of Tuition and Fees

The academic programs are offered in traditional fall and spring semesters. Revenue from tuition and student fees is recognized during the academic term. Revenue from the summer semester, which commences in May and ends in August, is split and recognized proportionally to the number of days of the semester within the fiscal year. Tuition revenue is reported at established rates net of institutional financial aid and discounts provided directly by the College to students.

Scholarship Discounts and Allowances

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid, such as loans, funds provided to students as awarded by third parties and Federal Direct Lending, is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a university basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third-party aid.

Grant Revenue

Revenue from grant and contract agreements is recognized as it is earned through expenditure in accordance with the agreement.

Federal Financial Assistance Programs

The College participates in federally funded Pell grants, SEOG grants, Federal Work Study and Federal Direct Lending programs. Federal programs are audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and the compliance supplement.

During the years ended June 30, 2017 and 2016, the College distributed \$513,267 and \$609,437, respectively, for direct lending through the U.S. Department of Education, which is not included as revenue and expenditures on the accompanying financial statements.

Income Taxes

The College as a governmental body is not subject to state or federal income taxes.

Morton College, Community College District No. 527
Notes to Basic Financial Statements
June 30, 2017 and 2016

Use of Estimates

The preparation of financial statements requires management to make estimate 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.

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The College only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The College has only one item that qualifies for reporting in this category: deferred revenue, which is derived from property tax. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 2: Property Taxes

The College's property taxes are levied each calendar year on all taxable real property located in the College's district. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective shares of the collections. Taxes levied in 2016 become due and payable in two installments (March 1, 2017 and August 1, 2017). The first installment is an estimated bill and is one half of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization.

Any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December for the following levy year. The levy becomes an enforceable lien against the property as of January 1 immediately following the levy year.

In accordance with the College Board resolution, 50% of property taxes extended for the 2016 tax year and collected in 2017 are recorded as revenue in the year ended June 30, 2017. The remaining revenue related to the 2016 tax year extension has been deferred and will be recorded as revenue in the subsequent fiscal year. However, for Bond and Interest Fund, the levy is intended to pay for the

Morton College, Community College District No. 527
Notes to Basic Financial Statements
June 30, 2017 and 2016

principal and interest payments due during 2017. The deferred revenue is related to bonds and interest payments. Based upon collection histories, the College records real property taxes at approximately 50% of the 2016 extended levy.

A reserve of approximately \$1,435,000 and \$1,895,000 for the fiscal years 2017 and 2016, respectively, has been set up for the estimated amount of unpaid amounts related to prior years' taxes.

The statutory maximum tax rates and the respective rates for the 2016 and 2015 tax levies, per \$100 of assessed valuation, are as follows:

	Statutory Maximum Rate	Tax Levy Year	
		2016	2015
Current			
Education Fund	0.7500	0.4860	0.4999
Operation and Maintenance Fund	0.1000	0.0926	0.1000
Operation and Maintenance Fund (Restricted)	0.0500	-	-
Bond and Interest	-	0.0448	0.0463
Life Safety Fund	0.0500	-	-
Liability, Protection, and Settlement Fund	-	0.0370	0.0373
Social Security Fund	-	0.0150	0.0149
Audit Fund	0.0050	0.0046	0.0048
	<u>0.9550</u>	<u>0.6800</u>	<u>0.7032</u>

Note 3: Cash and Investments

State statutes authorize the College to make deposits in commercial banks and savings and loan institutions, and to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois School District Liquid Asset Fund Plus.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered within the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the *Investment Company Act of 1940*. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price at which the investment could be sold.

Deposits

As of June 30, 2017 and 2016, the carrying amounts of the College's deposits were \$1,400,979 and \$1,054,498, respectively, with bank balances of \$1,755,314 and \$1,947,804, respectively. It is the College's policy that 105% of the bank balances be collateralized by securities held in the pledging bank's trust department or by its agent in the College's name when not federally insured. At

Morton College, Community College District No. 527
Notes to Basic Financial Statements
June 30, 2017 and 2016

June 30, 2017, none of the College's deposits were exposed to custodial credit risk. The Illinois Funds are not subject to collateralization.

Investments

The investments which the College may purchase are limited by Illinois law to the following (1) securities which are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. Government Agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a Federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds and (8) money market mutual funds and certain other instruments.

The College's deposits and investments are included on the statement of net position under the following classifications at June 30, 2017 and 2016:

	2017	2016
Cash and cash equivalents	\$ 16,116,193	\$ 17,071,140
Restricted cash and cash equivalents	-	138,138
Investments	1,858	13,058
Total cash and investments	\$ 16,118,051	\$ 17,222,336

The amounts in the previous chart are classified in the following categories for disclosure purposes:

	2017	2016
Deposits	\$ 1,400,979	\$ 1,054,498
Investments in securities and similar instruments	14,716,554	16,167,320
Petty cash on hand	518	518
Total cash and investments	\$ 16,118,051	\$ 17,222,336

Morton College, Community College District No. 527
Notes to Basic Financial Statements
June 30, 2017 and 2016

As of June 30, 2017, the College had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities			
		Less Than 1 Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
GNMAs (government guaranteed)	\$ 1,858	\$ 1,858	\$ -	\$ -	\$ -
State Treasurer Illinois Funds	14,714,696	14,714,696	-	-	-
	<u>\$ 14,716,554</u>	<u>\$ 14,716,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

As of June 30, 2016, the College had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities			
		Less Than 1 Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
GNMAs (government guaranteed)	\$ 13,058	\$ 3,111	\$ 9,947	\$ -	\$ -
State Treasurer Illinois Funds	16,154,262	16,154,262	-	-	-
	<u>\$ 16,167,320</u>	<u>\$ 16,157,373</u>	<u>\$ 9,947</u>	<u>\$ -</u>	<u>\$ -</u>

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 but limits long-term investment to 33.3%.

State Treasurer Illinois Funds are reported as cash and cash equivalents on the statement of net position. The credit rating is AAAM as described by the Standard & Poor's and Moody's at June 30, 2017 and 2016. The Government National Mortgage Association Pools (GNMAs) are explicitly guaranteed by the United States Government and are not considered to have credit risk. No disclosure of credit rating is necessary for these investments. The GNMAs make up 100% of the fiscal year's investment balance.

Concentration of Credit Risk

At June 30, 2017, the College had greater than 5% of its overall portfolio investment in State Treasurer Illinois Funds. This is in accordance with the College's investment policy, which does not contain any specific guidelines on the diversification of the investment portfolio.

The State Treasurer maintains the Illinois Funds Money Market at cost and fair value through daily adjustment in interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The fair value of the College's investment in the funds is the same as the value of the pool shares. The pool is audited annually by independent auditors and copies of the auditors' report are distributed to participants. The College's investments in the Illinois Funds are

Morton College, Community College District No. 527
Notes to Basic Financial Statements
June 30, 2017 and 2016

not required to be categorized because these are not securities. The relationship between the College and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidence ownership or creditorship.

Note 4: Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2017:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Capital assets not being depreciated				
Land and improvements	\$ 2,600,248	\$ -	\$ -	\$ 2,600,248
Construction in progress	4,602,737	-	(4,602,737)	-
Total capital assets not being depreciated	<u>7,202,985</u>	<u>-</u>	<u>(4,602,737)</u>	<u>2,600,248</u>
Capital assets being depreciated				
Building and building improvements	30,648,155	259,603	4,602,737	35,510,495
Furniture, fixtures and equipment	7,534,528	191,421	-	7,725,949
Total capital assets being depreciated	<u>38,182,683</u>	<u>451,024</u>	<u>4,602,737</u>	<u>43,236,444</u>
Total	<u>45,385,668</u>	<u>451,024</u>	<u>-</u>	<u>45,836,692</u>
Less accumulated depreciation for				
Buildings and building improvements	14,118,355	1,254,623	-	15,372,978
Furniture, fixtures and equipment	4,295,895	615,716	-	4,911,611
Total accumulated depreciation	<u>18,414,250</u>	<u>1,870,339</u>	<u>-</u>	<u>20,284,589</u>
Capital assets, net	<u>\$ 26,971,418</u>			<u>\$ 25,552,103</u>

Morton College, Community College District No. 527
Notes to Basic Financial Statements
June 30, 2017 and 2016

The following is a summary of changes in capital assets for the year ended June 30, 2016:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Capital assets not being depreciated				
Land and improvements	\$ 2,600,248	\$ -	\$ -	\$ 2,600,248
Construction in progress	807,330	3,902,774	(107,367)	4,602,737
Total capital assets not being depreciated	<u>3,407,578</u>	<u>3,902,774</u>	<u>(107,367)</u>	<u>7,202,985</u>
Capital assets being depreciated				
Building and building improvements	30,355,520	185,268	107,367	30,648,155
Furniture, fixtures and equipment	<u>7,296,085</u>	<u>238,443</u>	<u>-</u>	<u>7,534,528</u>
Total capital assets being depreciated	<u>37,651,605</u>	<u>423,711</u>	<u>107,367</u>	<u>38,182,683</u>
Total	<u>41,059,183</u>	<u>4,326,485</u>	<u>-</u>	<u>45,385,668</u>
Less accumulated depreciation for				
Buildings and building improvements	12,606,188	1,512,167	-	14,118,355
Furniture, fixtures and equipment	<u>3,740,020</u>	<u>555,875</u>	<u>-</u>	<u>4,295,895</u>
Total accumulated depreciation	<u>16,346,208</u>	<u>2,068,042</u>	<u>-</u>	<u>18,414,250</u>
Capital assets, net	<u>\$ 24,712,975</u>			<u>\$ 26,971,418</u>

Note 5: Long and Short-Term Liabilities

On July 13, 2006, Morton College issued \$3,375,000 of General Obligation Limited Tax Bonds, Series 2006. The bonds will mature on December 1 for the years and in the amounts shown below. The bonds bear interest at a rate of 3.93% to 4.25% and are payable on December 1 and June 1 in each year. The bonds mature December 1, 2017.

On March 13, 2014, the College refunded the remaining \$3,195,000 balance of the \$5,105,000 Taxable General Obligation College Building Bonds, Series 2009 (Alternate Revenue Source, Build America Bonds). The 2014 Series bonds have interest rates ranging from 3.00% to 5.00%. These bonds have annual maturities of \$70,000 to \$560,000 starting in 2014 and ending in 2023. The bonds will mature on December 15 for the years and in the amounts shown below.

In fiscal year 2013, the College entered into two new capital lease agreements for equipment. Aggregate monthly payments are approximately \$243 and are due through April 2018. These agreements have approximate interest rates of 9%. The copier/printer was recorded at a cost of \$11,682 and accumulated depreciation is \$11,682 as of June 30, 2017.

In fiscal year 2014, the College entered into one new capital lease agreement, which has monthly payments of \$1,748 and are due through July 2018. This agreement has an approximate interest rate of 8.5%. The copier/printer was recorded at a cost of \$85,200 and accumulated depreciation is \$68,160 as of June 30, 2017. The College also entered into one new vehicle lease agreement, with

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monthly payments of \$1,805 and are due through September 2018. This agreement has an interest rate of 5.77%. The vehicles were recorded at a cost of \$94,340 and accumulated depreciation is \$75,472 of June 30, 2017.

In fiscal year 2015, the College entered into three new lease agreements, which have aggregate monthly payments of approximately \$787 and are due through March 2020. These agreements have approximate interest rates of 3.9%. The copier/printers were recorded at a cost of \$42,824 and accumulated depreciation is \$25,695 as of June 30, 2017.

