PRELIMINARY OFFICIAL STATEMENT, DATED JANUARY 7, 2021

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NEW ISSUE	**Rating:**
BOOK-ENTRY ONLY	**MOODY'S: "Aaa" (Stable Outlook)**
TAXABLE—2021A BONDS	**See "BOND RATING" herein**
TAX-EXEMPT—2021B BONDS	

Interest on the 2021A Bonds is includible in gross income of the owners thereof for federal income tax purposes. Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the 2021B Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion.

Community College District No. 509
Counties of Kane, Cook, DuPage, McHenry and DeKalb and State of Illinois
(Elgin Community College)
$29,470,000* Taxable General Obligation Refunding Bonds, Series 2021A
$63,520,000* General Obligation Refunding Bonds, Series 2021B

Dated: Date of Delivery **Due: December 15, as further described on the inside cover page**

The Taxable General Obligation Refunding Bonds, Series 2021A (the *"2021A Bonds"*), and the General Obligation Refunding Bonds, Series 2021B (the *"2021B Bonds"* and together with the 2021A Bonds, the *"Bonds"*), of Community College District No. 509, Counties of Kane, Cook, DuPage, McHenry and DeKalb and State of Illinois (the *"District"*), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (*"DTC"*). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, National Association, Chicago, Illinois, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of $5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each June 15 and December 15, commencing June 15, 2021.

Proceeds of the Bonds will be used to (a) refund certain of the District's outstanding bonds and (b) pay costs associated with the issuance of the Bonds.

The Series 2021A Bonds are not subject to optional redemption prior to maturity. The Series 2021B Bonds due on or after December 15, 20__, are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after December 15, 20__, at the redemption price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "THE BONDS—Security" herein.

The Bonds are offered when, as and if issued by the District and received by Robert W. Baird & Co. Incorporated, Naperville, Illinois (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about February 8, 2021.

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954

As Municipal Advisor

BAIRD

As Underwriter

The date of this Official Statement is January __, 2021.

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* Preliminary, subject to change.

Community College District No. 509
Counties of Kane, Cook, DuPage, McHenry and DeKalb and State of Illinois
(Elgin Community College)

$29,470,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021A
MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS*

MATURITY (DECEMBER 15)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (483854)
2021	$ 415,000	%	%	
2022	2,760,000	%	%	
2023	1,130,000	%	%	
2024	3,910,000	%	%	
2025	1,140,000	%	%	
2026	2,425,000	%	%	
2027	5,995,000	%	%	
2028	6,060,000	%	%	
2029	5,635,000	%	%	

$63,520,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021B
MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS*

MATURITY (DECEMBER 15)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (483854)
2021	$2,025,000	%	%	
2022	900,000	%	%	
2023	895,000	%	%	
2024	3,085,000	%	%	
2025	6,410,000	%	%	
2026	5,465,000	%	%	
2027	3,235,000	%	%	
2028	3,070,000	%	%	
2029	3,550,000	%	%	
2030	4,490,000	%	%	
2031	9,265,000	%	%	
2032	2,315,000	%	%	
2033	2,575,000	%	%	
2034	4,255,000	%	%	
2035	11,985,000	%	%	

* Preliminary, subject to change.

** CUSIP data herein is provided by the CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Companies Financial. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Bonds.

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the District, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the District or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is "deemed final" by the District as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to such Rule.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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COMMUNITY COLLEGE DISTRICT NO. 509
COUNTIES OF KANE, COOK, DUPAGE, MCHENRY AND DEKALB AND STATE OF ILLINOIS
(ELGIN COMMUNITY COLLEGE)

1700 Spartan Drive
Elgin, Illinois 60123

Administration

Dr. David Sam
President

Dr. Kimberly Wagner
Vice President of Business and Finance

Professional Services

Municipal Advisor
Speer Financial, Inc.
Chicago, Illinois

Underwriter
Robert W. Baird & Co. Incorporated
Naperville, Illinois

Bond Counsel and Disclosure Counsel
Chapman and Cutler LLP
Chicago, Illinois

Bond Registrar, Paying Agent and Escrow Agent
The Bank of New York Mellon Trust Company, National Association
Dallas, Texas

