

MORTON COLLEGE

District 527 | Cicero, Illinois



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2015



Morton College – Community College District No 527

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INTRODUCTORY SECTION



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2015



Morton College - Community College District No. 527

October 13, 2015

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, 2015, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest 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.

Morton College - Community College District No. 527

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				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Transfer Program	1,885	1,936	2,052	1,927	1,829
Career Programs	1,622	1,554	1,674	1,765	1,468
Liberal Studies	439	454	467	372	208
Course Enrollees	1,456	1,682	1,976	2,070	2,348
Adult Education/ESL	<u>1,714</u>	<u>1,883</u>	<u>1,814</u>	<u>2,264</u>	<u>2,483</u>
Total	<u>7,116</u>	<u>7,509</u>	<u>7,983</u>	<u>8,398</u>	<u>8,336</u>
Total FTE	<u>3,009</u>	<u>3,114</u>	<u>3,229</u>	<u>3,356</u>	<u>3,177</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.

Morton College - Community College District No. 527

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.

FUND GROUP	FUND
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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assessed valuation (in millions)		<u>1,434</u>	<u>1,538</u>	<u>1,641</u>	<u>\$ 1,784</u>	<u>\$ 2,305</u>
	Legal Limit					
Tax Rates						
Education Fund	0.7500	0.4711	0.4226	0.3866	0.3396	0.2552
Operation and Maintenance Fund	0.1000	0.1000	0.1000	0.1000	0.1000	0.0887
Operation and Maintenance Fund (restricted)	0.0500		-		-	-
Bond and interest	-	0.0448	0.0413	0.0273	0.0251	0.0196
Life Safety Fund	0.0500				-	-
Liability Insurance Fund	-	0.0399	0.0321	0.0263	0.0248	0.0173
Social Security Fund	-	0.0145	0.0115	0.0105	0.0093	0.0069
Audit Fund	<u>0.0050</u>	<u>0.0050</u>	<u>0.0050</u>	<u>0.0050</u>	<u>0.0050</u>	<u>0.0036</u>
Total		<u>0.9550</u>	<u>0.6753</u>	<u>0.6125</u>	<u>0.5557</u>	<u>0.5038</u>
		<u>0.3913</u>				

The assessed value of taxable property for 2014, for taxes collectible in 2015, is \$1,434,851,128.

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.

Morton College - Community College District No. 527

PROSPECTS FOR THE FUTURE

The College's financial outlook for the future continues to be stable.

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, 2015, \$4,315,000 was outstanding and during fiscal year ended June 30, 2014, \$430,000 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, 2014. 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 Plante & Moran, PLLC 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,

/s/ Mireya Perez

Mireya Perez
Chief Financial Officer

/s/ Muddassir Siddiqi

Muddassir Siddiqi
Interim President

Morton College - Community College District No. 527

PRINCIPAL OFFICIALS

June 30, 2015

BOARD OF TRUSTEES

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

ADMINISTRATION

Muddassir Siddiqi – Provost and Interim President

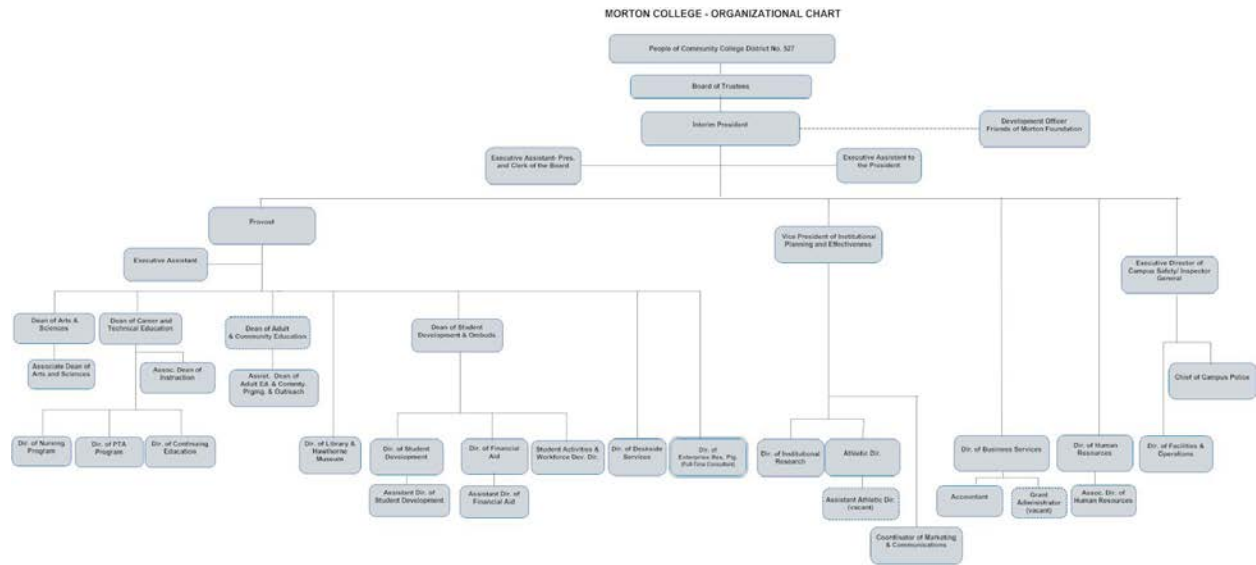
Dr. Keith McLaughlin – Vice President of Institutional Planning and Effectiveness
Derek Shouba – Dean of Arts and Sciences

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

DEPARTMENT ISSUING REPORT

Business Office

Morton College - Community College District No. 527



Revised
July 22, 2015



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, 2014

Executive Director/CEO

FINANCIAL SECTION



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2015



Independent Auditor's Report

To the 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 (the "College"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Morton College - Community College District No. 527'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.

To the Board of Trustees
Morton College - Community College District No. 527

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Morton College - Community College District No. 527 as of June 30, 2015 and the respective changes in its financial position and cash flows, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2014 the College adopted new accounting guidance under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 is an amendment to Statement No. 27. In accordance with Statement No. 68, the College is now recognizing its unfunded pension benefit obligation as a liability on the statement of net position for the first time. This Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). Our opinion is not modified with respect to this matter.

Report on Prior Year Financial Statements and Restatement

The financial statements of Morton College - Community College District No. 527 as of June 30, 2014 were audited by other auditors, whose report dated January 9, 2015 expressed an unmodified opinion on those statements.

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, schedule of the College's proportionate share of the net pension liability, and schedule of the 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.

To the Board of Trustees
Morton College - Community College District No. 527

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The introductory section, statistical section, and special reports section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section, statistical section, and special reports section 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Morton College - Community College District No. 527 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.

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 13, 2015 on our consideration of Morton College - Community College District No. 527'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 Morton College - Community College District No. 527's internal control over financial reporting and compliance.

Plante & Morse, PLLC

October 13, 2015

Morton College - Community College District No. 527

Management's Discussion and Analysis - 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, 2015, and June 30, 2014. 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 iv-viii), the College's basic financial statements (pages 13-16) and the footnotes (pages 17-40). 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 13-16) 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)

	2015	2014	Increase (Decrease)	2013	Increase (Decrease)
Current assets	\$ 29.4	\$ 28.9	\$ 0.5	\$ 29.7	\$ (0.8)
Non-current assets:					
Restricted cash & long term investments	3.6	0.1	3.5	1.3	(1.2)
Capital assets, net of depreciation	24.7	25.2	(0.5)	22.0	3.2
Total assets	57.7	54.2	3.5	53.0	1.2
Deferred outflows of resources - unamort loss on refunding	0.3	0.3	-	-	-
Current liabilities	8.0	4.5	3.5	4.9	(0.4)
Non-current liabilities	4.4	4.9	(0.5)	4.8	0.1
Total liabilities	12.4	9.4	3.0	9.7	(0.3)
Deferred inflows of resources - unearned property taxes	5.0	5.0	-	4.8	0.2
Net assets:					
Investment in capital assets	19.5	20.0	(0.5)	16.8	3.2
Restricted	11.7	10.5	1.2	11.6	(1.1)
Unrestricted	9.4	9.6	(0.2)	9.9	(0.3)
Total net assets	\$ 40.6	\$ 40.1	\$ 0.5	\$ 38.3	\$ 1.8

Morton College - Community College District No. 527

Management's Discussion and Analysis - Unaudited (Continued)

This schedule was prepared from the College's statements of net position (page 13), which is presented on an accrual basis of accounting.

2015

Total net position, at June 30, 2015 increased by \$.5 million compared to fiscal year 2014 bringing it to \$40.6 million. The following are key changes by fund: a decrease in Instruction for \$1.1 million, an increase in Institutional Support for \$1.4 million, and an increase in Operations and Maintenance of plant for \$2.1 million.

2014

Total net position at June 30, 2014 increased by \$1.8 million compared to fiscal year 2013 bringing it to \$40.1 million. The following are key changes by fund: a decrease of \$1.4 million in the Education Fund, a decrease of \$0.5 million in the Operations and Maintenance Fund, a decrease of \$0.3 million in the Operations and Maintenance Fund (Restricted), an increase of \$0.3 million in the Liability, Protection, and Settlement Funds and an increase of \$3.8 million in the Investment in Plant.

Morton College - Community College District No. 527

Management's Discussion and Analysis - Unaudited (Continued)

The change in Net Position is explained on page 10 after the Analysis of Net Position schedule.

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

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Operating revenues					
Tuition and fees	\$ 9.8	\$ 9.4	\$ 0.4	\$ 10.2	\$ (0.8)
Scholarship allowance	(5.7)	(6.0)	0.3	(6.1)	0.1
Auxiliary and other	1.9	2.0	(0.1)	2.2	(0.2)
Total	<u>6.0</u>	<u>5.4</u>	<u>0.6</u>	<u>6.3</u>	<u>(0.9)</u>
Less operating expenses	<u>38.5</u>	<u>36.1</u>	<u>2.4</u>	<u>36.2</u>	<u>(0.1)</u>
Net operating loss	<u>(32.5)</u>	<u>(30.7)</u>	<u>(1.8)</u>	<u>(29.9)</u>	<u>(0.8)</u>
Non-operating revenues & expenses					
Property taxes	9.3	8.3	1.0	8.2	0.1
State grants and contracts	14.4	14.5	(0.1)	12.8	1.7
Federal grants and contracts	9.5	9.9	(0.4)	10.9	(1.0)
Interest expense	(0.2)	(0.2)	-	(0.4)	0.2
Local grants and contracts	-	-	-	0.2	(0.2)
Investment income	-	-	-	-	-
Total	<u>33.0</u>	<u>32.5</u>	<u>0.5</u>	<u>31.7</u>	<u>0.8</u>
Increase in net assets	0.5	1.8	(1.3)	1.8	-
Net assets, beginning of year	<u>40.1</u>	<u>38.3</u>	<u>1.8</u>	<u>36.5</u>	<u>1.8</u>
Net assets, end of year	<u>\$ 40.6</u>	<u>\$ 40.1</u>	<u>\$ 0.5</u>	<u>\$ 38.3</u>	<u>\$ 1.8</u>
Total revenues	<u>\$ 39.2</u>	<u>\$ 38.1</u>	<u>\$ 1.1</u>	<u>\$ 38.4</u>	<u>\$ (0.3)</u>
Total expenses	<u>\$ 38.7</u>	<u>\$ 36.3</u>	<u>\$ 2.4</u>	<u>\$ 36.6</u>	<u>\$ (0.3)</u>

2015

Net operating loss, for the 12 months ended June 30, 2015, increased to \$32.5 million from \$30.7 million in 2014 mainly due to changes in expenses which include: a decrease in Instruction for \$1.1 million, an increase in Institutional Support for \$1.4 million, and an increase in Operations and Maintenance of plant for \$2.1 million.