In fiscal year 2016, the College entered into one new copier lease agreement, with monthly payments of \$179 that are due through December 2020. This agreement has an approximate interest rate of 8%. The copier/printer was recorded at a cost of \$8,848 and accumulated depreciation is \$3,540 of June 30, 2017.

In fiscal year 2017, the College entered into a new copier lease agreement. With monthly payments of \$337 and are due through December 2021. This agreement has approximate interest rate of 7%. The copier/printer was recorded at a cost of \$16,846 and accumulated depreciation of \$3,369 as of June 30, 2017.

A summary of long-term liability activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Bonds payable					
Serial bonds, 2006 series	\$ 810,000	\$ -	\$ 395,000	\$ 415,000	\$ 415,000
Serial bonds, 2014 series	3,085,000	-	45,000	3,040,000	45,000
Leases payable					
Capital leases	131,463	16,847	54,835	93,475	56,035
Other long-term liabilities					
Unamortized bond premium	364,264	-	49,354	314,910	-
	<u>\$ 4,390,727</u>	<u>\$ 16,847</u>	<u>\$ 544,189</u>	<u>\$ 3,863,385</u>	<u>\$ 516,035</u>

A summary of long-term liability activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Bonds payable					
Serial bonds, 2006 series	\$ 1,190,000	\$ -	\$ 380,000	\$ 810,000	\$ 395,000
Serial bonds, 2014 series	3,125,000	-	40,000	3,085,000	45,000
Leases payable					
Capital leases	172,376	8,848	49,761	131,463	53,017
Other long-term liabilities					
Unamortized bond premium	411,669	-	47,405	364,264	-
	<u>\$ 4,899,045</u>	<u>\$ 8,848</u>	<u>\$ 517,166</u>	<u>\$ 4,390,727</u>	<u>\$ 493,017</u>

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Total principal and interest maturities on the bonds and leases payable as of June 30, 2017, is as follows:

Year Ending June 30	Debt Obligation		
	Principal	Interest	Total
2018	\$ 516,035	\$ 154,877	\$ 670,912
2019	466,355	133,196	599,551
2020	472,817	114,274	587,091
2021	489,844	92,402	582,246
2022	508,424	67,397	575,821
Thereafter	<u>1,095,000</u>	<u>55,375</u>	<u>1,150,375</u>
	<u>\$ 3,548,475</u>	<u>\$ 617,521</u>	<u>\$ 4,165,996</u>

A computation of the legal debt margin of the College is as follows:

	<u>2017</u>	<u>2016</u>
Assessed valuation	\$ 1,442,272,976	\$ 1,393,851,949
Legal debt limit - 2.875% of assessed valuation	41,465,348	40,073,244
Debt applicable to debt limit	<u>(3,769,910)</u>	<u>(4,259,264)</u>
Legal debt margin	<u>\$ 37,695,438</u>	<u>\$ 35,813,980</u>

The legal debt limit is imposed by the Illinois Community College Board.

Defeased Debt

On March 13, 2014, the College issued Series 2014 General Obligation (Taxable Refunding) College Building Bonds in the amount of \$3,195,000. Proceeds of these bonds were placed in escrow to purchase government securities which will be sufficient to partially defease \$3,195,000 of Series 2009 General Obligation (Refunding) Bonds. The refunding was undertaken to extend the term of the debt service payments. As a result of the restructuring, the Series 2009 Bonds are considered to be partially defeased and the liability has been removed from the statement of net position. At June 30, 2017, \$1,660,000 of the defeased 2009 Bonds remain outstanding.

Cash Paid for Interest

Cash paid for interest for the fiscal year was approximately \$170,000 and \$177,000 for the years ended June 30, 2017 and 2016, respectively.

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Note 6: Compensated Absences

Sick leave for classified staff members is continuously accumulated at the rate of one day per month; administrative personnel accumulate sick leave at the rate of 20 days per year. Accumulated sick leave is not subject to a maximum number of days and can be taken in the event of illness or doctor's appointments. Upon employee termination, the College has no commitment for accumulated sick leave and, therefore, no liability is recorded. Employees who retire are given credit for unused sick leave toward years of service in the State Universities Retirement System.

Vacation leave is accrued at a minimum rate of 5/6 day per month up to a maximum of 21 days. All vacation leave must be used by the end of the benefit year, except if written approval is obtained. All unused vacation leave is computed at the daily rate of compensation and is paid to the employee or beneficiary in the event of termination, retirement or death. Accumulated vacation leave is recorded as expenditure and as a liability.

The activity related to the accrued compensated absences for the years ending June 30, 2017 and 2016, is as follows:

	2017	2016
Beginning balance	\$ 177,303	\$ 168,117
Additions	178,169	177,303
Deletions	(177,303)	(168,117)
Ending balance	\$ 178,169	\$ 177,303

Note 7: Retirement Plan

Plan Description

The College contributes to the State Universities Retirement System (SURS) of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (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 of Illinois' financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

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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 I refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2016, can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions

The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% 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 2016 and 2017 was 12.69% and 12.53%, respectively of employee payroll. 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 8.0% 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). Contributions as of June 30, 2017, were \$10,292,012.

Net Pension Liability

At June 30, 2016, SURS reported a net pension liability (NPL) of \$25,965,271,744. The net pension liability was measured as of June 30, 2015.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized by the College is \$0. The proportionate share of the State's net pension liability associated with the College is \$104,137,848 or 0.4011%. This amount should not be recognized in the financial statement, due to the special funding situation. The net pension liability was measured as of June 30, 2016, and the total pension used to calculate the net pension liability was determined based on the June 30, 2015

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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 2016.

Pension Expense

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

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension expense should be recognized similarly to on behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year 2016. As a result, the College recognized on-behalf revenue and pension expense of \$10,292,012 for the fiscal year ended June 30, 2017.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods. A deferred inflow of resources is an acquisition of net position by the system that is applicable to a future reporting period.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,215,882	\$ 2,298,574
Change in assumptions	655,463,758	-
Net difference between projected and actual earnings on pension plan investments	1,431,081,306	635,552,976
	\$ 2,100,760,946	\$ 637,851,550

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

Year Ending June 30,	Amount
2017	\$ 539,536,680
2018	275,426,885
2019	401,520,624
2020	246,425,207
2021	-
Thereafter	-
	\$ 1,462,909,396

Employer Deferral of Fiscal Year 2017 Pension Expense

The College paid \$0 in federal, trust or grant contributions for the fiscal year ended June 30, 2017. These contributions were made subsequent to the pension liability measurement date of June 30, 2016, and are recognized as deferred outflows of resources as of June 30, 2017.

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period June 30, 2010-2014. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.75% to 15.00%, including inflation
Investment rate of return	7.25% beginning with the actual valuation as of June 30, 2014

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

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

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major asset class that is included in the pension plans target asset allocation as of June 30, 2016, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	6.95%
Global Equity	8%	6.78%
Fixed Income	19%	1.17%
Treasury-Inflation Protected Securities	4%	1.41%
Emerging Market Debt	3%	4.44%
Direct Real Estate	6%	4.62%
REITS	4%	5.75%
Commodities	2%	4.23%
Hedged Strategies	5%	4.00%
Opportunity Fund	1%	6.54%
	<u>100%</u>	

Discount Rate

A single discount rate of 7.010% 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 7.250% and a municipal bond rate of 2.85% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 7.010%, 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 6.01%	Current Single Discount Rate Assumption 7.01%	1% Increase 8.01%
\$ 31,348,831,631	\$ 25,965,271,744	\$ 21,502,421,700

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

Changes of Benefit Terms

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

Changes of Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2010 to June 30, 2014, was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

- *Mortality rates.* Change from the RP 2000 table projected 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- *Salary increase.* Change assumption to service-based rates, ranging from 3.75% to 15.00% based on years of service, with underlying wage inflation of 3.75%.
- *Normal retirement rates.* Change to retirement rates at ages younger than 60, age 66 and ages 70-79 to reflect observed experiences.
- *Early retirement rates.* Change to a slight increase to the rates at ages 55 and 56.
- *Turnover rates.* Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than the currently assumed rates.

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- *Disability rates.* Decrease rates and have separate rates for males and females to reflect observed experience.
- *Dependent assumption.* Mainly the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

Note 8: Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees and natural disasters. The College participates in the Illinois Community College Risk Management 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 limit.

As of June 30, 2017, the loss limits for the Consortium were \$125,000 for property, \$250,000 for liability and \$500,000 for workers' compensation for each occurrence. The members of the Consortium pool may share in the cost of losses and surpluses. The Consortium purchased excess insurance for \$500 million on the property and \$25.7 million on liability. The interest percentage calculated for each of the community colleges varies each year and is different for each type of coverage. One representative from each member serves on the Board of the Consortium, and each board member has one vote on the board. None of the members of the Consortium have any direct interest in the Consortium. The College, along with other members, has a contractual obligation to fund any deficit attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits, but none have been required in any of the past three fiscal years.

Note 9: Commitments and Contingencies

Environmental Remediation

During the fiscal year 1995, the College purchased 12.58 acres of land, which is contiguous to the College's current campus, from the Town of Cicero for \$600,000 for use as a multipurpose athletic field. An additional \$150,000 was paid for the demolition and cleanup of the land. Prior to completing the purchase of the land, the College engaged a consultant to perform an environmental study to determine what contaminants, if any, existed on the site and what would be needed to remediate the condition. Based primarily on this environmental study, the College accrued \$277,200 for estimated environmental cleanup costs at the site during fiscal year 1995.

Prior to the closing date on the purchase of the land, soil was dumped on the property by an unknown party. Subsequent environmental testing revealed the presence of additional soil

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contaminants, the source of which management believes to be, in part, the fill dumped on the property prior to closing.

During 1996, the College obtained an additional environmental study related to cleanup of the site, including removal of the added fill and remediation of the surrounding soil, which estimated the cleanup costs to be as high as \$2,042,000.

In October 1997, the Board of Trustees voted to initiate a lawsuit against the Town of Cicero for environmental contamination of this property. The College is continuing to work with environmental consultants to determine the extent of environmental and pollution related problems. In response to the College's suit, the Town of Cicero filed countersuits against the College contending that the property presents a public nuisance and alleging that the College had violated the *Illinois Freedom of Information Act* by failing to disclose documents relating to the property. These countersuits have been dismissed.

The College and the Town of Cicero had pursued settling the outstanding litigation and cooperating in the cleanup of the property. Another study of the property has been conducted by the College's environmental engineers, who have determined that there may be cleanup costs in the amount of \$2,000,000. This property has been enrolled in the site remediation program of the Illinois Environmental Protection Agency.

During the fiscal year ended June 30, 2003, the College and the Town of Cicero entered into a settlement agreement that requires the Town of Cicero to remit up to \$1 million to the College to be used for costs associated with the cleanup. The \$1 million has been collected in fiscal year 2005. The funds were used toward clean-up costs in fiscal year 2005 totaling approximately \$1.6 million.

The College has been advised to perform additional testing to determine the current status of the property. In addition, the final phase of the remediation process will be dependent on the use of the property. Accordingly, management is unable to reasonably estimate the final remediation costs for financial reporting purposes.

Other Commitments

The College has commitments for the implementation of ongoing Enterprise Resource Planning (ERP) System totaling approximately \$181,000 for fiscal year 2017.