Auditor
Sikich LLP
Naperville, Illinois

OFFICIAL STATEMENT

Community College District No. 509
Counties of Kane, Cook, DuPage, McHenry and DeKalb and State of Illinois
(Elgin Community College)
$29,470,000* Taxable General Obligation Refunding Bonds, Series 2021A
$63,520,000* General Obligation Refunding Bonds, Series 2021B

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community College District No. 509, Counties of Kane, Cook, DuPage, McHenry and DeKalb and State of Illinois (the *"District"*), in connection with the offering and sale of its Taxable General Obligation Refunding Bonds, Series 2021A (the *"2021A Bonds"*), and General Obligation Refunding Bonds, Series 2021B (the *"2021B Bonds"* and together with the 2021A Bonds, the *"Bonds"*).

This Official Statement contains "forward-looking statements" that are based upon the District's current expectations and its projections about future events. When used in this Official Statement, the words "project," "estimate," "intend," "expect," "scheduled," "pro-forma" and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the District. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the District nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

THE BONDS

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the Public Community College Act of the State of Illinois (the *"Act"*), the Local Government Debt Reform Act of the State of Illinois (the *"Debt Reform Act"*), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Trustees of the District (the *"Board"*) on the 10th day of November, 2020, as supplemented by a notification of sale (together, the *"Bond Resolution"*).

Proceeds of the 2021A Bonds will be used to (a) refund certain of the District's outstanding General Obligation Bonds, Series 2013A, dated April 1, 2013 (the *"2013A Bonds"* and the portion of the Series 2013 Bonds being refunded, the *"Refunded 2013 Bonds"*), and (b) pay costs associated with the issuance of the 2021A Bonds. Proceeds of the 2021B Bonds will be used to (a) refund certain of the District's outstanding Taxable General Obligation Bonds, Series 2010B, dated September 1, 2010 (the *"2010B Bonds"* and the portion of the 2010B Bonds being refunded,

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* Preliminary, subject to change.

the *"Refunded 2010B Bonds"*), Taxable General Obligation Bonds, Series 2010C, dated September 1, 2010 (the *"2010C Bonds"* and the portion of the 2010C Bonds being refunded, the *"Refunded 2010C Bonds"*), and Taxable General Obligation Bonds, Series 2010D, dated September 15, 2010 (the *"2010D Bonds"* and the portion of the 2010D Bonds being refunded, the *"Refunded 2010D Bonds"*), and (b) pay costs associated with the issuance of the 2021B Bonds. See "PLAN OF FINANCE" herein.

GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (*"DTC"*). Principal of and interest on the Bonds will be payable by The Bank of New York Mellon Trust Company, National Association, Dallas, Texas (the *"Registrar"*).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 15 and December 15, beginning June 15, 2021.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the 1st day of the month of the interest payment date.

REGISTRATION AND TRANSFER

The Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a 2021B Bond or 2021B Bonds for the unredeemed portion of a 2021B Bond surrendered for redemption.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 1st day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any 2021B Bond after notice calling such 2021B Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any 2021B Bonds.

REDEMPTION

Optional Redemption. The 2021A Bonds are not subject to optional redemption prior to maturity. The 2021B Bonds due on or after December 15, 20__, are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of $5,000 in any order of their maturity as determined by the District (less than all of the 2021B Bonds of a single maturity to be selected by the Registrar), on December 15, 20__, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The 2021__ Bonds due on December 15 of the years 20__ and 20__ are subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 15 of the years and in the principal amounts as follows:

FOR THE 2021__ BONDS DUE DECEMBER 15, 20__

YEAR	PRINCIPAL AMOUNT
20__	$
20__ (maturity)	

The principal amounts of 2021B Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such 2021B Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the District may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the District shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

General. The District will, at least 45 days prior to any [optional] redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of $5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the District are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

SECURITY

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (*"Bond Counsel"*), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Resolution will be filed with the County Clerks (the *"County Clerks"*) of Kane, Cook, DuPage, McHenry and DeKalb Counties, Illinois (the *"Counties"*), and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

Reference is made to Appendix B for the proposed forms of opinions of Bond Counsel.