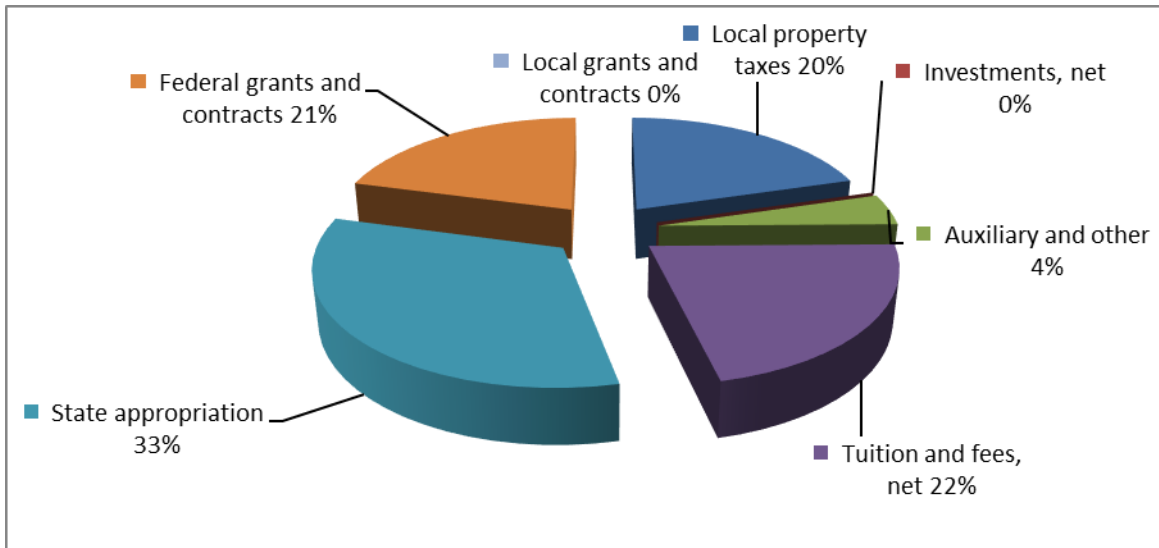
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Management's Discussion and Analysis - Unaudited (Continued)

2014

Net operating loss, for the 12 months ended June 30, 2014, increased to \$30.7 million from \$29.9 million in 2013 mainly due to changes in expenses which include: an increase in Instruction for \$2.5 million, an increase in Student Services for \$0.4 million, an increase in Depreciation of \$0.4 million, a decrease in Operations and Maintenance of plant for \$1.5 million, and a decrease in Scholarships and Fellowships for \$1.8 million.

Revenues by Source (2015):



Morton College - Community College District No. 527

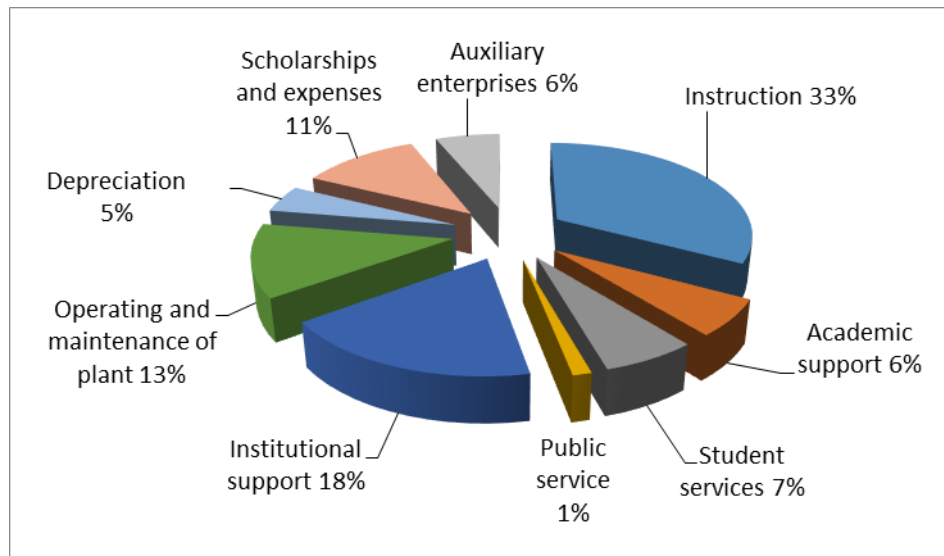
Management's Discussion and Analysis - Unaudited (Continued)

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

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Instruction	\$ 12.6	\$ 13.7	\$ (1.1)	\$ 11.2	\$ 2.5
Academic support	2.4	2.3	0.1	2.1	0.2
Student services	2.5	2.5	-	2.1	0.4
Public service	0.5	0.5	-	0.5	-
Institutional support	7.0	5.6	1.4	5.9	(0.3)
Operating and maintenance of plant	4.8	2.7	2.1	4.2	(1.5)
Depreciation	1.8	1.8	-	1.4	0.4
Scholarships and fellowships	4.4	4.4	-	6.2	(1.8)
Auxiliary enterprises	2.4	2.6	(0.2)	2.6	-
Total	<u>\$ 38.4</u>	<u>\$ 36.1</u>	<u>\$ 2.3</u>	<u>\$ 36.2</u>	<u>\$ (0.1)</u>

The following is a graphic illustration of operating expenses:

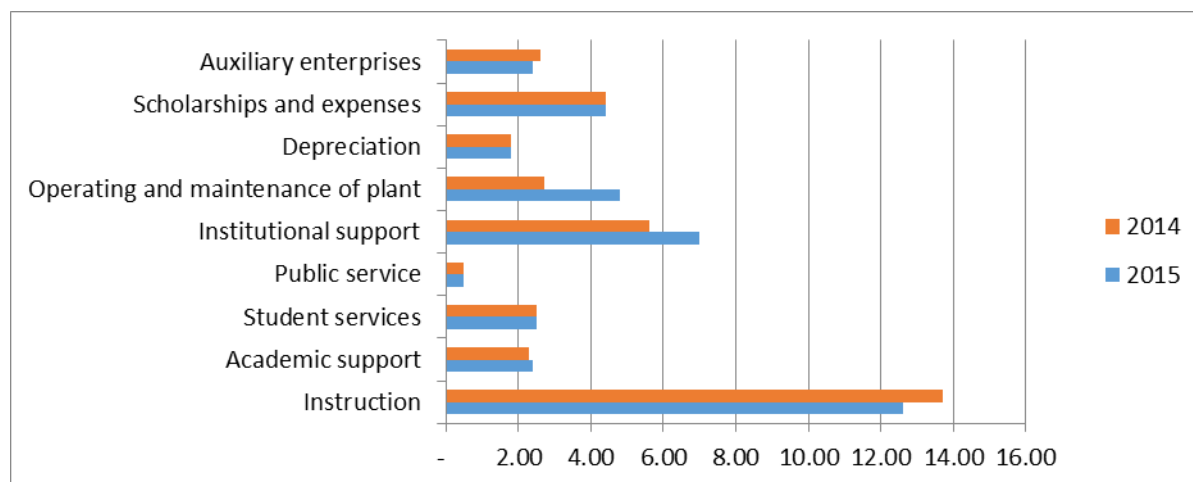
Operating Expenses by Function (2015):



Morton College - Community College District No. 527

Management's Discussion and Analysis - Unaudited (Continued)

Comparison of Operating Expenses Fiscal Years 2015 and 2014 (in millions):



2015

Total operating expenses increased to \$38.4 million from \$36.1 million mainly due to the following: a decrease in Instruction for \$1.1 million, an increase in Institutional Support for \$1.4 million, and an increase in Operations and Maintenance of plant for \$2.1 million.

2014

Total operating expenses decreased to \$36.1 million from \$36.2 million mainly due to the following: an increase in Instruction for \$2.5 million, an increase in Academic Support for \$0.2 million, a decrease in Operating and Maintenance of plant of \$1.5 million, a decrease in Institutional Support for \$0.3 million, an increase in Student Services for \$0.4 million, and a decrease in Scholarship and Fellowships expense of \$1.8 million.

Analysis of Net Position

June 30,
(In millions)

	<u>2015</u>	<u>2014</u>	<u>Increase (decrease)</u>	<u>2013</u>	<u>Increase (decrease)</u>
Net position:					
Net investment in capital assets	\$ 19.5	\$ 20.0	\$ (0.5)	\$ 16.8	\$ 3.2
Restricted expendable	11.7	10.5	1.2	11.6	\$ (1.1)
Unrestricted	9.4	9.6	(0.2)	9.9	\$ (0.3)
Total	<u>\$ 40.6</u>	<u>\$ 40.1</u>	<u>\$ 0.5</u>	<u>\$ 38.3</u>	<u>\$ 1.8</u>

Morton College - Community College District No. 527

Management's Discussion and Analysis - Unaudited (Continued)

2015

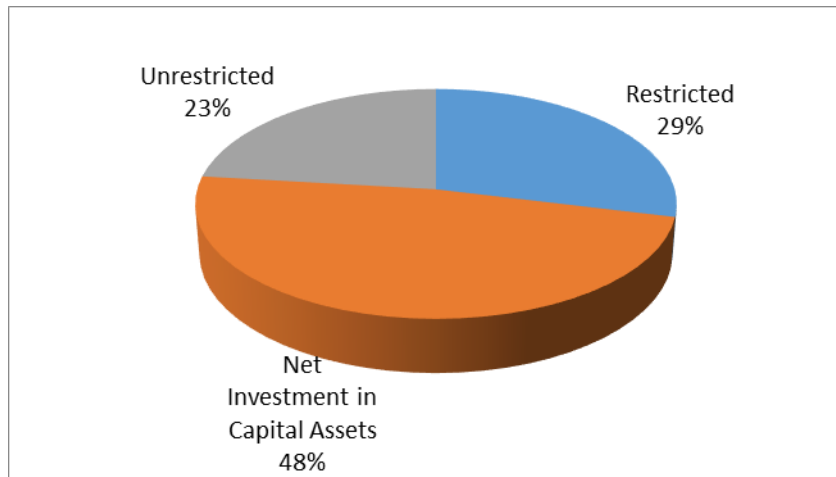
Total net position, at June 30, 2015 increased by \$.5 million compared to fiscal year 2014 bringing it to \$40.6 million. The following are key changes by fund: a decrease in Instruction for \$1.1 million, an increase in Institutional Support for \$1.4 million, and an increase in Operations and Maintenance of plant for \$2.1 million.

2014

Total net position, at June 30, 2014, increased from fiscal year 2013 by \$1.8 million. The following are key changes by fund: a decrease of \$1.4 million in the Education Fund, a decrease of \$0.5 million in the Operations and Maintenance fund, a decrease of \$0.3 in the Operations and Maintenance Fund (Restricted), an increase of \$.3 million in the Liability, Protection, and Settlement Funds and an increase of \$3.8 million in the Investment in Plant.

The following is a graphic illustration of net position.

**Net Position
June 30, 2015**



Morton College - Community College District No. 527

Management's Discussion and Analysis - Unaudited (Continued)

Analysis of Capital Assets June 30, (In millions)

	<u>2015</u>	<u>2014</u>	<u>Increase (decrease)</u>	<u>2013</u>	<u>Increase (decrease)</u>
Capital assets:					
Land improvements	\$ 2.6	\$ 2.6	\$ -	\$ 2.6	\$ -
Construction in progress	0.8	-	0.8	1.5	(1.5)
Building	30.4	30.0	0.4	24.0	6.0
Equipment	<u>7.3</u>	<u>7.1</u>	<u>0.2</u>	<u>6.7</u>	<u>0.4</u>
Total	41.1	39.7	1.4	34.8	4.9
Less: accumulated depreciation	<u>(16.3)</u>	<u>(14.5)</u>	<u>(1.8)</u>	<u>(12.8)</u>	<u>(1.7)</u>
Net capital assets	<u>\$ 24.8</u>	<u>\$ 25.2</u>	<u>\$ (0.4)</u>	<u>\$ 22.0</u>	<u>\$ 3.2</u>

2015

Net capital asset decrease of \$0.4 million mainly relates to \$0.4 million increase in buildings 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 3.

2014

Net capital asset increase of \$3.2 million mainly relates to \$6.0 million increase in buildings, offset by \$1.7 million net increase in accumulated depreciation. For more detail information on capital asset activity please see Note 3.

Long Term Debt June 30, (In millions)

	<u>2015</u>	<u>2014</u>	<u>Increase (decrease)</u>	<u>2013</u>	<u>Increase (decrease)</u>
Long-term debt:					
General obligations	\$ 4.3	\$ 4.7	\$ (0.4)	\$ 5.6	\$ (0.9)
Capital lease payable	<u>\$ 0.1</u>	<u>\$ 0.2</u>	<u>\$ (0.1)</u>	<u>\$ -</u>	<u>\$ 0.2</u>
Total	<u>\$ 4.4</u>	<u>\$ 4.9</u>	<u>\$ (0.5)</u>	<u>\$ 5.6</u>	<u>\$ (0.7)</u>

2015

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 4.