Management is not aware of any claims or lawsuits against the College that are not covered by insurance or whose settlement would materially affect the financial statements at June 30, 2017.

Note 10: Upcoming Pronouncements

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* (GASB 75): GASB 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

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GASB 75 requires governments to report a liability on the face of the financial statements, in accordance with the following:

- Employers that are responsible only for OPEB liabilities for their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability (the difference between the total OPEB liability and the assets accumulated in trust to make the benefit payments).
- Employers that participate in a cost-sharing OPEB plan that is administered through a trust that meets specified criteria will report a liability equal to the employer's proportionate share for the collective OPEB liability for all employers participating in the plan.
- Employers that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability for their own employees.

GASB 75 requires more extensive note disclosures and required supplementary information (RSI) about the OPEB liabilities. GASB 75 is effective for fiscal years beginning after June 15, 2017 and requires restatement of any prior years presented, if practical.

While not effective in the short term, we recommend the College begin assessing the potential impact on the financial statements of both of these statements and begin the process of communicating this impact with those charged with governance and other stakeholders. Similar to the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the adoption of 75 will require advance coordination with plans and actuaries so that the required information is available.

GASB Statement No. 82, *Pension Issues* (GASB 82): GASB 82 provides amendments to pension guidance in GASB 67 and 68 based on three issues raised during implementation of those standards. It changes the payroll amount presented in required supplementary information back to covered payroll, being the amount on which contributions to the pension plan are based. It specifies that an actuarial valuation is not in conformity with the pension standards if it includes a deviation from the Actuarial Standards of Practice in the selection of assumptions. GASB 82 also specifies that payments made by employers to satisfy employee contribution requirements should be considered employee contributions and recognized as expense or expenditure in the same manner as other compensation.

GASB 82 is effective for financial statements for fiscal years beginning after June 15, 2016, with the exception of the provision related to a deviation from Actuarial Standards of Practice, which will be effective for fiscal years in which the measurement date is on or after June 15, 2017. Earlier application is encouraged.

GASB Statement No. 85, *Omnibus 2017* (GASB 85): GASB 85 addresses practice issues that have arisen during implementation of other GASB standards. Among the topics addressed are blending of component units for a business-type activity that reports in a single column, presentation of goodwill from acquisitions that occurred prior to GASB 69, valuation of money market and certain other investments, and certain issues relating to pensions and other postemployment benefits. These updates either provide clarification, correction, or additional guidance on the topics covered.

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GASB 85 is effective for financial statements for fiscal years beginning after June 15, 2017. Earlier application is encouraged. Governments do have the option to early adopt by topic, rather than the entire standard, as long as all provisions for that topic are adopted at the same time.

GASB Statement No. 87, *Leases* (GASB 87): GASB 87 establishes a single approach to accounting for and reporting leases by state and local governments.

The main rules of GASB 87 with respect to government entities that are lessees require that the lessees:

- Recognize the following: (a) a lease liability and (b) an intangible asset representing the lessee's right to use the leased asset; and
- Report in its financial statements: (a) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (b) interest expense on the lease liability and (c) note disclosures about the lease.

Under GASB 87, government entities that are lessors must:

- Recognize: (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and
- Report in its financial statements: (a) lease revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable; and (c) note disclosures about the lease.

GASB 87 provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. GASB 87 also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements), and leases with related parties.

GASB 87 is effective for reporting periods beginning after December 15, 2019, with earlier application encouraged.

While not effective in the short term, the College will begin assessing the potential impact on the financial statements of these statements and begin the process of communicating the impact with those charged with governance and other stakeholders.

Required Supplementary Information

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Components of Net Pension Liability and Related Ratios

Schedule of the College's Proportionate Share of the Net Pension Liability

	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
(a) Proportion percentage of the collective net pension pension liability	0%	0%	0%
(b) Proportion of amount of the collective net pension liability	\$ -	\$ -	\$ -
(c) Portion of non-employer contributing entities' total proportion of collective net pension liability associated with employer	<u>104,137,848</u>	<u>93,240,864</u>	<u>104,174,465</u>
Total (b) + (c)	<u>\$ 104,137,848</u>	<u>\$ 93,240,864</u>	<u>\$ 104,174,465</u>
Employer covered - employee payroll	\$ 14,439,567	\$ 14,278,533	\$ -
Portion of collective net pension liability associated with employer as a percentage of covered employee payroll	0.00%	0.00%	0.00%
SURS plan net position as a percentage of the total pension liability	39.57%	42.37%	44.39%

Schedule of the College's Contributions

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Federal, trust, grant and other contribution	\$ -	\$ -	\$ -	\$ -
Contribution in relation to required contribution	-	-	-	-
Contribution deficiency (excess)	-	-	-	-
Employer covered - employee payroll	14,530,503	14,439,567	14,278,533	15,035,775
Contribution as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%

Note: The Illinois State University Retirement System implemented GASB 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years. The Net Pension Liability as a Percentage of Covered Employee Payroll Schedule comprised of both SURS and the District's information while the Federal, Trust, Grant and Other Contribution Schedule is only comprised of the District's information.

Covered Employee Payroll

The payroll of employees that are provided with pensions through the pension plan.

Changes of Benefit Terms

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

Morton College, Community College District No. 527
Required Supplementary Information
June 30, 2017 and 2016

Changes of Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2010 to June 30, 2014, was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

- *Mortality rates.* Change from the RP 2000 table projected 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- *Salary increase.* Change assumption to service-based rates, ranging from 3.75% to 15.00% based on years of service, with underlying wage inflation of 3.75%.
- *Normal retirement rates.* Change to retirement rates at ages younger than 60, age 66 and ages 70-79 to reflect observed experiences.
- *Early retirement rates.* Change to a slight increase to the rates at ages 55 and 56.
- *Turnover rates.* Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than the currently assumed rates.
- *Disability rates.* Decrease rates and have separate rates for males and females to reflect observed experience.
- *Dependent assumption.* Mainly the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.



STATISTICAL SECTION



MORTON COLLEGE

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017

Morton College, Community College District No. 527
Statistical Section
June 30, 2017

The statistical section of the College’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 says about the College’s overall financial health.

Contents

Financial Trends.....38

These schedules contain trend information to help the reader understand how the College’s financial performance and well-being have changed over time.

Revenue Capacity44

These schedules contain information to help the reader assess the College’s most significant local revenue source, the property tax.

Debt Capacity53

These schedules contain information about College’s ability to meet its current levels of outstanding debt, and, the College’s ability to issue additional debt in the future.

Demographic and Economic Information.....58

These schedules offer demographic and economic indicators to help the reader understand the environment within which the College’s financial activities take place.

Operating Information.....60

These schedules contain service and infrastructure data to help the reader understand how the information in the College’s financial report relates to the services the College provides and the activities it performs.

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

Morton College, Community College District No. 527
Financial Trends (Unaudited)
Net Position by Component
Last Ten Fiscal Years

Fiscal Year	2017	2016	2015	2014
Net Investment in Capital Assets	\$ 21,847,098	\$ 22,796,061	\$ 19,481,082	\$ 19,976,342
Restricted				
Capital projects	549,584	483,236	1,128,601	14,274
Working cash	9,442,448	9,392,979	9,384,486	9,384,486
Debt service	966,420	1,011,459	1,154,821	1,162,982
Unrestricted	<u>7,153,784</u>	<u>5,251,744</u>	<u>9,416,289</u>	<u>9,590,316</u>
Total net position	<u>\$ 39,959,334</u>	<u>\$ 38,935,479</u>	<u>\$ 40,565,279</u>	<u>\$ 40,128,400</u>

Data Source

College records

2013	2012	2011	2010	2009	2008
\$ 16,826,457	\$ 15,907,741	\$ 15,844,272	\$ 16,397,137	\$ 16,847,808	\$ 16,993,089
1,149,200	511,865	736,089	1,734,387	82,755	1,025,341
9,384,615	9,382,285	9,382,285	9,382,285	9,362,109	8,838,001
1,108,691	1,121,588	1,218,466	1,196,142	1,527,297	1,586,742
<u>9,889,204</u>	<u>9,487,652</u>	<u>9,242,269</u>	<u>5,940,693</u>	<u>6,017,875</u>	<u>4,215,635</u>
<u>\$ 38,358,167</u>	<u>\$ 36,411,131</u>	<u>\$ 36,423,381</u>	<u>\$ 34,650,644</u>	<u>\$ 33,837,844</u>	<u>\$ 32,658,808</u>

Morton College, Community College District No. 527
Financial Trends (Unaudited)
Changes in Net Position
Last Ten Fiscal Years

Fiscal Year	2017	2016	2015	2014
Operating Revenue				
Student tuition and fees, net	\$ 4,684,983	\$ 4,596,204	\$ 4,040,567	\$ 3,361,086
Other	<u>1,696,682</u>	<u>1,720,315</u>	<u>1,850,764</u>	<u>1,982,775</u>
Total operating revenue	<u>6,381,665</u>	<u>6,316,519</u>	<u>5,891,331</u>	<u>5,343,861</u>
Operating Expenses				
Instruction	15,728,370	10,517,895	12,568,259	13,683,816
Academic support	2,585,214	2,766,990	2,364,630	2,300,300
Student services	3,072,864	2,552,963	2,552,583	2,463,099
Public service	1,134,636	558,055	528,553	517,563
Institutional administration	7,036,574	6,589,007	7,022,773	5,602,019
Physical plant operations	4,607,377	7,959,932	4,787,610	2,702,346
Depreciation	1,870,339	2,068,042	1,797,419	1,761,597
Scholarship expense	3,684,305	4,095,799	4,391,965	4,380,563
Auxiliary expense	<u>2,463,156</u>	<u>2,482,407</u>	<u>2,440,249</u>	<u>2,649,892</u>
Total operating expenses	<u>42,182,835</u>	<u>39,591,090</u>	<u>38,454,041</u>	<u>36,061,195</u>
Operating Loss	<u>(35,801,170)</u>	<u>(33,274,571)</u>	<u>(32,562,710)</u>	<u>(30,717,334)</u>
Nonoperating Revenue (Expenses)				
Local property taxes	9,763,900	9,128,821	9,310,381	8,337,495
State appropriations	18,480,322	15,145,280	14,449,848	14,453,707
Federal grants and contracts	8,651,665	8,852,948	9,458,611	9,917,890
Local grants and contracts	11,625	3,300	20,710	23,650
Investment income	(177,874)	27,677	3,687	3,437
Interest expense on bonds	<u>95,387</u>	<u>(204,466)</u>	<u>(243,648)</u>	<u>(248,612)</u>
Net nonoperating revenue (expenses)	<u>36,825,025</u>	<u>32,953,560</u>	<u>32,999,589</u>	<u>32,487,567</u>
Increase (Decrease) in Net Position	<u>\$ 1,023,855</u>	<u>\$ (321,011)</u>	<u>\$ 436,879</u>	<u>\$ 1,770,233</u>