PLAN OF FINANCE

A portion of the proceeds of the Bonds (the *"Refunding Proceeds"*) will be used to refund the Refunded 2010B Bonds, the Refunded 2010C Bonds, the Refunded 2010D Bonds and the Refunded 2013A Bonds (collectively, the *"Refunded Bonds"*) for debt service savings to the District. The Refunded Bonds are further described as follows:

2013A BONDS

MATURITY (DECEMBER 15)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY THE 2021A BONDS*	CALL PRICE	CALL DATE*
2021	$ 3,300,000	$ 0	Not Callable	Not Callable
2022	2,450,000	2,450,000	100.00%	December 15, 2021
2023	900,000	900,000	100.00%	December 15, 2021
2024	3,700,000	3,700,000	100.00%	December 15, 2021
2025	1,000,000	1,000,000	100.00%	December 15, 2021
2026	2,300,000	2,300,000	100.00%	December 15, 2021
2027	5,900,000	5,900,000	100.00%	December 15, 2021
2028	6,100,000	6,100,000	100.00%	December 15, 2021
2029	5,800,000	5,800,000	100.00%	December 15, 2021
TOTAL	$31,450,000	$28,150,000		

* Preliminary, subject to change.

2010B BONDS

MATURITY (DECEMBER 15)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY THE 2021B BONDS*	CALL PRICE	CALL DATE*
2026	$6,000,000	$6,000,000	100.00%	February 22, 2021
TOTAL	$6,000,000	$6,000,000		

* Preliminary, subject to change.

2010C BONDS

MATURITY (DECEMBER 15)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY THE 2021B BONDS*	CALL PRICE	CALL DATE*
2028	$ 3,800,000	$ 3,800,000	100.00%	February 22, 2021
2029	4,300,000	4,300,000	100.00%	February 22, 2021
2030	5,255,000	5,255,000	100.00%	February 22, 2021
2031	10,050,000	10,050,000	100.00%	February 22, 2021
2032	3,105,000**	3,105,000	100.00%	February 22, 2021
2033	3,390,000	3,390,000	100.00%	February 22, 2021
2034	5,100,000	5,100,000	100.00%	February 22, 2021
TOTAL	$35,000,000	$35,000,000		

* Preliminary, subject to change.

**Mandatory sinking fund redemption.

2010D BONDS

MATURITY (DECEMBER 15)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY THE 2021B BONDS*	CALL PRICE	CALL DATE*
2021	$ 2,300,000**	$ 2,300,000**	100.00%	February 22, 2021
2022	1,400,000**	1,400,000**	100.00%	February 22, 2021
2023	1,400,000**	1,400,000**	100.00%	February 22, 2021
2024	3,600,000**	3,600,000**	100.00%	February 22, 2021
2025	6,910,000	6,910,000	100.00%	February 22, 2021
2026	700,000**	700,000**	100.00%	February 22, 2021
2027	3,700,000	3,700,000	100.00%	February 22, 2021
2035	12,460,000	12,460,000	100.00%	February 22, 2021
TOTAL	$32,470,000	$32,470,000		

* Preliminary, subject to change.

**Mandatory sinking fund redemption.

The portion of the Refunding Proceeds necessary to pay the principal of and interest on the Refunded 2010B Bonds, the Refunded 2010C Bonds and the Refunded 2010D Bonds (collectively, the *"Currently Callable Refunded Bonds"*) on the redemption date thereof will be deposited with The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, as paying agent for the Currently Callable Refunded Bonds.

The remaining Refunding Proceeds will be deposited in an Escrow Account (the *"Escrow Account"*) to be held by The Bank of New York Mellon Trust Company, National Association, Dallas, Texas (the *"Escrow Agent"*), under the terms of an Escrow Agreement, dated as of the date of issuance of the Bonds, between the District and the Escrow Agent. The moneys so deposited in the Escrow Account will be held in cash or applied by the Escrow Agent to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the *"Government Securities"*) and to provide an initial cash deposit. The Government Securities together with interest earnings thereon and the beginning cash deposit will be sufficient to pay when due the principal of and interest on the Refunded 2013A Bonds up to and including the redemption dates thereof.