Morton College - Community College District No. 527

Management's Discussion and Analysis - Unaudited (Continued)

2014

The \$0.7 million decrease in long-term debt is due to the annual debt payment on Series 2006 for \$0.3, a decrease of \$3.7 million due to the payment of Series 2009, and an increase of \$3.2 million due to the issuance of Series 2014. Capital lease of \$0.2 million were initiated in 2014. For more detail information on long-term debt activity please see Note 4.

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.

Morton College - Community College District No. 527

Statement of Net Position

	June 30	
	2015	2014
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 19,772,156	\$ 19,597,653
Receivables, net:		
Property taxes and corporate personal property replacement taxes, net of allowance 2015 \$1,664,000 ; 2014 \$1,854,000 (Note 2)	3,519,403	3,502,359
Government claims	2,061,498	1,731,408
Tuition and fees, net of allowance for doubtful accounts 2015 \$2,678,686; 2014 \$2,327,000	3,033,857	3,105,685
Other	142,356	66,781
Inventories	613,386	658,008
Prepaid expenses and other current assets	259,109	199,851
Total current assets	29,401,765	28,861,745
Noncurrent assets:		
Restricted cash and cash equivalents	3,601,597	14,274
Long-term investments (Note 3)	35,660	71,516
Capital assets - Net (Note 4)	24,712,975	25,213,534
Total noncurrent assets	28,350,232	25,299,324
Total assets	57,751,997	54,161,069
Deferred outflows of resources - unamortized loss on refunding	270,129	322,745
Liabilities		
Current liabilities:		
Accounts payable	438,335	197,247
Accrued salaries and vacation	736,982	623,240
Unearned revenue		
Tuition and fees	2,200,217	2,224,319
Grants	3,448,852	246,961
Other current liabilities	206,944	223,358
Long-term obligations - Current (Note 5)		
Current portion of capital lease payable	49,167	37,793
Current portion of general obligation bonds	420,000	430,000
Deposits held in custody for others	527,101	496,180
Total current liabilities	8,027,598	4,479,098
Noncurrent liabilities:		
Capital lease payable, non-current portion (Note 5)	123,209	135,482
General obligation bonds, net of current portion (Note 5)	4,306,669	4,772,203
Total noncurrent liabilities	4,429,878	4,907,685
Total liabilities	12,457,476	9,386,783
Deferred inflows of resources - property taxes	4,999,371	4,968,631
Net Position		
Net investment in capital assets	19,481,082	19,976,342
Restricted		
Capital projects	1,128,601	14,274
Working cash	9,384,486	9,384,486
Debt service	1,154,821	1,162,982
Unrestricted	9,416,289	9,590,316
Total net position	<u>\$ 40,565,279</u>	<u>\$ 40,128,400</u>

Morton College - Community College District No. 527

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2015	2014
Operating Revenue		
Tuition and fees - Net of scholarship allowance of \$5,735,962 and \$5,999,043 for 2015 and 2014, respectively	\$ 4,040,567	\$ 3,361,086
Sales and services of auxiliary activities	1,850,764	1,982,775
Total operating revenue	5,891,331	5,343,861
Operating Expenses		
Instruction	12,568,259	13,683,816
Public service	528,553	517,563
Academic support	2,364,630	2,300,300
Student services	2,552,583	2,463,099
Scholarships and fellowships	4,391,965	4,380,563
Institutional support	7,022,773	5,602,019
Operations and maintenance of plant	4,787,610	2,702,346
Auxiliary enterprises	2,440,249	2,649,892
Depreciation	1,797,419	1,761,597
Total operating expenses	38,454,041	36,061,195
Operating Loss	(32,562,710)	(30,717,334)
Nonoperating Revenue (Expenses)		
Federal grants and contracts	9,458,611	9,917,890
State grants and contracts	14,449,848	14,453,707
Local grants and contracts	20,710	23,650
Property taxes	9,310,381	8,337,495
Interest expense on bonds	(243,648)	(248,612)
Unrealized gain (loss) on investments	3,687	3,437
Net nonoperating revenue	32,999,589	32,487,567
Increase in Net Position	436,879	1,770,233
Net Position - Beginning of year	40,128,400	38,358,167
Net Position - End of year	\$ 40,565,279	\$ 40,128,400

Morton College - Community College District No. 527

Statement of Cash Flows

	Year Ended June 30	
	2015	2014
Cash Flows from Operating Activities		
Tuition and fees	\$ 4,040,567	\$ 3,418,170
Payments to suppliers	(14,676,113)	(19,545,092)
Payments to employees	(12,568,259)	(10,089,442)
Auxiliary enterprise charges - Net	1,850,764	1,982,775
Net cash used in operating activities	(21,353,041)	(24,233,589)
Cash Flows from Noncapital Financing Activities		
Local property taxes	9,341,121	8,872,164
Grants and contracts	3,301,296	4,756,759
State appropriations	14,449,848	14,453,707
Net cash provided by noncapital financing activities	27,092,265	28,082,630
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	(1,254,036)	(4,819,661)
Principal paid on capital debt	(519,257)	(865,261)
Interest paid on capital debt	(243,648)	(130,674)
Net cash used in capital and related financing activities	(2,016,941)	(5,815,596)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	35,856	48,253
Interest on investments	3,687	3,437
Net cash provided by investing activities	39,543	51,690
Net Increase (Decrease) in Cash and Cash Equivalents	3,761,826	(1,914,865)
Cash and Cash Equivalents - Beginning of year	19,611,927	21,526,792
Cash and Cash Equivalents - End of year	\$ 23,373,753	\$ 19,611,927

Morton College - Community College District No. 527

Statement of Cash Flows (Continued)

	Year Ended June 30	
	2015	2014
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (32,562,710)	\$ (30,717,334)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	1,797,419	1,761,597
Amortization - bond premium	52,616	(19,665)
State payment in kind for retirement	6,178,025	5,182,112
(Increase) decrease in assets:		
Accounts receivables (net)	(350,881)	(169,536)
Inventories	44,622	48,464
Prepaid expense	(59,258)	(40,297)
Increase (decrease) in liabilities:		
Accounts payable	241,088	(289,336)
Accrued salaries and vacation	113,742	89,754
Unearned tuition and fees	3,161,375	(100,033)
Amounts held in custody for others	30,921	20,685
Net cash used in operating activities	\$ (21,353,041)	\$ (24,233,589)
Non-Cash Transactions		
Capital lease acquisition	\$ 42,825	\$ 179,540
State on-behalf of payments for fringe benefits	\$ 6,178,025	\$ 4,554,398
2014 refunding bond proceeds	-	3,195,000
2014 refunding bond payment to escrow	-	(3,534,822)
2014 refunding bond premium	-	440,683
2014 refunding bond bond costs	-	(100,861)

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note I – Organization and Summarization 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 District 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.

Note I – Organization and Summarization of Significant Accounting Policies (Continued)

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 fair 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 and future payments of other postemployment benefits due in 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, 2015, 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.

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.

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note I – Organization and Summarization of Significant Accounting Policies (Continued)

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 include 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.

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

Note I – Organization and Summarization of Significant Accounting Policies (Continued)

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 the Single Audit Act amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations*, and the compliance supplement.

During the years ended June 30, 2015 and 2014, the College distributed \$928,214 and \$1,020,416, 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.

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 – 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 government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide 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.

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 1 – Organization and Summarization of Significant Accounting Policies (Continued)

Deferred Inflows – 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 type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category. Accordingly, property taxes, is reported in the statement of net position. These amounts are deferred and organized 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 2014 become due and payable in two installments (March 1, 2015, and October 1, 2015). 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 2014 tax year and collected in 2015 are recorded as revenue in the year ended June 30, 2015. The remaining revenue related to the 2014 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 principal and interest payments due during 2015. 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 2014 extended levy.

A reserve of approximately \$1,867,000 and \$1,854,000 for fiscal year 2015 and 2014, respectively, has been set up for the estimated amount of unpaid credits relation to prior years' taxes.

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 2 - Property Taxes (continued)

The statutory maximum tax rates and the respective rates for the 2014 and 2013 tax levies, per \$100 of assessed valuation, are as follows:

	Statutory Maximum Rate	Tax Levy Year	
		2014	2013
Current:			
Education Fund	0.7500	0.4666	0.4226
Operation and Maintenance Fund	0.1000	0.0990	0.1000
Operation and Maintenance Fund (restricted)	0.0500	-	-
Bond and interest	-	0.0448	0.0413
Life Safety Fund	0.0500	-	-
Liability, Protection, and Settlement Fund	-	0.0395	0.0321
Social Security Fund	-	0.0144	0.0115
Audit Fund	0.0050	0.0050	0.0050
Total	0.9550	0.6693	0.6125

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 Fund's share price, which is the price at which the investment could be sold.

Deposits – As of June 30, 2015 and 2014, the carrying amount of the College's deposits were \$4,367,787 and \$2,013,336, respectively, with bank balances of \$4,883,998 and \$2,463,369, 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 June 30, 2015 and 2014, all of the College's deposits were collateralized. The Illinois Funds are not subject to categorization.

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 3 - Cash and Investments (Continued)

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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$19,772,156	\$19,597,653
Restricted cash and cash equivalents	3,601,597	14,274
Investments	<u>35,660</u>	<u>71,516</u>
Total cash and investments	<u>\$23,409,413</u>	<u>\$19,683,443</u>

The amounts in the previous chart are classified in the following categories:

	<u>2015</u>	<u>2014</u>
Deposits	\$ 4,367,787	\$ 2,013,336
Investments in securities and similar instruments	19,041,108	17,669,589
Petty cash and cash on hand	<u>518</u>	<u>518</u>
Total cash and investments	<u>\$23,409,413</u>	<u>\$19,683,443</u>

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 3 - Cash and Investments (Continued)

As of June 30, 2015, the College had the following investments and maturities:

	Fair Market Value	Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
GNMA's (Government Guaranteed)	\$ 35,660	\$ -	\$ 35,660	\$ -	\$ -
State Treasurer Illinois Funds	<u>19,005,448</u>	<u>19,005,448</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 19,041,108</u>	<u>\$ 19,005,448</u>	<u>\$ 35,660</u>	<u>\$ -</u>	<u>\$ -</u>

As of June 30, 2014, the College had the following investments and maturities:

	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
GNMA's (Government Guaranteed)	\$ 71,516	\$ -	\$ 27,941	\$ 43,575	\$ -
State Treasurer Illinois Funds	<u>17,598,073</u>	<u>17,598,073</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 17,669,589</u>	<u>\$ 17,598,073</u>	<u>\$ 27,941</u>	<u>\$ 43,575</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%.

Note 3 - Cash and Investments (Continued)

State Treasurer Illinois Funds are reported as Cash and Cash Equivalents on the Statement of Net Position. The credit rating as AAA as described by the Standard & Poor's and Moody's at June 30, 2015 and 2014. 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 2015 and 2014 investment balance.

Concentration of Credit Risk – At June 30, 2015 and 2014, the College had greater than five percent 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 Pool maintains a Standard and Poor's AAA rating. The College's investments in the Illinois funds are 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.