Data Source

Morton College Comprehensive Annual Financial Reports and general ledger reports

2013	2012	2011	2010	2009	2008
\$ 4,125,936	\$ 3,336,367	\$ 2,965,107	\$ 1,978,334	\$ 2,463,462	\$ 2,492,440
<u>2,238,138</u>	<u>2,408,893</u>	<u>2,597,828</u>	<u>2,383,068</u>	<u>2,016,032</u>	<u>1,939,714</u>
<u>6,364,074</u>	<u>5,745,260</u>	<u>5,562,935</u>	<u>4,361,402</u>	<u>4,479,494</u>	<u>4,432,154</u>
11,178,977	10,560,776	10,891,769	10,207,879	8,820,978	8,133,825
2,146,750	1,640,870	1,657,044	728,771	1,261,197	1,557,271
2,064,685	1,724,416	1,963,425	2,457,240	2,644,019	2,605,073
486,255	528,209	499,903	964,727	517,128	433,838
5,878,454	5,487,908	4,068,162	4,267,797	3,496,613	3,799,780
4,265,754	4,363,130	3,317,143	2,915,452	2,621,437	3,007,529
1,445,016	1,437,228	1,450,714	1,195,651	1,145,936	1,135,715
6,203,707	4,682,950	4,160,475	2,748,859	1,935,715	2,511,346
<u>2,567,778</u>	<u>2,603,138</u>	<u>2,539,302</u>	<u>2,481,197</u>	<u>2,101,710</u>	<u>2,128,633</u>
<u>36,237,376</u>	<u>33,028,625</u>	<u>30,547,937</u>	<u>27,967,573</u>	<u>24,544,733</u>	<u>25,313,010</u>
<u>(29,873,302)</u>	<u>(27,283,365)</u>	<u>(24,985,002)</u>	<u>(23,606,171)</u>	<u>(20,065,239)</u>	<u>(20,880,856)</u>
8,215,441	7,667,168	8,945,308	8,652,341	8,366,317	8,411,056
12,816,492	9,411,230	8,471,061	8,362,672	7,780,647	8,019,653
10,911,286	10,159,841	9,379,397	7,308,800	4,915,014	4,707,745
220,428	294,408	254,565	209,467	158,014	335,366
12,691	19,317	12,394	41,859	189,444	588,697
<u>(356,000)</u>	<u>(280,849)</u>	<u>(304,986)</u>	<u>(156,168)</u>	<u>(165,161)</u>	<u>(189,258)</u>
<u>31,820,338</u>	<u>27,271,115</u>	<u>26,757,739</u>	<u>24,418,971</u>	<u>21,244,275</u>	<u>21,873,259</u>
<u>\$ 1,947,036</u>	<u>\$ (12,250)</u>	<u>\$ 1,772,737</u>	<u>\$ 812,800</u>	<u>\$ 1,179,036</u>	<u>\$ 992,403</u>

Morton College, Community College District No. 527
Financial Trends (Unaudited)
Operating Expenses by Function
(Dollars in Thousands)
Last Ten Fiscal Years

Year of Levy	Total	Instruction	Academic Support	Student Services	Institutional Support
2017	\$ 40,312	\$ 15,728	\$ 2,585	\$ 3,073	\$ 7,037
2016	37,523	10,518	2,767	2,553	6,589
2015	36,658	12,568	2,365	2,553	7,023
2014	34,300	13,684	2,300	2,463	5,602
2013	34,794	11,179	2,147	2,065	5,879
2012	31,591	10,561	1,641	1,724	5,488
2011	29,096	10,892	1,657	1,963	4,068
2010	26,772	10,208	729	2,457	4,268
2009	23,399	8,821	1,261	2,644	3,497
2008	24,178	8,134	1,557	2,605	3,800

Data Source

College records

Operation and Maintenance of Plant	Scholarships and Fellowships	Public Service	Auxiliary Service
\$ 4,607	\$ 3,684	\$ 1,135	\$ 2,463
7,960	4,096	558	2,482
4,788	4,392	529	2,440
2,702	4,381	518	2,650
4,266	6,204	486	2,568
4,363	4,683	528	2,603
3,317	4,160	500	2,539
2,915	2,749	965	2,481
2,621	1,936	517	2,102
3,008	2,511	434	2,129

Morton College, Community College District No. 527
Revenue Capacity (Unaudited)
Assessed Value and Actual Value of Taxable Property
Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railroad Property
2016	\$ 1,001,392,862	\$ 277,468,730	\$ 136,440,304	\$ -	\$ 26,971,080
2015	962,020,600	270,979,264	135,101,934	-	25,750,151
2014	992,167,998	276,656,708	140,550,826	-	25,475,596
2013	1,050,767,490	270,215,325	191,960,604	-	25,254,915
2012	1,132,021,942	293,820,048	190,451,096	-	24,603,475
2011	1,247,814,160	314,294,693	200,305,710	-	21,293,561
2010	1,732,327,412	335,543,279	217,994,164	-	19,534,030
2009	1,671,095,959	370,937,285	209,171,874	-	16,757,916
2008	1,635,692,667	407,701,368	220,468,300	-	15,207,631
2007	1,478,340,370	345,655,890	224,875,057	-	14,744,453

Notes

Property in the College's district is reassessed every three years.
Cook County is on a triennial reassessment cycle.
Property estimated assessed value is at 33% of actual value.

Other Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
\$ -	\$ 1,442,272,976	68.00%	\$ 4,326,818,928	33.33%
-	1,393,851,949	69.80%	4,181,555,847	33.33%
-	1,434,851,128	67.00%	4,304,553,384	33.33%
-	1,538,198,334	61.30%	4,614,595,002	33.33%
-	1,640,896,561	55.60%	4,922,689,683	33.33%
-	1,783,704,124	50.40%	5,351,112,372	33.33%
-	2,305,398,885	39.20%	6,916,196,655	33.33%
-	2,267,963,034	39.30%	6,803,889,102	33.33%
-	2,279,069,966	38.90%	6,837,209,898	33.33%
-	2,063,115,770	41.10%	6,189,347,310	33.33%

Morton College, Community College District No. 527
Revenue Capacity (Unaudited)
Property Tax Rates – Direct and Overlapping Governments
Last Ten Levy Years

Taxing Body	2016	2015	2014	2013
Cook County	0.533	0.552	0.568	0.560
Cook County Forest Preserve	0.063	0.069	0.069	0.069
Metropolitan Water Reclamation	0.406	0.426	0.430	0.417
Consolidated Elections	-	0.034	-	0.031
Town of Cicero	6.382	6.315	5.760	5.183
Town of Cicero Library Fund	0.394	0.388	0.351	0.322
General Assistance	0.041	0.049	0.047	0.062
Suburban T.B. Sanitarium	-	-	-	-
Clyde Park District	0.530	0.542	0.556	0.545
Elementary School District #99	4.717	5.238	4.998	4.670
High School District #201	3.251	3.339	3.216	2.954
Cicero Community Mental Health	0.122	0.120	0.104	0.096
Total overlapping rate	16.439	17.072	16.099	14.909
Morton Community College No. 527	0.680	0.698	0.670	0.613
Total rate	17.119	17.770	16.769	15.522

Year is year of extension.

Data Source

Cook County Clerk's Office

2012	2011	2010	2009	2008	2007
0.531	0.462	0.423	0.394	0.415	0.446
0.063	0.058	0.051	0.049	0.051	0.053
0.370	0.320	0.274	0.261	0.252	0.263
-	0.025	-	0.021	-	0.012
4.522	4.566	3.388	3.344	3.243	3.613
0.289	0.231	0.166	0.161	0.156	0.168
0.068	0.051	0.037	0.036	0.030	0.023
-	-	-	-	-	-
0.505	0.458	0.333	0.308	0.289	0.363
4.302	3.874	2.799	2.786	2.704	2.893
2.732	2.454	1.858	1.848	1.835	1.960
0.100	0.077	0.063	0.062	0.060	0.065
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
13.482	12.576	9.392	9.270	9.035	9.859
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
0.556	0.504	0.392	0.393	0.389	0.411
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>14.038</u>	<u>13.080</u>	<u>9.784</u>	<u>9.663</u>	<u>9.424</u>	<u>10.270</u>

Morton College, Community College District No. 527
Revenue Capacity (Unaudited)
Principal Property Taxpayers
2016 Levy Year and Nine Years Ago

Name	Type of Business or Property	2016 Equalized Assessed Valuation*	Rank
MacNeal Hospital Finance	General hospital and commercial properties	\$ 20,028,787	1
Hawthorne Works Ste 316	Shopping center	11,502,914	2
Wal-Mart Real Estate	Retail store	10,511,997	3
Thomas Carey Heirs	Commercial property	8,584,579	4
Concordia Realty Management	Shopping center	8,233,141	5
Westshire Nursing	Hospital & health care, nursing homes	6,665,610	6
Dimucci Development Co	Shopping center including one-story stores and supermarket	6,247,158	7
Wirtz Beverage Illinois	Divisional HQ; wholesale beer, wine & liquor distributor	6,108,607	8
Target Property Tax T732	Discount department stores	6,026,874	9
Cicero Market Place	Supermarket, one-store stores	5,982,020	10
Cermak Plaza Assoc.	Shopping center	-	
Property Tax Dept 201	Industrial property	-	
United States Cold Storage	Industrial property	-	
Cambridge Realty Capital Limited	Commercial properties	-	
		\$ 89,891,687	

*Includes only those parcels with 2016 equalized assessed valuations of approximately \$100,000 and over as recorded in the County Assessor's Office.

**Includes only those parcels with 2007 equalized assessed valuations of \$200,000 and over as recorded in the County Assessor's Office.

Data Source

Cook County Clerk's and Assessor's Offices

Percent of District's Total EAV	2007 Equalized Assessed Valuation**	Rank	Percent of District's Total EAV
1.39%	\$ 36,646,965	1	1.78%
0.80%	15,149,336	2	0.73%
0.73%	-	-	0.00%
0.60%	14,448,232	4	0.67%
0.57%	-	-	0.00%
0.46%	-	-	0.00%
0.43%	13,825,324	5	0.48%
0.42%	-	-	0.00%
0.42%	9,069,052	7	0.44%
0.41%	8,206,548	8	0.40%
	14,589,201	3	0.71%
	9,867,460	6	0.48%
	8,009,310	9	0.39%
	<u>7,819,801</u>	10	0.38%
	<u>\$ 137,631,229</u>		

Morton College, Community College District No. 527
Revenue Capacity (Unaudited)
Property Tax Levies and Collections
Last Ten Levy Years

Year of Levy	Total Extended Tax Levy	Current Year Collections	Percent of Levy	Delinquent Taxes Collected (Refunded)	Total Taxes Collected	Percent of Levy EAV
2016	\$ 9,807,465	\$ 4,779,749	48.74%	\$ -	\$ 4,779,749	48.74%
2015	9,729,087	9,881,110	101.56%	(337,621)	9,543,489	98.09%
2014	9,613,393	9,529,080	99.12%	(163,147)	9,365,933	97.43%
2013	9,428,970	9,391,600	99.60%	(239,467)	9,152,133	97.06%
2012	9,123,084	9,053,905	99.24%	(234,863)	8,819,042	96.67%
2011	8,989,563	8,914,223	99.16%	(242,218)	8,672,005	96.47%
2010	9,036,894	8,977,670	99.34%	(257,644)	8,720,026	96.49%
2009	8,912,688	8,918,889	100.07%	(393,844)	8,525,045	95.65%
2008	8,805,985	8,864,914	100.67%	(354,714)	8,510,200	96.64%
2007	8,478,945	8,465,204	99.84%	(308,907)	8,156,297	96.19%

The 2011 delinquent tax data is the latest data available.