VERIFICATION

The accuracy of the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Securities together with the initial cash deposit in the Escrow Account to pay the debt service described above on the Refunded 2013A Bonds will be verified by Stanley P. Stone & Associates, Inc., New York, New York. Such verification shall be based upon information supplied by the Underwriter (as hereinafter defined).

SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

SOURCES:	2021A Bonds	2021B Bonds
Principal Amount	$	$
[Net] Original Issue Premium [Discount]		
Total Sources	$	$
USES:		
Deposit to Escrow Account	$	$
Costs of Issuance*		
Total Uses	$	$

* Includes underwriter's discount and other issuance costs.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

FINANCES OF THE STATE OF ILLINOIS

The State of Illinois (the *"State"*) continues to experience adverse fiscal conditions. The severe underfunding of the State's pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability in excess of $130 billion and a combined funded ratio less than 45%, and an ongoing bill backlog of billions of dollars contribute to the State's poor financial health. The State's long-term general obligation bonds are rated at the lowest investment grade rating level and are the lowest bond ratings among the states.

The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State's finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. The State enacted full budgets for the State fiscal years ending June 30, 2018 (the *"Fiscal Year 2018 Budget"*), June 30, 2019 (the *"Fiscal Year 2019 Budget"*), June 30, 2020 (the *"Fiscal Year 2020 Budget"*), and June 30, 2021 (the *"Fiscal Year 2021 Budget"*).

The Fiscal Year 2018 Budget contained appropriations for State aid for higher educational institutions, such as the District. The Fiscal Year 2018 Budget appropriated community college funding equal to 90% of the fiscal year 2015 levels. The Fiscal Year 2019 Budget appropriated approximately 2% more in State aid for higher educational institutions, compared to the Fiscal Year 2018 Budget. The Fiscal Year 2020 Budget provided an increase of $13.9 million for community college operating grants and adult education programs as well as $23.8 million in additional dollars for bridge programs and student support services. The Fiscal Year 2021 Budget provided funding that was equal to the Fiscal Year 2020 Budget. Also included in the Fiscal Year 2021 Budget is a fiscal year 2020 supplemental appropriation of $19 million for community colleges from the Governor's Emergency Education Relief Fund, which is part of the federal CARES Act (as defined herein). The funding will be distributed to each community college through a formula that prioritizes student need and institutional need.

State funding sources constituted 6.96% of the District's combined Education Fund and Operation and Maintenance Fund (the *"General Fund"*) revenue sources for the fiscal year ended June 30, 2020.

The District cannot predict the effect the State's financial problems, including those caused by the continued spread of the Novel Coronavirus 2019 (*"COVID-19"*) or the various governmental or private actions in reaction thereto, may have on the District's future finances. In response to the COVID-19 pandemic, the rating agencies have lowered their respective rating outlooks on the State's long-term general obligation bonds to negative from stable. See "POTENTIAL IMPACT OF COVID-19" below.

LOCAL ECONOMY

The financial health of the District is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

POTENTIAL IMPACT OF COVID-19

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, President Trump has declared a "national emergency" and Illinois as a disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. In addition, on March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (the *"CARES Act"*), which is directed at mitigating the economic downturn and health care crisis caused by COVID-19. The estimated $2 trillion CARES Act, among other items, creates a $150 billion Coronavirus Relief Fund (the *"Coronavirus Relief Fund"*) for state, local and tribal governments to use for expenditures incurred due to the public health emergency with respect to COVID-19. The District has received approximately $4.9 million in CARES Act funds.

The Governor has signed various executive orders (each with 30-day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that, as originally issued, (i) required all Illinoisans (with certain exceptions) to stay in their homes; (ii) closed all bars and restaurants to dine-in customers; (iii) ceased operations for all non-essential businesses in the State and (iv) prohibited all public and private gatherings of 10 or more people. The Governor has implemented a five-phase approach to reopening the State's businesses, with each successive phase easing certain of the restrictions previously imposed by such executive orders. The State is currently in the fourth phase of this reopening plan, and the current executive orders extend through January 9, 2021. Under the current executive orders, Illinoisans are no longer required to stay in their homes, bars and restaurants are allowed to partially open, public and private gatherings of 50 or fewer people are allowed and some additional businesses are allowed to resume operations.