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 4 - Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2015:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Land and improvements	\$ 2,600,248	\$ -	\$ -	\$ 2,600,248
Building and building improvements	30,083,273	272,247	-	30,355,520
Furniture, fixtures, and equipment	7,078,802	217,283	-	7,296,085
Subtotal - Depreciable assets	39,762,323	489,530	-	40,251,853
Construction in progress	-	807,330	-	807,330
Total	39,762,323	1,296,860	-	41,059,183
Less accumulated depreciation:				
Building and building improvements	(11,350,048)	(1,256,140)	-	(12,606,188)
Furniture, fixtures, and equipment	(3,198,741)	(541,279)	-	(3,740,020)
Total accumulated depreciation	(14,548,789)	\$ (1,797,419)	\$ -	(16,346,208)
Capital assets - Net	<u>\$ 25,213,534</u>			<u>\$ 24,712,975</u>

The following is a summary of changes in capital assets for the year ended June 30, 2014:

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Land and improvements	\$ 2,600,248	\$ -	\$ -	\$ 2,600,248
Building and building improvements	24,237,896	4,822,025	1,023,352	30,083,273
Furniture, fixtures, and equipment	6,634,673	177,176	266,953	7,078,802
Subtotal - Depreciable assets	33,472,817	4,999,201	1,290,305	39,762,323
Construction in progress	1,290,305	-	(1,290,305)	-
Total	34,763,122	4,999,201	-	39,762,323
Less accumulated depreciation:				
Building and building improvements	(10,127,758)	(1,222,290)	-	(11,350,048)
Furniture, fixtures, and equipment	(2,659,434)	(539,307)	-	(3,198,741)
Total accumulated depreciation	(12,787,192)	\$ (1,761,597)	\$ -	(14,548,789)
Capital assets - Net	<u>\$ 21,975,930</u>			<u>\$ 25,213,534</u>

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

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 2012, the College entered into four capital lease agreements for equipment. Aggregate monthly payments of approximately \$300 and are due through May 2017. These agreements have approximate interest rates between 12 and 20%. The copier/printer was recorded at a cost of \$13,540 and accumulated depreciation of \$10,832 as of June 30, 2015. The College entered into two new capital lease agreements for equipment in fiscal year 2013. Aggregate monthly payments of 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 of \$7,008 as of June 30, 2015.

In fiscal year 2014, the College entered into one new capital lease agreement, which have monthly payments of \$1,748 and are due through July 2018. This agreement has approximate interest rate of 8.5%. The copier/printer was recorded at a cost of \$85,200 and accumulated depreciation of \$34,080 as of June 30, 2015. The College also entered into one new vehicle lease agreement, with 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 of \$37,736.

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 of \$8,565 as of June 30, 2015.

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 5 – Long and Short Term Liabilities (Continued)

A summary of long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
Serial bonds, 2006 series	\$ 1,550,000	\$ -	\$ 360,000	\$ 1,190,000	\$ 380,000
Serial bonds, 2014 series	3,195,000	-	70,000	3,125,000	40,000
Leases Payable -					
Capital leases	173,275	42,824	43,723	172,376	49,167
Other Long-term Liabilities					
Unamortized bond premium	457,203	-	45,534	411,669	-
Total	<u>\$ 5,375,478</u>	<u>\$ 42,824</u>	<u>\$ 519,257</u>	<u>\$ 4,899,045</u>	<u>\$ 469,167</u>

A summary of long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
Serial bonds, 2006 series	\$ 1,895,000	\$ -	\$ 345,000	\$ 1,550,000	\$ 360,000
Serial bonds, 2009 series	3,685,000	-	3,685,000	-	-
Serial bonds, 2014 series	-	3,195,000	-	3,195,000	70,000
Leases Payable -					
Capital leases	23,996	179,540	30,261	173,275	37,793
Other Long-term Liabilities					
Unamortized bond premium	36,185	440,683	19,665	457,203	-
Total	<u>\$ 5,640,181</u>	<u>\$ 3,815,223</u>	<u>\$ 4,079,926</u>	<u>\$ 5,375,478</u>	<u>\$ 467,793</u>

Total principal and interest maturities on the bonds and leases payable as of June 30, 2015 is as follows:

Years Ending June 30	Debt Obligations		
	Principal	Interest	Total
2016	\$ 469,026	\$ 198,922	\$ 667,948
2017	491,457	176,513	667,970
2018	511,310	153,408	664,718
2019	461,255	132,099	593,354
2020	469,329	113,550	582,879
2021-2024	2,496,668	214,875	2,711,543
Total	<u>\$ 4,899,045</u>	<u>\$ 989,367</u>	<u>\$ 5,888,412</u>

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 5 – Long and Short Term Liabilities (Continued)

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

	<u>2015</u>	<u>2014</u>
Assessed valuation	\$1,434,851,128	\$1,538,198,334
Legal debt limit - 2.875 percent of assessed valuation	41,251,970	44,223,202
Debt applicable to debt limit	<u>(4,315,000)</u>	<u>(4,745,000)</u>
Legal debt margin	<u>\$ 36,936,970</u>	<u>\$ 39,478,202</u>

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

Cash Paid for Interest - Cash paid for interest was approximately \$244,000 and \$249,000 for the years ended June 30, 2015 and 2014, respectively.

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.

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 6 – Compensated Absences (continued)

The activity related to the accrued compensated absences for the years ending June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Beginning Balance	\$ 136,807	\$ 72,870
Additions	168,117	136,807
Deletions	<u>(136,807)</u>	<u>(72,870)</u>
Ending Balance	<u>\$ 168,117</u>	<u>\$ 136,807</u>

Note 7 - Retirement Plan

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

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

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 7 - Retirement Plan (continued)

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 2014 and 2015 respectively, was 11.91% and 11.71% 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, 2015 were \$5,182,112.

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

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability to be recognized by the District is \$0. The proportionate share of the State’s net pension liability associated with the District is \$81,574,326 or 0.3743%. 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, 2014, and the total pension used to calculate the net pension liability was determined based on the June 30, 2013 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2014.

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

Employer Proportionate Share of Pension Expense: The 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 2014. As a result, the District recognized on-behalf revenue and pension expense of \$6,178,025 for the fiscal year ended June 30, 2015.

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 7 - Retirement Plan (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

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

The District paid \$0 in federal, trust or grant contributions for the fiscal year ended June 30, 2015. These contributions were made subsequent to the pension liability measurement date of June 30, 2014 and are recognized as Deferred Outflows of Resources as of June 30, 2015.

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

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

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

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

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 7 - Retirement Plan (continued)

actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2014, these best estimates are summarized in the following table:

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

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

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

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 7 - Retirement Plan (continued)

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

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

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

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, 2015, 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 risks and 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

Note 8 - Risk Management (continued)

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 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 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.

Morton College - Community College District No. 527

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Note 9 - Commitments and Contingencies (Continued)

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. No liability has been recognized as of June 30, 2015.

Lease Commitment - The College entered into three 60-month non-cancelable copier lease agreement effective July 2014, March 2015 and March 2015, respectively. The leases require a monthly payment of \$592, \$88.50 and \$106.25 through July of 2019 and March 2020, respectively. The imputed interest rate for the lease agreements are approximately 3.9%.

Obligations under this non-cancelable operating lease \$5,930 due in fiscal year 2015.

Other Commitments - The College has commitments for the implementation of a new Enterprise Resource Planning (ERP) System totaling approximately \$398,000.

The United States Department of Education is conducting an inquiry into federal student aid funds disbursed at Morton College to certain students. The amount of funds that may have been improperly disbursed cannot be determined at this time and management is presently unable to determine the probable outcome of the inquiry.

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, 2015.

Note 10 - Upcoming Pronouncement

In June 2012, the Government Accounting Standard Board (GASB) issued Statement 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27". This Statement replaces the requirements of Statement No. 27 and No. 50 related to pension plans that are administered through trust or equivalent arrangements. The requirements of GASB No. 27 and No. 50 remain applicable for pensions that are not administered as trust or equivalent arrangements. The requirements of the Statement are effective for financial statements for fiscal years beginning after June 15, 2014. Management has complied with the requirements of this standard (see Note 7).

Note 10 – Upcoming Pronouncement (continued)

In November 2013, the GASB issued Statement 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date.” This statement addresses the issue regarding the application of the transition provision of Statement No. 68, “Accounting and Financial Reporting for Pensions.” The Statement eliminates the source of potential significant understatement of restating the beginning net position and expense in the first year of implementing Statement 68 in the accrual basis financial statements of employers and non-employer contributing entities. This Statement should simultaneously be implemented with Statement 68. Management has complied with the requirements of this standard (see Note 7).

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, “Fair Value Measurement and Application”. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government’s financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The College is currently evaluating the impact this standard will have on the financial statements when adopted, during the College’s 2016 fiscal year.

In June 2015, the GASB issued Statement 73, “Accounting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and GASB 68.” The Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, “Accounting and Financial Reporting for Pensions,” as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, “Financial Reporting for Pension Plans,” and Statement 68 for pension plans and pensions that are within their respective scopes.

The Statement extends the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and non-employer contributing entities.

Note 10 – Upcoming Pronouncement (continued)

In June 2015, the GASB issued Statement 75 “Accounting and Financial Reporting for Postemployment Benefit Other than Pension”. The Statement aims to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also aims to improve information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement replaces the requirements of Statements No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,” as amended, and No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,” for OPEB. Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,” establishes new accounting and financial reporting requirements for OPEB plans. The Statement enumerated the OPEB plans covered by the requirements, the measurement of OPEB liability to employee for benefits the notes to the financial statements and the required supplementary information. The requirements of the Statement are effective for financial statement for periods beginning after June 15, 2017. Management has not determined what impact, if any, this GASB Statement might have in the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

Components of Net Pension Liability and Related Ratios:

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

	FY 2014
(a) Proportion Percentage of the Collective Net Pension Liability	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	\$ 104,174,465
Total (b) + (c)	\$ 104,174,465
Employer Covered – employee payroll	\$ 15,035,775
Portion of Collective Net Pension Liability Associated with Employer as a percentage of covered employee payroll	0%
SURS Plan Net Position as a Percentage of the Total Pension Liability	44.39%

Schedule of the College's Contributions

	FY 2014
Federal, Trust, Grant and Other Contribution	\$ -
Contribution in relation to required contribution	\$ -
Contribution deficiency (excess)	\$ -
Employer Covered – employee payroll	\$ 15,035,775
Contribution as a percentage of covered-employee payroll	0.44%

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.

Morton College - Community College District No. 527

REQUIRED SUPPLEMENTARY 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, 2014.

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

STATISTICAL SECTION



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2015



Statistical Section - Table of Contents

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.

Financial Trends	42-44
These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.	
Revenue Capacity	45-49
These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	
Debt Capacity	50-52
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	53-54
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	55-56
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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net Position										
Net Investment in Capital Assets	\$ 19,481,082	\$ 19,976,342	\$ 16,826,457	\$ 15,907,741	\$ 15,844,272	\$ 16,397,137	\$ 16,847,808	\$ 16,993,089	\$ 17,572,718	\$ 15,331,282
Restricted										
Capital projects	1,128,601	14,274	1,149,200	511,865	736,089	1,734,387	82,755	1,025,341	(100,163)	1,704,741
Working Cash	9,384,486	9,384,486	9,384,615	9,382,285	9,382,285	9,382,285	9,362,109	8,838,001	8,135,494	7,388,074
Debt Service	1,154,821	1,162,982	1,108,691	1,121,588	1,218,466	1,196,142	1,527,297	1,586,742	1,309,877	1,572,479
Unrestricted	9,416,289	9,590,316	9,889,204	9,487,652	9,242,269	5,940,693	6,017,875	4,215,635	4,748,482	4,048,430
Total Net Position	<u>\$ 40,565,279</u>	<u>\$ 40,128,400</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>	<u>\$ 31,666,408</u>	<u>\$ 30,045,006</u>

Sources: College records.

See accompanying independent auditors' report.