Data Source

County tax records

Morton College, Community College District No. 527
Revenue Capacity (Unaudited)
Assessed Valuations and Taxes Extended
Governmental Fund Types
Last Eight Levy Years

	2016 Levy	2015 Levy	2014 Levy
Assessed valuation	<u>\$ 1,442,272,976</u>	<u>\$ 1,393,851,949</u>	<u>\$ 1,434,851,128</u>
Tax rates (per \$100 of assessed valuation)			
Education Fund	0.4860	0.4999	0.4711
Operations and Maintenance Fund	0.0926	0.1000	0.1000
Bond and Interest Fund	0.0448	0.0463	0.0134
Liability, Protection and Settlement Fund	0.0370	0.0373	0.0713
Social Security Fund	0.0150	0.0149	0.0145
Audit Fund	<u>0.0046</u>	<u>0.0048</u>	<u>0.0050</u>
Total tax rates	<u><u>0.6800</u></u>	<u><u>0.7032</u></u>	<u><u>0.6753</u></u>
Taxes extended			
Education Fund	\$ 7,098,000	\$ 6,968,000	\$ 6,760,000
Operations and Maintenance Fund	1,352,000	1,393,852	1,434,851
Bond and Interest Fund	645,502	644,592	642,824
Audit Fund	67,600	67,600	71,743
Liability, Protection and Settlement Fund	<u>759,200</u>	<u>728,000</u>	<u>780,000</u>
Total taxes extended	<u><u>\$ 9,922,302</u></u>	<u><u>\$ 9,802,044</u></u>	<u><u>\$ 9,689,418</u></u>

2009 is the latest data available.

Data Source

County tax records

2013 Levy	2012 Levy	2011 Levy	2010 Levy	2009 Levy
<u>\$ 1,538,198,334</u>	<u>\$ 1,640,896,561</u>	<u>\$ 1,783,704,124</u>	<u>\$ 2,305,398,885</u>	<u>\$ 2,282,836,100</u>
0.4226	0.3866	0.3396	0.2552	0.2652
0.1000	0.1000	0.1000	0.0887	0.0892
0.0413	0.0273	0.0251	0.0196	0.0256
0.0321	0.0263	0.0248	0.0173	0.0011
0.0115	0.0105	0.0093	0.0069	0.0072
<u>0.0050</u>	<u>0.0050</u>	<u>0.0050</u>	<u>0.0036</u>	<u>0.0038</u>
<u>0.6125</u>	<u>0.5557</u>	<u>0.5038</u>	<u>0.3913</u>	<u>0.3921</u>
\$ 6,500,000	\$ 6,344,000	\$ 6,058,000	\$ 5,883,377	\$ 6,014,640
1,538,198	1,640,897	1,783,704	2,044,888	2,023,023
634,974	447,486	451,365	467,999	580,996
76,910	82,045	88,400	82,994	86,182
<u>670,800</u>	<u>603,200</u>	<u>608,400</u>	<u>557,906</u>	<u>188,240</u>
<u>\$ 9,420,882</u>	<u>\$ 9,117,628</u>	<u>\$ 8,989,869</u>	<u>\$ 9,037,164</u>	<u>\$ 8,893,081</u>

Morton College, Community College District No. 527
Debt Capacity (Unaudited)
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Unamortized Bond Premium	Total Outstanding Debt	District 527 Actual Taxable Property Value	Percentage of Actual Value	Population*	Total Outstanding Debt Per Capita
2017	\$ 3,455,000	\$ 314,910	\$ 3,769,910	\$ 1,442,272,976	0.26%	157,067	24.0
2016	3,895,000	364,264	4,259,264	1,393,851,949	0.31%	157,067	27.1
2015	4,315,000	411,669	4,726,669	1,434,851,128	0.33%	157,067	30.1
2014	4,745,000	-	4,745,000	1,538,198,334	0.31%	157,067	30.2
2013	5,580,000	-	5,580,000	1,640,896,561	0.34%	157,067	35.5
2012	6,395,000	-	6,395,000	1,783,704,124	0.36%	157,067	40.7
2011	7,200,000	-	7,200,000	2,305,398,885	0.31%	157,067	45.8
2010	8,075,000	-	8,075,000	2,282,836,100	0.35%	157,067	51.4
2009	3,375,000	-	3,375,000	2,279,069,966	0.15%	157,067	21.5
2008	3,760,000	-	3,760,000	2,063,115,770	0.18%	157,067	23.9

*Estimated figures used for 2008 through 2017.

Data Source

College records and Bureau of Economic Analysis

Morton College, Community College District No. 527
Debt Capacity (Unaudited)
Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Unamortized Bond Premium	Total Outstanding Debt	Amounts Available In Debt Service Fund	Total Net Outstanding Debt	District 527 Actual Taxable Property Value
2017	\$ 3,455,000	\$ 314,910	\$ 3,769,910	\$ 1,027,018	\$ 2,742,892	\$ 1,442,272,976
2016	3,895,000	364,264	4,259,264	1,011,459	3,247,805	1,393,851,949
2015	4,315,000	411,669	4,726,669	1,154,821	3,571,848	1,434,851,128
2014	4,745,000	-	4,745,000	1,162,982	3,582,018	1,538,198,334
2013	5,580,000	-	5,580,000	1,108,691	4,471,309	1,640,896,561
2012	6,395,000	-	6,395,000	1,121,588	5,273,412	1,783,704,124
2011	7,200,000	-	7,200,000	1,218,466	5,981,534	2,305,398,885
2010	8,075,000	-	8,075,000	1,196,142	6,878,858	2,282,836,100
2009	3,375,000	-	3,375,000	1,527,297	1,847,703	2,279,069,966
2008	3,760,000	-	3,760,000	1,586,742	2,173,258	2,063,115,770

*Estimated figures used for 2008 through 2017.

Data Source

College records and Bureau of Economic Analysis

Percentage of Net Outstanding Debt to Actual Taxable Property Value	Population*	Total Net Outstanding Debt Per Capita
0.19%	157,067	17.5
0.23%	157,067	20.7
0.25%	157,067	22.7
0.23%	157,067	22.8
0.27%	157,067	28.5
0.30%	157,067	33.6
0.26%	157,067	38.1
0.30%	157,067	43.8
0.08%	157,067	11.8
0.11%	157,067	13.8

Morton College, Community College District No. 527
Debt Capacity (Unaudited)
Direct and Overlapping General Obligation Bonded Debt*
June 30, 2017

Name	Outstanding Bonds	Applicable to District	
		Percentage	Amount
Morton Community College District No. 527	\$ 3,455,000	100.00%	\$ 3,455,000
Cook County	3,213,141,750	0.99%	31,777,972
Cook County Forest Preserve	159,440,240	0.99%	1,576,864
Metropolitan Water Reclamation District	2,583,922,748 (1)	1.01%	26,045,941
Lyons Township	2,545,000	4.85%	123,509
Municipalities			
City of Berwyn	161,455,000 (2)(5)	100.00%	161,455,000
Town of Cicero	35,600,000 (4)	100.00%	35,600,000
Village of Forest View	1,195,000	42.62%	509,249
Village of Lyons	4,700,000 (3)(5)	95.12%	4,470,640
Village of McCook	37,340,000	28.35%	10,587,010
Village of Stickney	8,050,000	100.00%	8,050,000
Park Districts			
Berwyn Park District	2,155,000	100.00%	2,155,000
Central Stickney Park District	1,134,000	2.14%	24,245
Clyde Park District	885,000	100.00%	885,000
Hawthorne Park District	170,455 (3)	100.00%	170,455
McCook Park District	511,000	28.56%	145,916
North Berwyn Park District	516,400 (3)	100.00%	516,400
Library District			
McCook Public Library District	- (3)	28.56%	-
Stickney Forest View Public Library District	1,235,000	54.39%	671,729
School District			
School District #99	56,165,000 (5)	100.00%	56,165,000
School District #100	36,665,000	100.00%	36,665,000
School District #103	7,421,142 (2)	70.74%	5,249,864
School District #104	27,740,000	3.20%	886,570
High School District			
#201	73,649,339 (2)	100.00%	<u>73,649,339</u>
Total direct and overlapping general obligation bonded debt			<u><u>\$ 460,835,703</u></u>

*2016 Equalized Assessed Values were used for this statement.
Outstanding bonds are as of June 30, 2017

- (1) Includes IEPA Revolving Loan Fund Bonds.
- (2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
- (3) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
- (4) Excludes self-supporting debt.
- (5) Excludes debt certificates.

Data Source

Offices of the Cook County Clerk, Cook County Comptroller and the
Treasurer of the Metropolitan Water Reclamation District of Greater Chicago

Morton College, Community College District No. 527
Debt Capacity (Unaudited)
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Assessed Amount	Debt Limit Rate	Debt Limit (Assessed Value Debt Limit Rate)	Debt Applicable to Debt Limit	Legal Debt Margin	Debt Applicable to Debt Limit as a Percentage of Debt Limit
2017	\$ 1,442,272,976	2.875%	\$ 41,465,348	\$ 3,769,910	\$ 37,695,438	9.09%
2016	1,393,851,949	2.875%	40,073,244	4,259,264	35,813,980	10.63%
2015	1,434,851,128	2.875%	41,251,970	4,726,669	36,525,301	11.46%
2014	1,538,198,334	2.875%	44,223,202	4,745,000	39,478,202	10.73%
2013	1,640,896,561	2.875%	47,175,776	5,580,000	41,595,776	11.83%
2012	1,783,704,124	2.875%	51,281,494	6,395,000	44,886,494	12.47%
2011	2,305,398,885	2.875%	65,521,932	7,200,000	58,321,932	10.99%
2010	2,282,836,100	2.875%	59,314,578	8,075,000	51,239,578	13.61%
2009	2,279,069,966	2.875%	56,798,257	3,375,000	53,423,257	5.94%
2008	2,063,115,770	2.875%	57,423,397	3,760,000	53,663,397	6.55%

Data Source

County tax records; College records

Morton College, Community College District No. 527
Demographic and Economic Information (Unaudited)
Personal Income Per Capita
Last Ten Fiscal Years

Fiscal Year	Population Employed ⁽²⁾	Personal Income ⁽²⁾	Per Capital Personal Income	Unemployment Rate ⁽¹⁾
2017	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A

N/A - Data Not Available

Data Source

(1) Illinois Department of Employment Security; Illinois Labor Market Information for the County of Cook

(2) Bureau of Economic Analysis Bearfacts Regional Economic Accounts for the County of Cook

Morton College, Community College District No. 527
Demographic and Economic Information (Unaudited)
Principal Employers
Current Year and Nine Years Ago