The Governor's reopening plan divides the State into regions, with COVID-19 mitigation strategies and restrictions being imposed individually on regions based on the positivity rate of that region. Certain regions of the State have recently begun to exhibit positivity rate in excess of a rate deemed acceptable in the reopening plan and, as such, the Governor has reimposed some COVID-19 mitigation strategies imposed under earlier phases of the reopening plan on those regions, including, but not limited to, prohibiting indoor dining and bar service and restricting gatherings to 25 or fewer people. All regions within the State are currently subject to these additional mitigation measures. The District makes no prediction as to whether additional mitigation measures will be imposed within the Counties, or when any such mitigation measures will be relaxed by the Governor.

Despite moneys the State is expected to receive from the federal government, including from the CARES Act, the spread of COVID-19 and the actions taken in response thereto have had, and are expected to continue to have, a significant negative impact on the State's economy, which could affect the revenues received by the District from the State, including State Aid (as hereinafter defined).

The State is not yet able to assess the severity of the economic impact of the COVID-19 pandemic. The State is expected to continue to develop economic forecasts and revenue estimates as circumstances change and additional information becomes available. It is possible that actual results will vary, and perhaps vary widely, from the amounts described in this paragraph. The negative impact on the State's revenues could result in reduced State Aid to fund the District's operations.

The District cannot predict the effect the spread of COVID-19 or the various governmental or private actions in reaction thereto will have on its finances or operations, including receipt of State revenues for operating purposes and real estate tax collections for operating expenses and the payment of debt service. While the District does not currently anticipate a material effect on the extension and collection of property taxes, should adverse economic conditions lead to an increase in unemployment rates for residents in the District, property tax collection rates within the District could be adversely affected. If there is a negative impact on the receipt of State revenues and/or extension and collection of real estate taxes, the District may have difficulty paying debt service on the Bonds.

PENSION COST SHIFT

A portion of the District's revenues is derived indirectly through State payments made on-behalf of the District to the State Universities Retirement System of Illinois (*"SURS"*) with respect to the costs of the pensions of the District's employees. For the fiscal year ended June 30, 2020, the District recognized on-behalf payments of $36,548,008 by the State.

The State's retirement systems, including SURS, are severely underfunded. The required annual statutory contributions to the retirement systems, while in conformity with State law, have been less than the contributions that would otherwise be required in accordance with the actuarial standards developed by the Government Accounting Standards Board. According to the Audit, the net pension liability of the SURS associated with the District (*i.e.,* the amount by which SURS's liability exceeds the actuarial value of its assets for the portion allocated to the District) as of the end of fiscal year 2020 equaled $339,184,041, an increase from $325,315,595 as of the end of fiscal year 2019

No assurance can be given that future legislation will solve the severe underfunding of the State's retirement systems. Future legislation may require the District to assume part or all of the liability for funding its employees' pensions, which would adversely affect the District's financial condition. Furthermore, the underfunding of pensions may impact the District's ability to recruit and retain faculty and staff. See "RETIREMENT PLAN – Cost Shifting" herein.

LOSS OR CHANGE OF BOND RATING

The Bonds have received a credit rating from Moody's Investors Service, New York, New York (*"Moody's"*). The rating can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

SECONDARY MARKET FOR THE BONDS

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

CONTINUING DISCLOSURE

A failure by the District to comply with the Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the *"Rule"*) adopted by the Securities and Exchange Commission (the *"Commission"*) under the Securities Exchange Act of 1934, as amended (the *"Exchange Act"*), and may adversely affect the transferability and liquidity of the Bonds and their market price.

SUITABILITY OF INVESTMENT

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the 2021B Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

FUTURE CHANGES IN LAWS

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

FACTORS RELATING TO TAX EXEMPTION

As discussed under "TAX MATTERS" herein, interest on the 2021B Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the 2021B Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the 2021B Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (*"Congress"*) legislative proposals relating to the federal tax treatment of interest on the 2021B Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the 2021B Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to 2021B Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the 2021B Bonds could have an adverse effect on the District's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the *"Service"*) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the 2021B Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the 2021B Bonds, regardless of the ultimate outcome.