Morton College - Community College District No. 527

MORTON COMMUNITY COLLEGE DISTRICT NO. 527

FINANCIAL TRENDS (UNAUDITED) CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating Revenue										
Student tuition and fees, net	\$ 4,040,567	\$ 3,361,086	\$ 4,125,936	\$ 3,336,367	\$ 2,965,107	\$ 1,978,334	\$ 2,463,462	\$ 2,492,440	\$ 2,792,459	\$ 2,924,583
Other	1,850,764	1,982,775	2,238,138	2,408,893	2,597,828	2,383,068	2,016,032	1,939,714	1,981,494	1,791,421
Total operating revenue	5,891,331	5,343,861	6,364,074	5,745,260	5,562,935	4,361,402	4,479,494	4,432,154	4,773,953	4,716,004
Operating Expenses										
Instruction	12,568,259	13,683,816	11,178,977	10,560,776	10,891,769	10,207,879	8,820,978	8,133,825	7,926,897	8,488,070
Academic support	2,364,630	2,300,300	2,146,750	1,640,870	1,657,044	728,771	1,261,197	1,557,271	1,741,351	876,369
Student services	2,552,583	2,463,099	2,064,685	1,724,416	1,963,425	2,457,240	2,644,019	2,605,073	2,854,617	2,554,699
Public service	528,553	517,563	486,255	528,209	499,903	964,727	517,128	433,838	356,984	462,112
Institutional administration	7,022,773	5,602,019	5,878,454	5,487,908	4,068,162	4,267,797	3,496,613	3,799,780	3,104,004	3,247,578
Physical plant operations	4,787,610	2,702,346	4,265,754	4,363,130	3,317,143	2,915,452	2,621,437	3,007,529	2,840,300	2,848,215
Depreciation	1,797,419	1,761,597	1,445,016	1,437,228	1,450,714	1,195,651	1,145,936	1,135,715	1,010,134	1,095,583
Scholarship expense	4,391,965	4,380,563	6,203,707	4,682,950	4,160,475	2,748,859	1,935,715	2,511,346	2,548,719	2,304,768
Auxiliary expense	2,440,249	2,649,892	2,567,778	2,603,138	2,539,302	2,481,197	2,101,710	2,128,633	1,949,951	2,024,270
Total operating expenses	38,454,041	36,061,195	36,237,376	33,028,625	30,547,937	27,967,573	24,544,733	25,313,010	24,332,957	23,901,664
Operating (Loss) Income	<u>(32,562,710)</u>	<u>(30,717,334)</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>	<u>(19,559,004)</u>	<u>(19,185,660)</u>
Nonoperating Revenue (Expenses)										
Local property taxes	9,310,381	8,337,495	8,215,441	7,667,168	8,945,308	8,652,341	8,366,317	8,411,056	7,994,722	7,332,526
State appropriations	14,449,848	14,453,707	12,816,492	9,411,230	8,471,061	8,362,672	7,780,647	8,019,653	7,991,383	7,754,086
Federal grants and contracts	9,458,611	9,917,890	10,911,286	10,159,841	9,379,397	7,308,800	4,915,014	4,707,745	4,406,367	4,019,556
Local grants and contracts	20,710	23,650	220,428	294,408	254,565	209,467	158,014	335,366	187,653	93,491
Investment income	3,687	3,437	12,691	19,317	12,394	41,859	189,444	588,697	824,774	572,534
Interest expense on bonds	(243,648)	(248,612)	(356,000)	(280,849)	(304,986)	(156,168)	(165,161)	(189,258)	(224,496)	(87,538)
Net nonoperating revenue (expenses)	<u>32,999,589</u>	<u>32,487,567</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>21,180,403</u>	<u>19,684,655</u>
Increase (Decrease) in Net Position - Before capital contributions	<u>436,879</u>	<u>1,770,233</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>	<u>1,621,399</u>	<u>498,995</u>
Capital Contributions - Capital gifts and grants	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Position	<u>\$ 436,879</u>	<u>\$ 1,770,233</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>	<u>\$ 1,621,399</u>	<u>\$ 498,995</u>

Sources: Morton College Comprehensive Annual Financial Reports and general ledger reports
See accompanying independent auditors' report.

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	Operation and Maintenance of Plant	Scholarships and Fellowships	Public Service	Auxiliary Service
2015	\$ 36,658	\$ 12,769	\$ 2,365	\$ 2,553	\$ 6,822	\$ 4,788	\$ 4,392	\$ 529	\$ 2,440
2014	34,300	13,684	2,300	2,463	5,602	2,702	4,381	518	2,650
2013	34,794	11,179	2,147	2,065	5,879	4,266	6,204	486	2,568
2012	31,591	10,561	1,641	1,724	5,488	4,363	4,683	528	2,603
2011	29,096	10,892	1,657	1,963	4,068	3,317	4,160	500	2,539
2010	26,772	10,208	729	2,457	4,268	2,915	2,749	965	2,481
2009	23,399	8,821	1,261	2,644	3,497	2,621	1,936	517	2,102
2008	24,178	8,134	1,557	2,605	3,800	3,008	2,511	434	2,129
2007	23,323	7,927	1,741	2,855	3,104	2,840	2,549	357	1,950
2006	22,806	8,488	876	2,555	3,248	2,848	2,305	462	2,024

Source: College Records

*Does not include depreciation

See accompanying independent auditors' report

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	Other (3) Assessed Value	Total Taxable Assessed Value	Total (4) Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2014*	DNA	DNA	DNA	DNA	\$ 25,475,596	DNA	\$ 1,434,851,128	67.00%	\$ 4,304,553,384	33.333%
2013	\$ 1,050,767,490	\$ 270,215,325	\$ 191,960,604	\$ -	\$ 25,254,915	\$ -	1,538,198,334	61.30%	4,614,595,002	33.333%
2012	1,132,021,942	293,820,048	190,451,096	-	24,603,475	-	1,640,896,561	55.60%	4,922,689,683	33.333%
2011	1,247,810,160	314,294,693	200,305,710	-	21,293,561	-	1,783,704,124	50.40%	5,351,112,372	33.333%
2010	1,732,327,412	335,543,279	217,994,164	-	19,534,030	-	2,305,398,885	39.20%	6,916,196,655	33.333%
2009	1,671,095,959	370,937,285	209,171,874	-	16,757,916	-	2,267,963,034	39.30%	6,803,889,102	33.333%
2008	1,635,692,667	407,701,368	220,468,300	-	15,207,631	-	2,279,069,966	38.90%	6,837,209,898	33.333%
2007	1,478,340,370	345,655,890	224,375,057	-	14,744,453	-	2,063,115,770	41.10%	6,189,347,310	33.333%
2006	1,395,631,515	346,564,900	219,035,813	-	14,359,331	-	1,975,591,559	41.70%	5,926,774,677	33.333%
2005	1,392,616,353	361,196,216	229,622,327	-	13,900,647	-	1,997,335,543	39.70%	5,992,006,629	33.333%
2004	1,093,285,023	307,993,915	213,073,328	-	14,018,988	-	1,628,371,254	47.10%	4,885,113,762	33.333%

*Most recent information available

DNA = Data Not Available

Data Sources:

Offices of the County Clerk of Cook county

Notes:

(1) Property in the College's district is reassessed every three years

Cook County is on a triennial reassessment cycle.

(2) Property estimated assessed value is at 33% of actual value.

Morton College - Community College District No. 527

MORTON COMMUNITY COLLEGE DISTRICT NO. 527

Cook County, Illinois

REVENUE CAPACITY (UNAUDITED)

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN LEVY YEARS

Taxing Bodies	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Cook County	0.568	0.560	0.531	0.462	0.423	0.394	0.415	0.446	0.500	0.533
Cook County Forest Preserve	0.069	0.069	0.063	0.058	0.051	0.049	0.051	0.053	0.057	0.060
Metropolitan Water Reclamation	0.430	0.417	0.370	0.320	0.274	0.261	0.252	0.263	0.284	0.315
Consolidated Elections	0.000	0.031	0.000	0.025	0.000	0.021	0.000	0.012	0.000	0.014
Town of Cicero	5.760	5.183	4.522	4.566	3.388	3.344	3.243	3.613	3.754	3.610
Town of Cicero Library Fund	0.351	0.322	0.289	0.231	0.166	0.161	0.156	0.168	0.174	0.171
General Assistance	0.047	0.062	0.068	0.051	0.037	0.036	0.030	0.023	0.024	0.024
Suburban T.B. Sanitarium	---	---	---	---	---	---	---	---	0.005	0.005
Clyde Park District	0.556	0.545	0.505	0.458	0.333	0.308	0.289	0.363	0.368	0.349
Elementary School District 99	4.998	4.670	4.302	3.874	2.799	2.786	2.704	2.893	2.655	2.760
High School District 201	3.216	2.954	2.732	2.454	1.858	1.848	1.835	1.960	2.001	1.925
Cicero Community Mental Health	<u>0.104</u>	<u>0.096</u>	<u>0.100</u>	<u>0.077</u>	<u>0.063</u>	<u>0.062</u>	<u>0.060</u>	<u>0.065</u>	<u>0.068</u>	<u>0.067</u>
Total Overlapping Rate	16.099	14.909	13.482	12.576	9.392	9.270	9.035	9.859	9.890	9.833
Morton Community College No. 527	<u>0.670</u>	<u>0.613</u>	<u>0.556</u>	<u>0.504</u>	<u>0.392</u>	<u>0.393</u>	<u>0.389</u>	<u>0.411</u>	<u>0.417</u>	<u>0.397</u>
Total Rate	<u>16.769</u>	<u>15.522</u>	<u>14.038</u>	<u>13.080</u>	<u>9.784</u>	<u>9.663</u>	<u>9.424</u>	<u>10.270</u>	<u>10.307</u>	<u>10.230</u>

Source: Cook County Clerk's Office – Year is year of extension.
See accompanying independent auditors' report

Morton College - Community College District No. 527

**REVENUE CAPACITY (UNAUDITED)
PRINCIPAL PROPERTY TAXPAYERS
2014 LEVY YEAR AND TEN YEARS AGO**

Name	Type of Business or Property	2014		Percent of District's Total EAV	2005		Percent of District's Total EAV
		Equalized Assessed Valuation*	Rank		Equalized Assessed Valuation**	Rank	
Mac Neal Hospital Finance	General hospital and commercial properties	\$ 17,440,485	1	1.22%	\$ 27,576,497	1	1.38%
Hawthorne Works Ste 316	Shopping center	12,100,311	2	0.84%	12,823,866	5	0.64%
Wal-Mart Real Estate	Retail store	11,221,412	3	0.78%			
ONC Cicero LLC	Industrial properties	8,952,829	4	0.62%			
Thomas Carey Heirs	Commercial property	8,403,342	5	0.59%	23,150,976	2	1.16%
Concordia Realty Management	Shopping center	8,107,762	6	0.57%			
SVF W 47th McCook LLC	Industrial Property	7,061,217	7	0.49%			
HB Lyons Cold Storage	Industrial Property	7,001,416	8	0.49%			
Heartland Bank	Nine-story building with special commercial improvements	6,896,284	9	0.48%			
Cicero Market Place	Supermarket, one-story stores	<u>6,600,099</u>	10	<u>0.46%</u>	8,979,650	10	0.45%
Cambridge Realty Capital Limited	Commercial properties				14,478,707	3	0.72%
Cermak Plaza Assoc.	Shopping center				14,015,155	4	0.70%
DiMucci Companies	Shopping center including one-story stores and supermarket				11,662,913	6	0.58%
Property Tax Dept 201	Industrial property				10,389,676	7	0.52%
Commonwealth Edison	Electric utility				8,962,116	8	0.45%
VHS of Illinois	Commercial Properties				9,051,772	9	0.45%
		<u>\$93,785,157</u>		<u>6.54%</u>	<u>\$ 141,091,328</u>		<u>7.06%</u>

*Includes only those parcels with 2014 equalized assessed valuations of approximately \$100,000 and over as recorded in the County Assessor's Office.

**Includes only those parcels with 2005 equalized assessed valuations of \$200,000 and over as recorded in the County Assessor's Office.