Employer	City	Approximate Number of Employees	Data Source*	Rank	Percent of Total District Employment**
<u>2017</u>					
MacNeal Hospital	Berwyn	1,800	(2)	1	2.60%
Wirtz Beverage Illinois, LLC	Cicero	1,000	(2)	2	1.44%
Morton East & West High Schools	Cicero	768	(3)	3	1.11%
LBP Manufacturing, Inc. (Levin Bros. Paper)	Cicero	400	(1)	4	0.58%
Morton College	Cicero	399	(2)	6	0.58%
Meade Electric Co.	McCook	400	(1)	6	0.58%
Terrace Paper Co., Inc.	Cicero	400	(3)	5	0.58%
A&R Janitorial Services, Inc.	Cicero	350	(2)	7	0.51%
USF Holland, Inc.	McCook	340	(2)	8	0.49%
Walmart Supercenter	Cicero	335	(4)	8	0.48%
Campagna-Turano Bakery	Berwyn	300	(1)	9	0.43%
Fontanini Italian Meats	McCook	270	(1)	10	0.39%
Saporito Finishing Co.	Cicero	250	(1)	11	0.36%
Tru Vue, Inc. (HQ)	McCook	250	(1)	11	0.36%
Estes Express Lines, Inc.	McCook	245	(2)	12	0.35%
Total		7,507			10.84%
<u>2008</u>					
MacNeal Memorial Hospital	Berwyn	2,200	(5)	1	1.40%
A & R Janitorial Service	Cicero	1,800	(5)	2	1.14%
USF Holland, Inc.	McCook	500	(5)	3	0.32%
LBP Manufacturing, Inc. (Levin Bros. Paper)	Cicero	420	(5)	4	0.27%
Meade Electric Co.	McCook	400	(5)	5	0.25%
Terrace Paper Co., Inc.	Cicero	400	(5)	6	0.25%
Turano Baking Company	Berwyn	300	(5)	7	0.19%
Innerpac Inc.	Cicero	300	(5)	8	0.19%
Crown Recycling & Waste Services	McCook	250	(5)	9	0.16%
Tru Vue, Inc. (HQ)	McCook	250	(5)	10	0.16%
World Marketing Chicago	McCook	250	(5)	11	0.16%
Estes Express Lines, Inc.	McCook	240	(5)	12	0.15%
Bell Fuels, Inc.	Cicero	200	(5)	13	0.13%
Burlington Northern & Santa F. Railroad	Cicero	200	(5)	14	0.13%
Chicago Park Tentel	McCook	200	(5)	15	0.13%
Corey Steel	Cicero	200	(5)	16	0.13%
Iron Corp.	McCook	200	(5)	17	0.13%
Sommer & Maca Industries, Inc.	Cicero	200	(5)	18	0.13%
Waste Management	McCook	200	(5)	19	0.13%
UOP	McCook	200	(5)	20	0.13%
Total		8,910			5.68%

*The 2008 principal employer information was obtained from the District's 2008 Official Statement which listed the sources shown below in (5).

**Illinois Department of Employment Security.

Data Source

- (1) 2017 Illinois Manufacturers Directory
- (2) 2017 Illinois Services Directory
- (3) Employer Official Website and/or Financial Reports
- (4) ReferenceUSA.com
- (5) 2008 Illinois Manufacturers Director, 2008 Illinois Services Directory, 2008 Harris Illinois Industrial Directory

Morton College, Community College District No. 527
Operating Information (Unaudited)
Full-Time Equivalent Employees
Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
FACULTY				
Full time	53	55	56	54
Full time overload	-	-	-	-
Full time summer	-	-	-	-
	<u>53</u>	<u>55</u>	<u>56</u>	<u>54</u>
Part time	171	171	187	190
	<u>171</u>	<u>171</u>	<u>187</u>	<u>190</u>
Total Faculty FTE	<u>224</u>	<u>226</u>	<u>243</u>	<u>244</u>
Teaching	224	226	243	243
Non-teaching	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Faculty FTE	<u>224</u>	<u>226</u>	<u>243</u>	<u>243</u>
LIBRARY, COUNSELORS AND OTHERS				
Full time	-	3	3	3
Summer	-	-	-	-
Part time	5	4	3	3
	<u>5</u>	<u>4</u>	<u>3</u>	<u>3</u>
Total Library, Counselors and Others	<u>5</u>	<u>7</u>	<u>6</u>	<u>6</u>
Library	-	-	-	-
Counselors	-	-	-	-
Others	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Library, Counselors and Others	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADMINISTRATORS	<u>26</u>	<u>30</u>	<u>34</u>	<u>31</u>
CLASSIFIED EMPLOYEES	<u>121</u>	<u>121</u>	<u>113</u>	<u>114</u>
Total FTE employees	376	384	396	394
Student employee (1)	7	15	11	16
	<u>7</u>	<u>15</u>	<u>11</u>	<u>16</u>
Total FTE employees	<u>383</u>	<u>399</u>	<u>407</u>	<u>410</u>

(1) Student FTE are based upon 20 hours per week.

Data Source

College records

2013	2012	2011	2010	2009	2008
51	51	52	53	52	51
-	-	-	-	-	-
-	-	-	-	-	-
51	51	52	53	52	51
192	190	166	159	154	150
243	241	218	212	206	201
243	241	218	212	206	201
-	-	-	-	-	-
243	241	218	212	206	201
3	3	3	4	4	3
-	-	-	-	-	-
4	4	4	7	5	4
7	7	7	11	9	7
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
29	24	15	15	14	15
112	108	106	105	108	105
391	380	346	343	337	328
18	19	19	5	4	3
409	399	365	348	341	331

Morton College, Community College District No. 527
Operating Information (Unaudited)
Capital Assets Statistics
Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Capital asset type				
Land and improvements	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248
Building and building improvements	35,510,495	30,648,155	30,355,520	30,083,273
Furniture, fixtures and equipment	7,725,949	7,534,528	7,296,085	7,078,802
Construction in progress	-	4,602,737	807,330	-
	<u>45,836,692</u>	<u>45,385,668</u>	<u>41,059,183</u>	<u>39,762,323</u>
Total capital assets				
Less accumulated depreciation				
Building and building improvements	(15,372,978)	(14,118,355)	(12,606,188)	(11,350,048)
Furniture, fixtures and equipment	(4,911,611)	(4,295,895)	(3,740,020)	(3,198,741)
	<u>(20,284,589)</u>	<u>(18,414,250)</u>	<u>(16,346,208)</u>	<u>(14,548,789)</u>
Total accumulated depreciation				
Total net capital assets	<u>\$ 25,552,103</u>	<u>\$ 26,971,418</u>	<u>\$ 24,712,975</u>	<u>\$ 25,213,534</u>
Other information				
Capital additions	<u>\$ 451,024</u>	<u>\$ 4,326,485</u>	<u>\$ 1,296,860</u>	<u>\$ 4,999,201</u>
Depreciation expense	<u>\$ 1,870,339</u>	<u>\$ 2,068,042</u>	<u>\$ 1,797,419</u>	<u>\$ 1,761,597</u>

Data Source

College records

2013	2012	2011	2010	2009	2008
\$ 2,600,248	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248
24,237,896	23,718,767	23,380,951	23,293,440	23,103,524	22,263,455
6,634,673	6,126,427	5,242,349	1,832,742	1,980,273	2,052,200
<u>1,290,305</u>	<u>869,399</u>	<u>765,534</u>	<u>3,393,564</u>	<u>16,376</u>	<u>9,900</u>
<u>34,763,122</u>	<u>33,314,841</u>	<u>31,989,082</u>	<u>31,119,994</u>	<u>27,700,421</u>	<u>26,925,803</u>
(10,127,758)	(8,920,731)	(8,005,858)	(7,107,072)	(6,213,233)	(5,328,129)
<u>(2,659,434)</u>	<u>(2,421,445)</u>	<u>(1,899,090)</u>	<u>(1,347,162)</u>	<u>(1,397,780)</u>	<u>(1,437,305)</u>
<u>(12,787,192)</u>	<u>(11,342,176)</u>	<u>(9,904,948)</u>	<u>(8,454,234)</u>	<u>(7,611,013)</u>	<u>(6,765,434)</u>
<u>\$ 21,975,930</u>	<u>\$ 21,972,665</u>	<u>\$ 22,084,134</u>	<u>\$ 22,665,760</u>	<u>\$ 20,089,408</u>	<u>\$ 20,160,369</u>
<u>\$ 1,448,281</u>	<u>\$ 1,325,759</u>	<u>\$ 869,088</u>	<u>\$ 3,772,003</u>	<u>\$ 1,074,975</u>	<u>\$ 556,089</u>
<u>\$ 1,445,016</u>	<u>\$ 1,437,228</u>	<u>\$ 1,450,714</u>	<u>\$ 1,195,651</u>	<u>\$ 1,145,936</u>	<u>\$ 1,135,715</u>

Morton College, Community College District No. 527

Residency Policy

Year Ended June 30, 2017

The tuition rate is determined by the student's residence. Residence is defined as the place where a student lives and which a student intends to be his true permanent home. A student who temporarily moves into the District for the purpose of attending the College at a reduced tuition rate will not be considered as having established a true residence within the District.

The student must meet the following criteria to be considered a resident of the District: One must have occupied and/or owned a dwelling in the District for 30 days immediately prior to the start of classes and must demonstrate proof of District residency by providing at least two of the following acceptable proof of residency documents: Illinois driver's license, state I.D., automobile registration, property tax statement, voter registration card, lease or purchase agreement, matricula, utility or telephone bill. Acceptable proof of identification documents include Illinois driver's license, state I.D., matricula and passports.

A change from out-of-district to in-district status during a semester becomes effective no earlier than the following semester. Students who move in or out of the District during a semester are required to report their new residence to the Office of Admissions and Records.

District Residency Verification

1. High school transcripts are on-file for all degree-seeking in-district and in-state high school graduates.
2. Two forms of identification as listed above must be provided for any student who has mail returned, or who has been reported to reside outside of the District. A student's record will be restricted until this is verified. A photocopy of this documentation will be placed in the student file.

Contract Training

1. In-district companies many provide contract training for their employees at an in-district rate. Contract training is defined as specific coursework or enrollment in a specific degree/certificate program which is job-related as approved by the sponsoring in-district company. It infers the company will derive direct benefits as a result of the employee's training. The procedures are:
 - a. An authorized company representative must sign a contract training agreement form with Morton College for each employee to be trained verifying the courses approved as being related to their job.
 - b. The company is directly billed for the courses at in-district tuition rates.



SPECIAL REPORTS SECTION



MORTON COLLEGE

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017

State Required Report Section

Morton College, Community College District No. 527
All Funds Summary
Uniform Financial Statement Number 1
Year Ended June 30, 2017

	Education Fund	Operation and Maintenance Fund	Operation and Maintenance Fund (Restricted)	Auxiliary Enterprises Fund	Restricted Purposes Fund
Account balance at July 1, 2016	\$ 2,936,948	\$ 722,722	\$ (239,486)	\$ 1,198,760	\$ 3,871
Revenues					
Local tax revenue	6,923,933	1,449,965	-	-	-
All other local revenue	-	-	-	-	11,625
ICCB grants	5,926,442	-	-	-	481,353
All other state revenue	677,235	677,235	176,317	-	10,541,740
Federal revenue	-	-	-	-	8,651,665
Student tuition and fees	8,749,657	1,085,913	-	-	-
All other revenue	176,951	15,288	-	1,559,190	-
Total revenues	<u>22,454,218</u>	<u>3,228,401</u>	<u>176,317</u>	<u>1,559,190</u>	<u>19,686,383</u>
Expenditures					
Instruction	8,911,514	-	-	-	6,890,440
Academic support	1,780,531	-	-	-	786,700
Student services	2,081,761	-	-	-	968,732
Public service/continuing education	284,543	-	-	-	844,952
Auxiliary services	684,254	-	-	1,531,842	242,440
Operation and maintenance of plant	-	3,176,396	596,052	-	1,052,728
Institutional support	5,008,585	-	-	-	1,475,983
Scholarships, student grants and waivers	1,421,136	-	-	-	7,413,756
Debt service	-	-	-	-	-
Depreciation	-	-	-	-	-
Total expenditures	<u>20,172,324</u>	<u>3,176,396</u>	<u>596,052</u>	<u>1,531,842</u>	<u>19,675,731</u>
Operation transfers in	208,000	10,650	423,428	-	-
Operation transfers out	443,428	-	-	200,000	10,650
Account balance at June 30, 2017	<u>\$ 4,983,414</u>	<u>\$ 785,377</u>	<u>\$ (235,793)</u>	<u>\$ 1,026,108</u>	<u>\$ 3,873</u>