CYBERSECURITY

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District's operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

BANKRUPTCY

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE DISTRICT

GENERAL DESCRIPTION

The District covers a 360 square mile area in northern Illinois which encompasses parts of five counties and serves 29 incorporated municipalities and substantial unincorporated areas. The District's 2010 service population is estimated at 457,915. Population projections published by the Northeastern Illinois Planning Commission indicate that the District's service population could exceed 572,000 by the year 2020. Approximately half of the District's land area is rural or undeveloped, and approximately 75% of the District's equalized assessed valuation (*"EAV"*) is located in incorporated municipalities. The following communities are fully or partially served by the District:

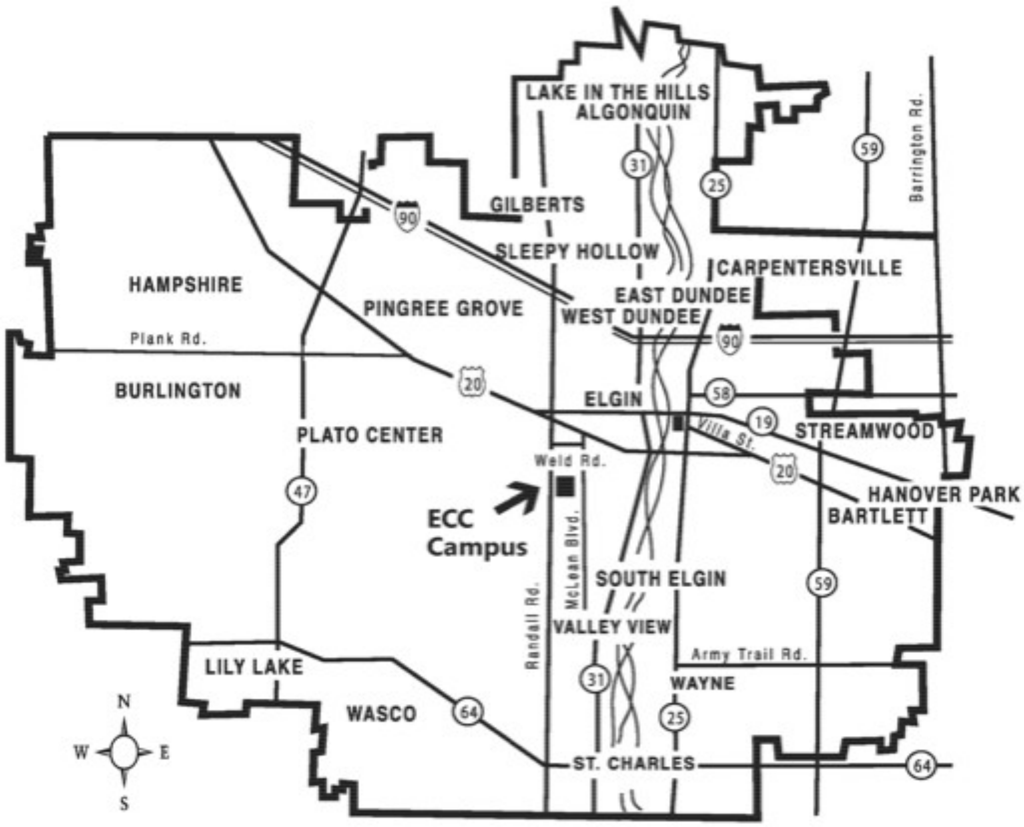
Algonquin*	Fox River Grove*	Schaumburg*
Bartlett	Gilberts	St. Charles
Barrington Hills*	Hampshire	Sleepy Hollow
Burlington	Hanover Park*	South Elgin
Campton Hills*	Hoffman Estates*	Streamwood
Carol Stream*	Huntley*	Sycamore*
Carpentersville*	La Fox*	Virgil*
Cary*	Lake in the Hills*	Wasco*
East Dundee	Lily Lake	Wayne
Elburn*	Maple Park*	West Chicago*
Elgin	Pingree Grove	West Dundee

* Only portions of these communities are located within the District.

The largest municipality served by the District is the City of Elgin (the *"City"*), which comprises approximately 20% of the District's total 2019 EAV. See "GENERAL INFORMATION

REGARDING THE CITY OF ELGIN". In addition, approximately 93% of the District's 2019 EAV is located in Kane County (64.0%), Cook County (18.5%) and DuPage County (10.3%).