Source: Cook County Clerk and Assessor's Offices
See accompanying independent auditors' report

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		Total Taxes Collected	Percent of Levy
				Collected (refunded)			
2014	\$ 8,873,276	\$ 8,337,495	93.96%	\$ -		8,337,495	93.96%
2013	9,117,628	8,910,212	97.73%	-		8,910,212	97.73%
2012	8,989,869	8,772,283	97.58%	-		8,772,283	97.58%
2011	9,037,164	8,906,373	98.55%	(69,514)		8,836,859	97.78%
2010	8,893,081	8,630,887	97.05%	(216,582)		8,414,305	94.62%
2009	8,845,166	8,581,539	97.02%	(271,208)		8,310,331	93.95%
2008	8,465,660	8,525,645	100.71%	(268,281)		8,257,364	97.54%
2007	8,139,625	7,994,146	98.21%	(394,393)		7,599,753	93.37%
2006	7,905,750	7,774,140	98.34%	(471,373)		7,302,767	92.37%
2005	7,659,325	7,695,714	100.48%	(242,592)		7,453,122	97.31%

The 2011 delinquent tax data is the latest data available

Source: County tax records

See accompanying independent auditors' report

Morton College - Community College District No. 527

**REVENUE CAPACITY (UNAUDITED)
ASSESSED VALUATIONS AND TAXES EXTENDED
GOVERNMENTAL FUND TYPES
LAST 6 LEVY YEARS**

	<u>2014 Levy</u>	<u>2013 Levy</u>	<u>2012 Levy</u>	<u>2011 Levy</u>	<u>2010 Levy</u>	<u>2009 Levy</u>
Assessed Valuation	\$ 1,434,851,128	\$ 1,538,198,334	\$ 1,640,896,561	\$ 1,783,704,124	\$ 2,305,398,885	\$ 2,282,836,100
Tax Rates (Per \$100 of Assess Valuation)						
Education Fund	0.4711	0.4226	0.3866	0.3396	0.2552	0.2652
Operations and Maintenance Fund	0.1000	0.1000	0.1000	0.1000	0.0887	0.0892
Bond and Interest Fund	0.0134	0.0413	0.0273	0.0251	0.0196	0.0256
Life Safety Fund	-	-	-	-	-	-
Liability, Protection, and Settlement Fund	0.0713	0.0321	0.0263	0.0248	0.0173	0.0011
Social Security Fund	0.0145	0.0115	0.0105	0.0093	0.0069	0.0072
Audit Fund	0.0050	0.0050	0.0050	0.0050	0.0036	0.0038
Total Tax Rates	<u>0.6753</u>	<u>0.6125</u>	<u>0.5557</u>	<u>0.5038</u>	<u>0.3913</u>	<u>0.3921</u>
Taxes Extended						
Education Fund	6,760,000	6,500,000	6,344,000	6,058,000	5,883,377	6,014,640
Operations and Maintenance Fund	1,434,851	1,538,198	1,640,897	1,783,704	2,044,888	2,023,023
Bond and Interest Fund	642,824	634,974	447,486	451,365	467,999	580,996
Audit Fund	71,743	76,910	82,045	88,400	82,994	86,182
Liability, Protection, and Settlement Fund	780,000	670,800	603,200	608,400	557,906	188,240
Total Taxes Extended	<u>9,689,418</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>

Source: County tax records
See accompanying independent auditors' report

Morton College - Community College District No. 527

**DEBT CAPACITY (UNAUDITED)
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Notes Payable	Capital Leases	Total Outstanding Debt	Net Position Restricted for Debt Service	Net Outstanding Debt	District 527 Actual Taxable Property Value	Percentage of Net General Bonded Debt to Actual Taxable Property Value	Population*	Net General Bonded Debt Per Capita	Percentage of Personal Income
2015	\$ 4,315,000	\$ -	\$ 172,376	\$ 4,487,376	\$ 1,154,821	3,332,555	\$ 1,434,851,128	0.23%	157,067	21.22	NA
2014	4,745,000	-	173,275	4,918,275	1,162,982	3,755,293	1,538,198,334	0.24%	157,067	23.91	NA
2013	5,580,000	-	23,996	5,603,996	1,108,691	4,495,305	1,640,896,561	0.27%	157,067	28.62	NA
2012	6,395,000	-	33,777	6,428,777	1,121,588	5,307,189	1,783,704,124	0.30%	157,067	33.79	NA
2011	7,200,000	-	40,116	7,240,116	1,218,466	6,021,650	2,305,398,885	0.26%	157,067	38.34	NA
2010	8,075,000	-	57,899	8,132,899	1,196,142	6,936,757	2,282,836,100	0.30%	157,067	44.16	NA
2009	3,375,000	-	74,319	3,449,319	1,527,297	1,922,022	2,279,069,966	0.08%	157,067	12.24	NA
2008	3,760,000	-	-	3,760,000	1,586,742	2,173,258	2,063,115,770	0.11%	157,067	13.84	NA
2007	4,130,000	3,000,000	-	4,130,000	1,309,877	2,820,123	1,975,591,559	0.14%	157,067	17.95	1.73%
2006	1,515,000	-	-	4,515,000	1,572,479	2,942,521	1,997,335,543	0.15%	157,067	18.73	2.04%

*Estimated figures used for 2006 through 2015

Data Sources:

College records and Bureau of Economic Analysis

NA - Personal income not available for 2008 through 2015

See accompanying independent auditors' report.

Morton College - Community College District No. 527

DEBT CAPACITY (UNAUDITED)
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT*
JUNE 30, 2015

	Outstanding Bonds	Applicable to District	
		Percentage	Amount
Morton Community College District No. 527	4,315,000	100.00%	4,315,000
Cook County	3,466,976,750	1.10%	\$ 38,206,084
Cook County Forest Preserve	118,610,000	(3) 1.10%	1,307,082
Metropolitan Water Reclamation District	2,619,000,317	(1) 1.12%	29,437,564
Lyons Township	7,675,000	4.92%	377,917
Municipalities:			
City of Berwyn	161,458,813	(2) 100.00%	161,458,813
Town of Cicero	40,765,000	(4) 100.00%	40,765,000
Village of Forest View	1,575,000	44.97%	708,262
Village of Lyons	5,360,000	(3)(5) 95.11%	5,097,682
Village of McCook	26,315,000	27.64%	7,274,519
Village of Stickney	8,930,000	100.00%	8,930,000
Park Districts:			
Berwyn Park District	2,450,000	100.00%	2,450,000
Central Stickney Park District	499,000	1.41%	7,016
Clyde Park District	1,445,000	(3) 100.00%	1,445,000
Hawthorne Park District	167,635	(3) 100.00%	167,635
McCook Park District	521,000	27.83%	145,015
North Berwyn Park District	604,750	100.00%	604,750
Library District:			
McCook Public Library District	-	(3) 27.83%	-
School Districts:			
School District #99	40,320,000	100.00%	40,320,000
School District #100	32,480,000	100.00%	32,480,000
School District #103	8,436,106	(2) 70.77%	5,970,232
School District #104	29,880,000	2.85%	851,281
High School District:			
# 201	32,238,000	(2) 100.00%	32,238,000
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$ 414,556,852</u>

*2014 Equalized Assessed Values were used for this statement.

Outstanding bonds are as of June 30, 2015.

- (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

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

See accompanying independent auditors' report.

Morton College - Community College District No. 527

**DEBT CAPACITY (UNAUDITED)
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value	Debt Limit Rate	Debt Limit (Assessed Value Debt Limit Rate)	Net Debt Applicable to Debt Limit	Legal Debt Margin	Net Debt Applicable to Debt Limit as a Percentage of Debt Limit
2015	\$ 1,434,851,128	2.875%	\$ 41,251,970	\$ 4,487,376	36,764,594	10.88%
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%
2007	1,975,591,559	2.875%	46,815,674	4,130,000	42,685,674	8.82%
2006	1,997,335,543	2.875%	45,921,150	4,515,000	41,406,150	9.83%

Data Sources:

County tax records: college records

See accompanying independent auditors' report.

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)
2015	NA	NA	NA	NA
2014	NA	NA	NA	NA
2013	NA	NA	NA	NA
2012	NA	NA	NA	NA
2011	NA	NA	NA	NA
2010	NA	NA	NA	NA
2009	NA	NA	NA	NA
2008	NA	NA	NA	NA
2007	NA	NA	NA	6.50%
2006	5,271,405	238,426,065	45,230	5.10%

Data Sources:

- (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

NA - Data Not Available

See accompanying independent auditors' report.

Morton College - Community College District No. 527

DEMOGRAPHIC AND ECONOMIC INFORMATION

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	City	Approximate Number of Employees	Data Source*	Rank	% of Total District Employment **
2015					
MacNeal Hospital	Berwyn	2,200	(2)	1	3.354%
Wirtz Beverage Illinois, LLC	Cicero	1,000	(2)	2	1.524%
Morton East & West High Schools	Cicero	706	(3)	3	1.076%
Levin Bros Paper Corp	Cicero	500	(1)	4	0.762%
USF Holland, Inc.	McCook	500	(2)	4	0.762%
Terrace Paper Co., Inc.	Cicero	400	(1)	5	0.610%
Meade Electric Co.	McCook	400	(2)	5	0.610%
A&R Janitorial Services, Inc.	Cicero	350	(2)	6	0.534%
Campagna-Turano Bakery	Berwyn	300	(1)	7	0.457%
Fontanini Italian Meats & Sausages	McCook	270	(1)	8	0.412%
Groot Industries, Inc.	McCook	250	(2)	9	0.381%
Morton College	Cicero	250	(2)	9	0.381%
Saporito Finishing Co.	Cicero	250	(1)	9	0.381%
Tru Vue, Inc.	McCook	250	(1)	9	0.381%
World Marketing - Chicago	McCook	250	(2)	9	0.381%
Estes Express Lines, Inc.	McCook	245	(2)	10	0.373%
Freeman	McCook	240	(1)	11	0.366%
BNSF Railway	Cicero	200	(2)	12	0.305%
Corey Steel Company	Cicero	200	(1)	12	0.305%
UOP, LLC	McCook	200	(1)	12	<u>0.305%</u>
Total		<u>8,961</u>			<u>13.660%</u>
2006					
MacNeal Memorial Hospital	Berwyn	1,000	(5)	1	0.77%
A & R Janitorial Service	Cicero	1,100	(5)	2	0.85%
Turano Baking Company	Berwyn	400	(4)	3	0.31%
Westshire Nursing & Rehab Center	Cicero	350	(5)	4	0.27%
Alden Management Services Inc.	Cicero	250	(5)	5	0.19%
Chicago Metallic Corp.	Stickney	225	(4)	6	0.17%
Corey Steel	Cicero	200	(4)	7	0.15%
Home Depot USA Inc.	Cicero	200	(5)	8	0.15%
Itron Corp.	Cicero	200	(4)	9	0.15%
Building Services of America	Berwyn	199	(5)	10	0.15%
Sequin Services Inc.	Cicero	180	(5)	11	0.14%
Community Care Options	Berwyn	160	(5)	12	0.12%
Pinnacle Healthcare Berwyn	Berwyn	150	(5)	13	0.12%
E&D Web Inc.	Cicero	150	(4)	14	0.12%
Estes Express Lines Inc.	McCook	145	(5)	15	0.11%
Crown Recycling & Waste Services	McCook	120	(5)	16	<u>0.09%</u>
Total		<u>5,029</u>			<u>3.86%</u>

Data Sources

(1) 2015 Illinois Manufacturers Directory

(2) 2015 Illinois Services Directory

(3) Company/Organization Official Website

(4) 2006 Illinois Manufacturers Directory

(5) 2006 Illinois Services Directory

** Illinois Department of Employment Security

See accompanying independent auditors' report

Morton College - Community College District No. 527

OPERATING INFORMATION (UNAUDITED) FULL-TIME EQUIVALENT EMPLOYEES LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
FACULTY										
Full Time	56	54	51	51	52	53	52	51	54	52
Full Time Overload	-	-	-	-	-	-	-	-	-	-
Full Time Summer	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>56</u>	<u>54</u>	<u>51</u>	<u>51</u>	<u>52</u>	<u>53</u>	<u>52</u>	<u>51</u>	<u>54</u>	<u>52</u>
Part Time	187	190	192	190	166	159	154	150	174	176
Total Faculty FTE	<u>243</u>	<u>244</u>	<u>243</u>	<u>241</u>	<u>218</u>	<u>212</u>	<u>206</u>	<u>201</u>	<u>228</u>	<u>228</u>
Teaching	243	243	243	241	218	212	206	201	228	228
Non-Teaching	-	-	-	-	-	-	-	-	-	-
Total Faculty FTE	<u>243</u>	<u>243</u>	<u>243</u>	<u>241</u>	<u>218</u>	<u>212</u>	<u>206</u>	<u>201</u>	<u>228</u>	<u>228</u>
LIBRARY, COUNSELORS, & OTHER										
Full Time	3	3	3	3	3	4	4	3	3	3
Summer	-	-	-	-	-	-	-	-	-	-
Part Time	3	3	4	4	4	7	5	4	4	4
Total Library Counselors, & Other FTE	<u>6</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>11</u>	<u>9</u>	<u>7</u>	<u>7</u>	<u>7</u>
Library	-	-	-	-	-	-	-	-	-	-
Counselors	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total Library, Counselors, & Other FTE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADMINISTRATORS	34	31	29	24	15	15	14	15	15	17
CLASSIFIED EMPLOYEES	113	114	112	108	106	105	108	105	155	116
TOTAL FTE EMPLOYEES	<u>396</u>	<u>394</u>	<u>391</u>	<u>380</u>	<u>346</u>	<u>343</u>	<u>337</u>	<u>328</u>	<u>405</u>	<u>368</u>
STUDENT EMPLOYEE (I)	11	16	18	19	19	5	4	3	3	3
TOTAL FTE EMPLOYEES	<u>407</u>	<u>410</u>	<u>409</u>	<u>399</u>	<u>365</u>	<u>348</u>	<u>341</u>	<u>331</u>	<u>408</u>	<u>371</u>

Data Source: College records

Notes

(I) Student FTE are based upon 20 hours per week

See accompanying independent auditors report.