Bond Retirement Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Investment in Plant	Total
<u>\$ 1,011,459</u>	<u>\$ 9,392,979</u>	<u>\$ (39,554)</u>	<u>\$ 1,413,980</u>	<u>\$ 22,533,800</u>	<u>\$ 38,935,479</u>
556,811	-	118,851	714,340	-	9,763,900
-	-	-	-	-	11,625
-	-	-	-	-	6,407,795
-	-	-	-	-	12,072,527
-	-	-	-	-	8,651,665
-	-	-	-	-	9,835,570
<u>11</u>	<u>57,469</u>	<u>3</u>	<u>4</u>	<u>(16,847)</u>	<u>1,792,069</u>
<u>556,822</u>	<u>57,469</u>	<u>118,854</u>	<u>714,344</u>	<u>(16,847)</u>	<u>48,535,151</u>
-	-	-	134,683	(208,267)	15,728,370
-	-	-	17,983	-	2,585,214
-	-	-	22,371	-	3,072,864
-	-	-	5,141	-	1,134,636
-	-	-	4,620	-	2,463,156
-	-	-	24,959	(242,758)	4,607,377
-	-	82,400	469,606	-	7,036,574
-	-	-	-	-	8,834,892
601,861	-	-	-	(423,987)	177,874
-	-	-	-	1,870,339	1,870,339
<u>601,861</u>	<u>-</u>	<u>82,400</u>	<u>679,363</u>	<u>995,327</u>	<u>47,511,296</u>
-	-	20,000	-	-	662,078
-	8,000	-	-	-	662,078
<u>\$ 966,420</u>	<u>\$ 9,442,448</u>	<u>\$ 16,900</u>	<u>\$ 1,448,961</u>	<u>\$ 21,521,626</u>	<u>\$ 39,959,334</u>

Morton College, Community College District No. 527
Summary of Capital Assets and Debt
Uniform Financial Statement Number 2
Year Ended June 30, 2017

	Capital Asset/Debt July 1, 2016	Additions	Disposals	Transfers	Capital Asset/Debt June 30, 2017
Capital asset type					
Land and improvements	\$ 2,600,248	\$ -	\$ -	\$ -	\$ 2,600,248
Building and building improvements	30,648,155	259,603	-	4,602,737	35,510,495
Furniture, fixtures and equipment	7,534,528	191,421	-	-	7,725,949
Construction in progress	<u>4,602,737</u>	<u>-</u>	<u>-</u>	<u>(4,602,737)</u>	<u>-</u>
Total capital assets	45,385,668	451,024	-	-	45,836,692
Less accumulated depreciation	<u>(18,414,250)</u>	<u>(1,870,339)</u>	<u>-</u>	<u>-</u>	<u>(20,284,589)</u>
Total net capital assets	<u>\$ 26,971,418</u>	<u>\$ (1,419,315)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,552,103</u>
Debt					
Total debt	<u>\$ 4,390,727</u>	<u>\$ 16,847</u>	<u>\$ (544,189)</u>	<u>\$ -</u>	<u>\$ 3,863,385</u>

Morton College, Community College District No. 527
Operating Funds Revenues and Expenditures
Uniform Financial Statement Number 3
Year Ended June 30, 2017

	Education Fund	Operation and Maintenance Fund	Total Operating Funds
Operating revenues, by source			
Local government			
Taxes	\$ 6,923,933	\$ 1,449,965	\$ 8,373,898
Chargeback revenue			
Other community colleges	-	-	-
Total local government	<u>6,923,933</u>	<u>1,449,965</u>	<u>8,373,898</u>
State government			
ICCB credit hour grants	1,950,958	-	1,950,958
ICCB equalization grants	3,703,131	-	3,703,131
ICCB vocational education	-	-	-
ICCB CTE formula	272,353	-	272,353
Corporate personal property replacement taxes	677,235	677,235	1,354,470
Total state government	<u>6,603,677</u>	<u>677,235</u>	<u>7,280,912</u>
Student tuition and fees			
Tuition	7,107,847	-	7,107,847
Fees	1,641,810	1,085,913	2,727,723
Total student tuition and fees	<u>8,749,657</u>	<u>1,085,913</u>	<u>9,835,570</u>
Other sources			
Sales and service fees	95,250	-	95,250
Facilities rental	-	13,260	13,260
Investment revenue	36,119	1,783	37,902
Other sources	45,582	245	45,827
Total other sources	<u>176,951</u>	<u>15,288</u>	<u>192,239</u>
Total revenue	22,454,218	3,228,401	25,682,619
Less nonoperating items*			
Tuition chargeback revenue	-	-	-
Adjusted revenue	<u>\$ 22,454,218</u>	<u>\$ 3,228,401</u>	<u>\$ 25,682,619</u>

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

Morton College, Community College District No. 527
Operating Funds Revenues and Expenditures
Uniform Financial Statement Number 3
Year Ended June 30, 2017

	Education Fund	Operation and Maintenance Fund	Total Operating Funds
Operating expenditures			
By program			
Instruction	\$ 8,911,514	\$ -	\$ 8,911,514
Academic support	1,780,531	-	1,780,531
Student services	2,081,761	-	2,081,761
Public service/continuing education	284,543	-	284,543
Auxiliary services	684,254	-	684,254
Operation and maintenance of plant	-	3,176,396	3,176,396
Institutional support	5,008,585	-	5,008,585
Scholarships, student grants and waivers	1,380,005	-	1,380,005
Total operating expenditures, by program	<u>20,131,193</u>	<u>3,176,396</u>	<u>23,307,589</u>
Total operating items*			
Tuition chargeback revenue	<u>41,131</u>	<u>-</u>	<u>41,131</u>
Adjusted expenditures	<u>20,172,324</u>	<u>3,176,396</u>	<u>23,348,720</u>
By object			
Salaries	13,498,095	1,700,945	15,199,040
Employee benefits	1,513,085	208,268	1,721,353
Contractual services	2,508,859	332,452	2,841,311
General materials and supplies	832,434	120,544	952,978
Conference and meeting expenses	318,801	5,093	323,894
Fixed charges	6,587	-	6,587
Utilities	-	795,011	795,011
Capital outlay	61,307	14,083	75,390
Student grants and scholarships	1,328,338	-	1,328,338
Other	63,687	-	63,687
Total operating expenditures, by object	<u>20,131,193</u>	<u>3,176,396</u>	<u>23,307,589</u>
Less operating items*			
Tuition chargeback revenue	<u>41,131</u>	<u>-</u>	<u>41,131</u>
Adjusted expenditures	<u>\$ 20,172,324</u>	<u>\$ 3,176,396</u>	<u>\$ 23,348,720</u>

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

Morton College, Community College District No. 527
Restricted Purposes Fund Revenues and Expenditures
Uniform Financial Statement Number 4
Year Ended June 30, 2017

Restricted purposes fund revenues, by source	
Local government	\$ 11,625
Other	
State government	
ICCB vocational education	14,399
ICCB adult education	466,954
Other state revenue	10,541,740
Total state government	<u>11,023,093</u>
Federal government	
Department of Education	8,646,530
Department of Agriculture	5,135
Total federal government	<u>8,651,665</u>
Total restricted purposes fund revenues, by source	<u>\$ 19,686,383</u>
Restricted purposes fund expenditures, by program	
Instruction	\$ 6,890,440
Academic support	786,700
Student services	968,732
Public service/continuing education	844,952
Auxiliary services	242,440
Operation and maintenance of plant	1,052,728
Institutional support	1,475,983
Scholarships, student grants and waivers	<u>7,413,756</u>
Total restricted purposes fund expenditures, by program	<u>\$ 19,675,731</u>
Restricted purposes fund expenditures, by object	
Salaries	\$ 1,122,648
Employee benefits	10,414,369
Contractual services	466,294
General materials and supplies	190,161
Conference and meeting expenses	36,026
Capital outlay	32,477
Student grants and scholarships	<u>7,413,756</u>
Total restricted purposes fund expenditures, by object	<u>\$ 19,675,731</u>

Morton College, Community College District No. 527
Current Funds – Expenditures by Activity
Uniform Financial Statement Number 5
Year Ended June 30, 2017

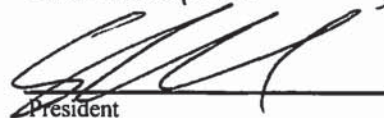
Instruction	
Instruction programs	\$ 8,911,514
Other	<u>7,025,123</u>
Total instruction	<u>15,936,637</u>
Academic support	
Library center	507,693
Instructional materials center	163,733
Other	<u>1,913,788</u>
Total academic support	<u>2,585,214</u>
Student services support	
Admissions and records	442,911
Counseling and career services	988,869
Financial aid administration	326,604
Other student services support	<u>1,314,480</u>
Total student services and support	<u>3,072,864</u>
Public service/continuing education	
Community education	282,057
Community services	2,486
Other	<u>850,093</u>
Total public service/continuing education	<u>1,134,636</u>
Auxiliary services	<u>2,463,156</u>
Operation and maintenance	
Maintenance	467,755
Custodial services	655,609
Grounds	157,838
Campus security	930,920
Plant utilities	795,011
Administration	<u>1,246,950</u>
Total operation and maintenance	<u>4,254,083</u>
Institutional support	
Executive management	1,053,562
Fiscal operations	624,325
Community relations	377,421
Administration support services	379,412
Board of Trustees	84,570
General institutional	1,071,429
Administrative data processing	1,951,561
Other	<u>1,494,294</u>
Total institutional support	<u>7,036,574</u>
Scholarship, student grants and waivers	<u>8,834,892</u>
Total current funds expenditures	<u>\$ 45,318,056</u>

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

Morton College, Community College District No. 527
Fiscal Year 2017 Certification of Chargeback Reimbursement
Year Ended June 30, 2017

All Fiscal Year 2017 noncapital audited operating expenditures from the following funds	
Education Fund	\$ 20,111,017
Operations and Maintenance Fund	3,162,312
Operations and Maintenance Fund (restricted)	252,892
Bond Retirement Fund	395,000
Restricted Purposes Fund	9,286,915
Audit Fund	82,400
Liability, Protection, and Settlement Fund	679,363
Auxiliary Enterprise Fund	27,351
Total noncapital expenditures	<u>33,997,250</u>
Depreciation on capital outlay expenses paid from sources other than state and federal funds	<u>1,426,941</u>
Total costs included	<u>\$ 35,424,191</u>
Total certified semester credit hours	<u>77,548</u>
Per capita cost per semester credit hour	<u>\$ 456.80</u>
All Fiscal Year 2017 state and federal operation grants for noncapital expenses, except ICCB grants	\$ 13,285,629
Fiscal Year 2017 state and federal grants per semester credit hour	171.32
District's average ICCB grant rate for fiscal year 2018	25.14
District's student tuition and fees per semester credit hour for fiscal year 2017	\$ 128.00
Chargeback reimbursement per semester credit hour	\$ 132.34

Approved:  10/13/17
 Chief Financial Officer Date

Approved:  10-13-17
 President Date

State Grant Compliance Section

Independent Auditor's Report

Board of Trustees
Morton College, Community College
District No. 527
Cicero, Illinois

Report on the Financial Statements

We have audited the accompanying balance sheets of the Morton College, Community College District No. 527 (College) State Adult Education and Family Literacy Grant Program (State Basic, and Performance) (Grant Programs), as of June 30, 2017, and the related statements of revenues, expenditures and changes in program balances for the year then ended and the related notes to the financial statements, which collectively comprise the Grant Programs' financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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 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.

Board of Trustees
Morton College, Community College
District No. 527

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College's Grant Programs as of June 30, 2017, and the respective changes in program balances for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the financial statements present only the Grant Programs, and do not purport to, and do not, present fairly the financial position of the College as of June 30, 2017, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Grant Programs' financial statements. The other supplementary information on "Expenditure Amount and Percentages for ICCB Grant Funds Only" schedule is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information on "Expenditure Amount and Percentages for ICCB Grant Funds Only" schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information on "Expenditure Amount and Percentages for ICCB Grant Funds Only" schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Board of Trustees
Morton College, Community College
District No. 527

Report of Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued a report dated October 16, 2017, 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, 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 Grant Programs' internal control over financial reporting and compliance.

BKD, LLP

Oakbrook Terrace, Illinois
October 16, 2017

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Grant Program Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Trustees
Morton College, Community College
District No. 527
Cicero, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the guidelines of the Illinois Community College Board *Fiscal Management Manual*, the financial statements of the Morton College, Community College District No. 527 (College) State Adult Education and Family Literacy Grant (State Basic, and Performance - Grant Programs) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Grant Programs' financial statements, and have issued our report thereon, dated October 16, 2017. As described in Note 1, these financial statements present only the Grant Programs, and do not purport to, and do not, present fairly the financial position of the College as of June 30, 2017, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

Board of Trustees
Morton College, Community College
District No. 527

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

Compliance and Other Matters

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

Purpose of This Report

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

BKD, LLP

Oakbrook Terrace, Illinois
October 16, 2017

**State Adult Education and
Family Literacy Grant Program**

Morton College, Community College District No. 527

State Adult Education and Family Literacy Grant Program

(State Basic and Performance)

Balance Sheet

June 30, 2017

	<u>State Basic</u>	<u>Performance</u>	<u>Total (Memorandum Only)</u>
Assets			
Receivables	\$ 92,027	\$ 195,856	\$ 287,883
	<u>\$ 92,027</u>	<u>\$ 195,856</u>	<u>\$ 287,883</u>
Liabilities and Program Balance			
Liabilities			
Accrued salaries	\$ 878	\$ 1,692	\$ 2,570
Due to other funds	91,149	194,164	285,313
Total liabilities	92,027	195,856	287,883
Program Balance	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 92,027</u>	<u>\$ 195,856</u>	<u>\$ 287,883</u>

Morton College, Community College District No. 527
State Adult Education and Family Literacy Grant Program
(State Basic and Performance)
Statement of Revenues, Expenditures and Changes in Program Balances
Year Ended June 30, 2017

	State Basic	Performance	Total (Memorandum Only)
Revenues			
Illinois Community College Board Grant	\$ 226,418	\$ 240,537	\$ 466,955
Expenditures			
Instructional and student services			
Instruction	213,165	48,015	261,180
Social work services	1,981	650	2,631
Guidance services	9,945	23,344	33,289
Assessment and testing	1,327	12,492	13,819
Student transportation services	-	-	-
Literacy services	-	-	-
Child care services	-	-	-
Total instructional and student services	<u>226,418</u>	<u>84,501</u>	<u>310,919</u>
Program support			
Improvement of instructional service	-	48,063	48,063
General administration	-	6,306	6,306
Data and informational service	-	101,667	101,667
Total program support	<u>-</u>	<u>156,036</u>	<u>156,036</u>
Total expenditures	<u>226,418</u>	<u>240,537</u>	<u>466,955</u>
Excess of Revenues Over Expenditures	-	-	-
Program Balance			
Beginning balance - July 1, 2016	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Morton College, Community College District No. 527
ICCB Compliance Statement for the
Adult and Family Literacy Grant Program
Expenditure Amounts and Percentages for ICCB Grant Funds Only
Year Ended June 30, 2017

State Basic	Audited Financial Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$ 213,165	94%
General administration (15% maximum allowed)	-	0%

Morton College, Community College District No. 527
Notes to Financial Statements
June 30, 2017

Note 1: Description of Programs

The following grants received from the Illinois Community College Board (ICCB) are administered by Morton College - Community College District No. 527 (College). The accompanying statements include only those transactions resulting from the State Adult Education and Family Literacy Grant. These transactions have been accounted for in the College's Restricted Purposes Fund. Because the financial statements of the ICCB grant programs presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows, if applicable, of the College.

State Adult Education and Family Literacy Grant

This grant is intended to assist adults to become literate, obtain the knowledge and skills necessary for employment and self-sufficiency, become full partners in the educational development of their children and completion of secondary school education.

Note 2: Basis of Presentation and Significant Accounting Policies

ICCB Grant Programs

The financial statements of the ICCB grant programs have been prepared on the modified accrual basis of accounting. Expenditures included all accounts payable representing liabilities for goods and services actually received as of June 30, 2017. Amounts received from ICCB are recognized as revenues when the corresponding expenditures are incurred.

Funds obligated for goods and services by June 30, 2017, and paid for by August 31, 2017, are recorded as unearned revenue. Payments of prior year's encumbrances for goods received prior to August 31, 2016, are reflected as expenditures during the current fiscal year.

Accounts Receivable

The College's accounts receivable are comprised of amounts committed from the State of Illinois for the Adult Education program. Management reviews all the accounts receivable as of June 30, and establishes an allowance for doubtful accounts based on specific assessment of each account as necessary. There was no allowance as of June 30, 2017.

Enrollment Data

Independent Accountant's Report on Schedule of Enrollment Data and Other Basis Upon Which Claims Were Filed

Board of Trustees
Morton College, Community College
District No. 527
Cicero, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Basis Upon Which Claims Were Filed (Schedule) of Morton College, Community College District No. 527 for the year ended June 30, 2017. Morton College, Community College District No. 527's management is responsible for the Schedule. Our responsibility is to express an opinion on the Schedule based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*; and accordingly, including examining, on a test basis, evidence supporting the Schedule and performing such other procedures as we consider necessary in the circumstances. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the accompanying Schedule of Enrollment Data and Other Basis Upon Which Claims Were Filed is fairly presented, in all material respects, in accordance with the provisions of the aforementioned guidelines for the year ended June 30, 2017.

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

BKD, LLP

Oakbrook Terrace, Illinois
October 16, 2017

Morton College, Community College District No. 527
Schedule of Enrollment Data and Other Basis Upon Which
Claims Were Filed With the Illinois Community College Board
Year Ended June 30, 2017


	Total Certified Restricted Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	-	-	-	-
Business occupation	-	-	-	-
Technical occupational	-	-	-	-
Health occupational	-	-	-	-
Remedial development	-	-	-	-
Adult basic education/adult secondary education	645.5	3,593.5	3,967.5	8,206.5
Total credit hours certified	645.5	3,593.5	3,967.5	8,206.5

	Summer	Fall	Spring	Total
Reimbursable in-District residents	521.5	3,137.5	3,412.5	7,071.5

	Total Restricted Certified Correctional Semester Credit			
	Summer	Fall	Spring	Total
Baccalaureate	-	-	-	-
Business occupation	-	-	-	-
Technical occupational	-	-	-	-
Health occupational	-	-	-	-
Remedial development	-	-	-	-
Adult basic education/adult secondary education	-	-	-	-
Total credit hours certified	-	-	-	-

	Total Restricted Certified Correctional Semester Credit			
	Summer	Fall	Spring	Total
Adult basic education/adult secondary education	-	-	-	-
Total credit hours certified	-	-	-	-

Approved:  10/13/17
 Chief Financial Officer Date

Approved:  10-13-17
 President Date

Morton College, Community College District No. 527
Schedule of Enrollment Data and Other Basis Upon Which
Claims Were Filed With the Illinois Community College Board
Year Ended June 30, 2017

	Total Certified Unrestricted Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	4,331.0	22,920.0	21,861.0	49,112.0
Business occupation	136.0	1,793.0	1,843.0	3,772.0
Technical occupational	186.0	1,524.0	1,987.0	3,697.0
Health occupational	150.0	2,521.0	2,147.0	4,818.0
Remedial development	672.0	3,961.0	3,088.0	7,721.0
Adult basic education/adult secondary education	-	-	-	-
Total credit hours certified	5,475.0	32,719.0	30,926.0	69,120.0

	Summer	Fall	Spring	Total
Reimbursable in-District residents	4,850.0	28,681.0	27,419.0	60,950.0
Reimbursable out-of-District chargeback or contractual agreement	46.0	90.0	85.0	221.0
	4,896.0	28,771.0	27,504.0	61,171.0

	Total Unrestricted Certified Correctional Semester Credit			
	Summer	Fall	Spring	Total
Baccalaureate	-	-	-	-
Business occupation	-	-	-	-
Technical occupational	-	-	-	-
Health occupational	-	-	-	-
Remedial development	-	-	-	-
Adult basic education/adult secondary education	-	-	-	-
Total credit hours certified	-	-	-	-

	Summary of Certified Dual Credit and Dual Enrollment			
	Summer	Fall	Spring	Total
Dual credit	-	546.0	1,594.0	2,140.0
Total	-	546.0	1,594.0	2,140.0

Approved:  10/13/17
 Chief Financial Officer Date

Approved:  10.15.17
 President Date

Morton College, Community College District No. 527
Schedule of Enrollment Data and Other Basis Upon Which
Claims Were Filed With the Illinois Community College Board
Year Ended June 30, 2017

	Total Reimbursable Credit Hours	Total Reimbursable Credit Hours Certified to the ICCB	Difference
Baccalaureate	49,112.0	49,112.0	-
Business occupation	3,772.0	3,772.0	-
Technical occupational	3,697.0	3,697.0	-
Health occupational	4,818.0	4,818.0	-
Remedial development	7,721.0	7,721.0	-
Adult basic education/adult secondary education	8,206.5	8,206.5	-
Total credit hours certified	77,326.5	77,326.5	-

	Total Attending	Total Attending as Certified to the ICCB	Difference
Reimbursable in-District residents	68,021.5	68,021.5	-
Reimbursable out-of-District chargeback or contractual agreement	221.0	221.0	-
	68,242.5	68,242.5	-

Certified Correctional Credit Hours			
	Total Reimbursable Credit Hours	Total Reimbursable Credit Hours Certified to the ICCB	Difference
Baccalaureate	-	-	-
Business occupation	-	-	-
Technical occupational	-	-	-
Health occupational	-	-	-
Remedial development	-	-	-
Adult basic education/adult secondary education	-	-	-
Total credit hours certified	-	-	-

Morton College, Community College District No. 527
Schedule of Enrollment Data and Other Basis Upon Which
Claims Were Filed With the Illinois Community College Board
Year Ended June 30, 2017

	Total Reimbursable Credit Hours	Total Reimbursable Credit Hours Certified to the ICCB	Difference
Dual credit	-	-	-
Dual enrollment	-	-	-
Total	-	-	-