Morton College - Community College District No. 527

OPERATING INFORMATION (UNAUDITED)

CAPITAL ASSET STATISTICS LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Capital Asset Type:										
Land and improvements	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248	\$ 2,600,248
Building and building improvements	30,355,520	30,083,273	24,237,896	23,718,767	23,380,951	23,293,440	23,103,524	22,263,455	22,051,225	17,445,532
Furniture, fixtures, and equipment	7,296,085	7,078,802	6,634,673	6,126,427	5,242,349	1,832,742	1,980,273	2,052,200	2,218,759	2,027,737
Construction in progress	807,330	-	1,290,305	869,399	765,534	3,393,564	16,376	9,900	-	1,656,496
Total Capital Assets	41,059,183	39,762,323	34,763,122	33,314,841	31,989,082	31,119,994	27,700,421	26,925,803	26,870,232	23,730,013
Less accumulated depreciation:										
Building and building improvements	(12,606,188)	(11,350,048)	(10,127,758)	(8,920,731)	(8,005,858)	(7,107,072)	(6,213,233)	(5,328,129)	(4,482,557)	(3,747,763)
Furniture, fixtures, and equipment	(3,740,020)	(3,198,741)	(2,659,434)	(2,421,445)	(1,899,090)	(1,347,162)	(1,397,780)	(1,437,305)	(1,647,680)	(1,650,968)
Total accumulated depreciation	(16,346,208)	(14,548,789)	(12,787,192)	(11,342,176)	(9,904,948)	(8,454,234)	(7,611,013)	(6,765,434)	(6,130,237)	(5,398,731)
Total Net Capital Assets	\$ 24,712,975	\$ 25,213,534	\$ 21,975,930	\$ 21,972,665	\$ 22,084,134	\$ 22,665,760	\$ 20,089,408	\$ 20,160,369	\$ 20,739,995	\$ 18,331,282
Other Information:										
Capital additions	1,296,860	4,999,201	1,448,281	1,325,759	869,088	3,772,003	1,074,975	556,089	3,418,847	2,261,505
Depreciation expense	1,797,419	1,761,597	1,445,016	1,437,228	1,450,714	1,195,651	1,145,936	1,135,715	1,010,134	1,095,583

Data Source: College Records

See accompanying independent auditors' report.

Morton College - Community College District No. 527

Residence Policy Year Ended June 30, 2015

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.

Documentation Verifying District or State Residency

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEARS ENDED JUNE 30, 2015



Morton College - Community College District No. 527

MORTON COLLEGE
COMMUNITY SCHOOL DISTRICT NUMBER 527

ALL FUNDS SUMMARY - UNIFORM FINANCIAL STATEMENT NUMBER I
YEAR ENDED JUNE 30, 2015

	Education Fund	Operation and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Auxiliary Enterprises Fund	Restricted Purposes Fund	Bond Retirement Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Funds	Investment in Plant	Total
Account Balance at July 1, 2014	\$ 6,319,685	\$ 649,660	\$ 45,349	\$ 1,566,343	\$ 35,517	\$ 1,162,982	\$ 9,384,486	\$ (82,953)	\$ 1,039,572	\$ 20,007,759	\$ 40,128,400
Revenues:											
Local tax revenue	6,278,912	1,547,368	-	-	-	676,739	-	81,209	726,153	-	9,310,381
All Other Local Revenue	-	-	-	-	17,500	-	-	-	-	-	17,500
ICCB Grants	5,149,157	-	-	-	688,438	-	-	-	-	-	5,837,595
All Other State Revenue	669,793	669,793	832,330	-	6,442,642	-	-	-	-	-	8,614,558
Federal Revenue	-	-	-	-	9,462,306	-	-	-	-	-	9,462,306
Student Tuition and Fees	9,275,442	501,087	-	-	-	-	-	-	-	-	9,776,529
All Other Revenue	165,809	18,048	-	1,714,938	-	10	1,674	2	4	(42,824)	1,857,661
Total Revenues	21,539,113	2,736,296	832,330	1,714,938	16,610,886	676,749	1,674	81,211	726,157	(42,824)	44,876,530
Expenditures:											
Instruction	8,769,974	-	-	-	4,740,141	-	-	-	129,277	(1,067,438)	12,571,954
Academic support	1,935,952	-	-	-	456,674	-	-	-	16,481	-	2,409,107
Student services	1,928,848	-	-	-	603,073	-	-	-	20,662	-	2,552,583
Public service/continuing education	231,252	-	-	-	303,410	-	-	-	4,822	-	539,484
Auxiliary services	621,906	3,058	-	1,669,536	141,834	-	-	-	3,915	-	2,440,249
Operation and maintenance of plant	-	3,231,314	1,134,882	-	625,970	-	-	-	32,957	(229,422)	4,795,701
Institutional support	5,578,751	-	-	-	965,274	-	-	86,500	351,341	-	6,981,866
Scholarships, student grants and waivers	1,337,927	-	-	-	8,777,804	-	-	-	-	-	10,115,731
Debt Service	-	-	-	-	-	658,863	-	-	-	(415,215)	243,648
Depreciation	-	-	-	-	-	-	-	-	-	1,797,419	1,797,419
Total Expenditures	20,404,610	3,234,372	1,134,882	1,669,536	16,614,180	658,863	-	86,500	559,455	85,344	44,447,742
Operation transfers in	201,674	611,380	-	-	-	-	-	25,000	100,000	-	938,054
Operation transfers out	725,000	-	-	200,000	11,380	-	1,674	-	-	-	938,054
Account balance at June 30, 2015	\$ 6,930,862	\$ 762,964	\$ (257,203)	\$ 1,411,745	\$ 20,843	\$ 1,180,868	\$ 9,384,486	\$ (63,242)	\$ 1,306,274	\$ 19,879,591	\$ 40,557,188

Morton College - Community College District No. 527

MORTON COLLEGE COMMUNITY SCHOOL DISTRICT NUMBER 527

SUMMARY OF CAPITAL ASSETS AND DEBT UNIFORM FINANCIAL STATEMENT NUMBER 2 YEAR ENDED JUNE 30, 2015

	Capital Asset/Debt July 1, 2014	Additions	Disposals	Transfers	Capital Asset/Debt June 30, 2015
<u>Capital Asset Type:</u>					
Land and improvements	\$ 2,600,248	\$ -	\$ -	\$ -	\$ 2,600,248
Building and building improvements	30,083,273	272,247	-	-	30,355,520
Furniture, fixtures, and equipment	7,078,802	217,283	-	-	7,296,085
Construction in progress	-	807,330	-	-	807,330
Total Capital Assets	39,762,323	1,296,860	-	-	41,059,183
Less accumulated depreciation:	(14,548,789)	(1,797,419)	-	-	(16,346,208)
Total Net Capital Assets	<u>\$ 25,213,534</u>	<u>\$ (500,559)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,712,975</u>
<u>Debt:</u>					
Total Debt	<u>\$ 5,375,478</u>	<u>\$ 42,825</u>	<u>\$ (519,257)</u>	<u>\$ -</u>	<u>\$ 4,899,046</u>

Morton College - Community College District No. 527

OPERATING FUNDS REVENUES AND EXPENDITURES UNIFORM FINANCIAL STATEMENT NUMBER 3 YEAR ENDED JUNE 30, 2015

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government:			-
Taxes	\$ 6,278,912	\$ 1,547,368	\$ 9,373,648
Chargeback revenue other community colleges	-	-	-
Total local government	<u>6,278,912</u>	<u>1,547,368</u>	<u>9,373,648</u>
State government:			
ICCB credit hour grants	1,718,422	-	1,718,422
ICCB equalization grants	3,300,285	-	3,300,285
ICCB vocational education	130,450	-	130,450
Corporate personal property replacement taxes	669,793	669,793	1,339,586
Total state government	<u>5,818,950</u>	<u>669,793</u>	<u>6,488,743</u>
Student tuition and fees:			
Tuition	7,722,363	-	7,722,363
Fees	1,553,079	501,087	2,054,166
Total student tuition and fees	<u>9,275,442</u>	<u>501,087</u>	<u>9,776,529</u>
Other sources:			
Sales and service fees	76,909	-	76,909
Facilities rental	-	15,901	15,901
Investment revenue	1,400	597	1,997
Other	87,500	1,550	89,050
Total other sources	<u>165,809</u>	<u>18,048</u>	<u>183,857</u>
Total revenue	21,539,113	2,736,296	25,822,777
Less nonoperating items*			
Tuition chargeback revenue	-	-	-
Adjusted revenue	<u>\$ 21,539,113</u>	<u>\$ 2,736,296</u>	<u>\$ 25,822,777</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, 2015

Operating expenditures:

By program:

Instruction	\$ 8,769,974	\$ -	\$ 8,769,974
Academic support	1,935,952	-	1,935,952
Student services	1,928,848	-	1,928,848
Public service/continuing education	231,252	-	231,252
Auxiliary services	621,906	3,058	624,964
Operation and maintenance of plant	-	3,231,314	3,231,314
Institutional support	5,578,751	-	5,578,751
Scholarships, student grants and waivers	1,337,927	-	1,337,927
Total operating expenditures, by program	<u>20,404,610</u>	<u>3,234,372</u>	<u>23,638,982</u>

Total operating items**

Tuition chargeback revenue			-
Adjusted expenditures	<u>\$ 20,404,610</u>	<u>\$ 3,234,372</u>	<u>\$ 23,638,982</u>

By Object

Salaries	\$ 13,334,094	\$ 1,640,024	\$ 14,974,118
Employee benefits	1,437,350	210,271	1,647,621
Contractual services	2,320,785	442,461	2,763,246
General materials and supplies	1,402,932	115,861	1,518,793
Conference and meeting expenses	297,575	1,513	299,088
Fixed charges	33,366	-	33,366
Utilities	-	805,984	805,984
Capital outlay	186,339	18,258	204,597
Student grants and scholarships	1,210,470	-	1,210,470
Other	181,699	-	181,699
Total operating expenditures, by object	<u>20,404,610</u>	<u>3,234,372</u>	<u>23,638,982</u>

Less operating items*

Tuition chargeback revenue	69,669	-	69,669
Adjusted expenditures	<u>\$ 20,474,279</u>	<u>\$ 3,234,372</u>	<u>\$ 23,708,651</u>

Morton College - Community College District No. 527

MORTON COLLEGE COMMUNITY SCHOOL DISTRICT NUMBER 527

RESTRICTED PURPOSED FUND REVENUES AND EXPENDITURES- UNIFORM FINANCIAL STATEMENT NUMBER 4 YEAR ENDED JUNE 30, 2015

Restricted Purposes Fund revenues, by source:	
Local tax revenue	\$ 17,500
Other	-
Total local government	<u>17,500</u>
State government:	
ICCB workforce development grants	-
ICCB vocational education	9,587
ICCB adult education	678,851
Illinois Student Assistance Commission	-
Other state revenue	6,442,642
Total state government	<u>7,131,080</u>
Federal government	
Department of Education	9,457,421
Department of Agriculture	4,885
Department of Justice	-
Total federal government	<u>9,462,306</u>
Other sources:	
Tuition and fees	-
Total other sources	<u>-</u>
Total Restricted Purposes Fund revenues, by source	<u>\$ 16,610,886</u>
Restricted Purposes Fund expenditures, by program:	
Instruction	\$ 4,740,141
Academic support	456,674
Student services	603,073
Public service/continuing education	303,410
Auxiliary services	141,834
Operation and maintenance of plant	625,970
Institutional support	965,274
Scholarships, student grants and waivers	8,777,804
Total restricted purposes fund expenditures, by program	<u>\$ 16,614,180</u>
Restricted Purposes Fund expenditures, by object:	
Salaries	\$ 1,173,764
Employee benefits	6,288,699
Contractual services	85,756
General materials and supplies	211,537
Conference and meeting expenses	31,281
Fixed charges	-
Capital outlay	45,339
Scholarships, student grants, and waivers	8,777,804
Total restricted purposes fund expenditures, by object	<u>\$ 16,614,180</u>

Morton College - Community College District No. 527

**CURRENT FUNDS - EXPENDITURES BY ACTIVITY-
UNIFORM FINANCIAL STATEMENT NUMBER 5
YEAR ENDED JUNE 30, 2015**

Instruction:	
Instructional programs	\$ 8,769,974
Other	3,798,285
Total instruction	<u>12,568,259</u>
Academic Support:	
Library center	637,008
Instructional Materials Center	142,140
Other	1,585,482
Total academic support	<u>2,364,630</u>
Student services support	
Admissions and records	425,992
Counseling and career services	879,722
Financial aid administration	367,105
Other student services support	879,764
Total student services support	<u>2,552,583</u>
Public service/continuing education:	
Community education	228,484.00
Community services	338.00
Other	299,731.00
Total public service/continuing education	<u>528,553</u>
Auxiliary services	<u>2,440,249</u>
Operation and maintenance:	
Maintenance	533,496
Custodial services	597,075
Grounds	208,026
Campus security	864,397
Plant utilities	805,984
Administration	1,778,632
Total operation and maintenance of plant	<u>4,787,610</u>
Institutional support	
Executive management	1,152,077
Fiscal operations	860,359
Community relations	199,360
Administration support services	417,462
Board of Trustees	88,527
General institutional	823,499
Administrative data processing	2,307,359
Other	972,970
Total institutional support	<u>6,821,613</u>
Scholarships, student grants and waivers	<u>10,115,731</u>
Total current funds expenditures	<u>\$ 42,179,228</u>

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

Morton College - Community College District No. 527

Fiscal Year 2016 Certificate of Chargeback Reimbursement Form

The Fiscal Year 2016 Certificate of Chargeback Reimbursement Form was unable to be completed by the October 15, 2015 audit due date because line 17 of the form (the FY 2016 average grant rate based on FY 2016 ICCB grants) was unavailable since the State of Illinois budget had not yet been approved by the General Assembly and the Governor of the State of Illinois. This page will be issued at a later date as an addendum/replacement page once all information is available to complete the FY 2016 Chargeback Form.

INDEPENDENT AUDITOR'S REPORT

To the 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 (the College) Career and Technical Education – Program Improvement and State Adult Education and Family Literacy Grant Program (State Basic, Public Assistance, and Performance) (Grant Programs), as of June 30, 2015 and the related statements of revenues, expenditures 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 opinions 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College's Grant Programs as of June 30, 2015 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.

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

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, 2015 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 opinions are not modified with respect to this matter.

Other Matters

Other information

Our audit was conducted for the purpose of forming opinions 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.

Report of Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued a report dated October 13, 2015 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.

Plante & Moran, PLLC

October 13, 2015

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*

To the 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 (The College) State Adult Education and Family Literacy Grant (State Basic, Public Assistance, and Performance) and Career and Technical Education – Program Improvement (Grant Programs) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Grant Programs' financial statements, and have issued our report thereon dated October 13, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) 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.

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.

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

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.

Plante & Moran, PLLC

October 13, 2015

Morton College - Community College District No. 527

CAREER AND TECHNICAL EDUCATION PROGRAM IMPROVEMENT GRANT BALANCE SHEET

YEAR ENDED JUNE 30, 2015

Assets	\$ -
Liabilities and Program Balance:	
Liabilities	-
Program Balance	-
Total Liabilities and Program Balance	\$ -

See Notes to financial statements

Morton College - Community College District No. 527

MORTON COLLEGE
COMMUNITY SCHOOL DISTRICT NUMBER 527

CAREER AND TECHNICAL EDUCATION PROGRAM IMPROVEMENT GRANT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN PROGRAM BALANCE
YEAR ENDED JUNE 30, 2015

Revenues	
Illinois Community College Board Grant	\$ 9,587
Total revenues	<u>9,587</u>
Expenditures	
Current year's grant:	
Materials and supplies	9,587
Conference and meetings	-
Total current year's grant	<u>9,587</u>
Total prior year encumbrances:	-
Excess revenues over expenditures	<u>\$ -</u>

See Notes to financial statements

Morton College - Community College District No. 527

MORTON COLLEGE
COMMUNITY SCHOOL DISTRICT NUMBER 527

STATE ADULT EDUCATION AND FAMILY LITERACY GRANT PROGRAM
(STATE BASIC, PUBLIC ASSISTANCE, PERFORMANCE)
BALANCE SHEET
JUNE 30, 2015

	State Basic	Public Assistance	Performance	Total (Memorandum Only)
Assets				
Receivables	\$ 34,659	\$ 3,514	\$ 18,398	\$ 56,571
Prepaid items	4,000	-	-	4,000
Total assets	<u>\$ 38,659</u>	<u>\$ 3,514</u>	<u>\$ 18,398</u>	<u>\$ 60,571</u>
Liabilities and program balance				
Liabilities				
Accrued salaries	\$ -	\$ -	\$ 1,906	\$ 1,906
Accrued expenses	-	-	-	-
Due to other funds	38,659	3,514	16,492	58,665
Total liabilities	<u>\$ 38,659</u>	<u>\$ 3,514</u>	<u>\$ 18,398</u>	<u>\$ 60,571</u>
Program balance	-	-	-	-
Total liabilities and program balance	<u>\$ 38,659</u>	<u>\$ 3,514</u>	<u>\$ 18,398</u>	<u>\$ 60,571</u>

See Notes to financial statements

Morton College - Community College District No. 527

**STATE ADULT EDUCATION AND FAMILY LITERACY GRANT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN PROGRAM BALANCES
YEAR ENDED JUNE 30, 2015**

	<u>State Basic</u>	<u>Public Assistance</u>	<u>Performance</u>	<u>Total (Memorandum Only)</u>
Revenue:				
Illinois CommunityCollege Board Grant	\$ 415,911	\$ 42,163	\$ 220,777	\$ 678,851
Expenditures:				
Instructional and student services:				
Instruction	\$ 371,699	\$ 19,987	\$ 24,419	\$ 416,105
Social work services	5,381	8,109	585	14,075
Guidance services	38,519	8,866	20,369	67,754
Assessment and testing	-	-	43,260	43,260
Student transportation services	312	-	-	312
Literacy services	-	-	-	-
Child care services	-	771	-	771
Total Instructional and student services	<u>415,911</u>	<u>37,733</u>	<u>88,633</u>	<u>542,277</u>
Program support:				
Improvement of instructional service	\$ -	\$ -	\$ 35,636	\$ 35,636
General administration	-	-	13,565	13,565
Data and informational service	-	4,430	82,943	87,373
Total program support	<u>-</u>	<u>4,430</u>	<u>132,144</u>	<u>136,574</u>
Total expenditures	<u>\$ 415,911</u>	<u>\$ 42,163</u>	<u>\$ 220,777</u>	<u>\$ 678,851</u>
Excess revenues over expenditures	-	-	-	-
Program balance:				
Beginning balance - July 1, 2014	-	-	-	-
Ending balance - June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to financial statements

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, 2015**

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$ 371,699	89%
General Administration (15% maximum allowed)	-	0%
State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$ 19,987	45%
General Administration (15% maximum allowed)	-	0%

Morton College - Community College District No. 527

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 (the College). The accompanying statements include only those transactions resulting from the ICCB Career and Technical Education – Program Improvement Grant and 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.

Career and Technical Education - Program Improvement Grant: This grant is intended to enhance instruction and academic support activities to strengthen and improve career and technical programs and services.

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, 2015. Amounts received from ICCB are recognized as revenues when the corresponding expenditures are incurred.

Funds obligated for goods and services by June 30, 2015, and paid for by August 31, 2015, are recorded as unearned revenue. Payments of prior year’s encumbrances for goods received prior to August 31, 2014, are reflected as expenditures during the current fiscal year.

Cash: Cash is composed of cash on hand and cash in the College’s bank account.

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, 2015.

INDEPENDENT ACCOUNTANT'S REPORT ON SCHEDULE OF ENROLLMENT DATA
AND OTHER BASES UPON WHICH CLAIMS WERE FILED

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

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed (Schedule) of Morton College – Community College District No. 527 for the year ended June 30, 2015. 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, in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* and accordingly, included examining, on a test basis, evidence supporting the Schedule and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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

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.

Plante & Moran, PLLC

October 13, 2015

Morton College - Community College District No. 527

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, 2015

	Total Certified Restricted Credit Hours by Term			
	<u>Summer</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>
Baccalaureate	-	-	-	-
Business occupational	-	-	-	-
Technical Occupational	-	-	-	-
Health occupational	-	-	-	-
Remedial development	-	-	-	-
Adult basic education/adult secondary education	1,555.0	4,705.5	5,667.0	11,927.5
Total credit hours certified	1,555.0	4,705.5	5,667.0	11,927.5

	<u>Summer</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>
Reimbursable In-District residents	1,329.0	4,108.5	4,915.0	10,352.5

	Total Restricted Certified Correctional Semester Credit Hours by Term			
	<u>Summer</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>
Baccalaureate	-	-	-	-
Business occupational	-	-	-	-
Technical Occupational	-	-	-	-
Health occupational	-	-	-	-
Remedial development	-	-	-	-
Adult basic education/adult secondary education	-	-	-	-
Total credit hours certified	-	-	-	-

	Total Restricted Certified Correctional Semester Credit Hours by Term			
	<u>Summer</u>	<u>Fall</u>	<u>Spring</u>	<u>Total</u>
Adult basic education/adult secondary education	-	-	-	-
Total credit hours certified	-	-	-	-

Approved: M. J. P. 10/2/15
Chief Financial Officer Date

Approved: M. H. 10/2/15
Provost and Interim President Date

Morton College - Community College District No. 527

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, 2015

	Total Certified Restricted Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	4,410	23,457	23,536	51,403
Business occupational	222	2,135	2,411	4,768
Technical Occupational	194	1,551	1,995	3,740
Health occupational	255	2,102	2,128	4,485
Remedial development	758	3,997	3,420	8,175
Adult basic education/adult secondary education	-	-	-	-
Total credit hours certified	5,839	33,242	33,490	72,571

	Summer	Fall	Spring	Total
Reimbursable In-District residents	5,292	29,011	28,872	63,175
Reimbursable out-of-district on chargeback or contractual agreement	26	183	175	384
Total	5,318	29,194	29,047	63,559

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

	Summary of Certified Dual Credit and Dual Enrollment Hours			
	Summer	Fall	Spring	Total
Dual Credit	-	90	411	501
Total	-	90	411	501

Approved: Y. Minerva Pines 10/2/15
Chief Financial Officer Date

Approved: H. W. J. Jittig 10/2/15
Provost and Interim President Date

MORTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 527
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH
CLAIMS WERE FILED WITH THE ILLINOIS COMMUNITY COLLEGE BOARD
Year Ended June 30, 2015

	Total Reimbursable Credit Hours	Total Reimbursable Credit Hours Certified to the ICCB	Difference
Baccalaureate	51,403	51,403	-
Business occupational	4,768	4,768	-
Technical occupational	3,740	3,740	-
Health occupational	4,485	4,485	-
Remedial developmental	8,175	8,175	-
Adult basic education/adult secondary education	<u>11,927.5</u>	<u>11,927.5</u>	<u>-</u>
Total	<u>84,498.5</u>	<u>84,498.5</u>	<u>-</u>
	<u>Total Attending</u>	<u>Total Attending as Certified to the ICCB</u>	<u>Difference</u>
Reimbursable in-district residents	73,527.5	73,527.5	-
Reimbursable out-of-district on chargeback or contractual agreement	<u>384</u>	<u>384</u>	<u>-</u>
Total	<u>73,911.5</u>	<u>73,911.5</u>	<u>-</u>
	<u>Certified Correctional Credit Hours</u>		
	<u>Total Reimbursable Credit Hours</u>	<u>Total Reimbursable Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate	-	-	-
Business occupational	-	-	-
Technical occupational	-	-	-
Health occupational	-	-	-
Remedial developmental	-	-	-
Adult basic education/adult secondary education	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>
	<u>Total Reimbursable Credit Hours</u>	<u>Total Reimbursable Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Dual Credit	501	501	-
Dual Enrollment	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>501</u>	<u>501</u>	<u>-</u>