DISTRICT MAP



DISTRICT ORGANIZATION AND SERVICES

The District was originally founded as part of the University of Illinois Agricultural Extension Service. In 1949, the board of education of School District Number U-46 (*"District U-46"*) subsequently took over the District's functions. In 1966, an independent Community College District No. 509 was created out of District U-46 pursuant to the Act. The District today serves District U-46 as well as elementary, unit and high school district numbers 300, 301 and 303 along with portions of school districts 54 and 427.

The Board is comprised of seven trustees elected at large for staggered six year terms. A Chairperson and Vice Chairperson are selected by the trustees from among the elected members of the Board. A student member is elected each spring in an at-large student election, and by State law has an advisory vote on the Board. The daily administrative and educational functions of the District are the responsibility of the President, who is appointed by the Board. Other positions also appointed by the Board include a Treasurer, Secretary and legal counsel. The current members of the Board are as follows:

OFFICIAL	POSITION	TERM EXPIRES
Donna Redmer	Chair	April 2021
Jennifer Rakow	Vice Chair	April 2023
Jeffrey Meyer	Secretary	April 2021
John Duffy	Trustee	April 2023
Candace McCreary	Trustee	April 2023
Shane Nowak	Trustee	April 2025
Clare Ollayos	Trustee	April 2025
Taylor Vitacco	Student Trustee	2021

The District's President is Dr. David Sam, who has been with the District since February 2007. Kimberly Wagner is the Vice President of Business and Finance since August 2019. Prior to serving as Vice President of Business and Finance, Ms. Wagner served as Executive Director of Student Financial Services and has been with the District since April of 2002. Heather Scholl has been with the District since July of 2003 and serves as the Assistant Vice President of Business and Finance. Julie Wons has been with the District since May of 2007 and serves as Managing Director of Accounting and Grant Compliance.

The District is a two-year public institution of higher learning providing freshman and sophomore level classes for university transfer in 25 major fields. It also provides 155 degree or certificate programs for career or technical education. It offers programs in areas such as business, health, human and public services, advanced technology, and basic adult education programs such as GED and English as a Second Language. Classes are also available on a noncredit basis for personal and professional enrichment. The District periodically establishes special training programs for area industry.

Academic certification and professional recognition of the District for specific programs come from North Central Association of Colleges and Secondary Schools, Illinois Board of Higher Education (*"IBHE"*), Illinois Community College Board (*"ICCB"*), National League for Nursing, Chicago Chefs Association and other organizations.

Additionally, the District offers three adult education programs, over 25 university transfer departments, over 150 certificates and degrees, 500 non-credit courses and 1,065 credit courses with one in four District high school students attending the District post-graduation. The District also offers a vibrant cultural arts program, facility rentals and a host of community-centered events and services. The District has partnered through formal agreements with approximately 30 colleges and universities to provide area residents with greater and more immediate access to upper level undergraduate offerings (junior and senior level classes), baccalaureate degree completion, and to allow for dual admission and/or seamless transfer to four-year schools.

POPULATION DATA

NAME OF ENTITY	1990	2000	2010	PERCENTAGE CHANGE 2000/2010
City of Elgin	77,010	94,487	108,188	14.50%
Kane County	317,471	404,119	515,269	27.50%
Cook County	5,105,067	5,376,741	5,194,675	-3.39%
DuPage County	781,666	904,161	916,924	1.41%
McHenry County	183,241	260,077	308,760	18.72%
DeKalb County	77,932	88,969	105,160	18.20%
State of Illinois	11,430,602	12,419,293	12,830,632	3.31%

Source: U.S. Census Bureau

EMPLOYEES AND UNION RELATIONS

The District has approximately 1,237 employees, of which approximately 467 are full-time. Non-supervisory employees are members of collective bargaining groups. Faculty employees are members of the Illinois Federation of Teachers whose contract with the District expires on December 31, 2022. Support employees are members of the Illinois Education Association, which has a contract with the District that expires on June 30, 2021. Members of the District's police force are members of the Metropolitan Alliance of Police, and have a contract with the District that expires on June 30, 2022. A small number of building engineers are members of the International Union of Operating Engineers. The District is currently finalizing a new contract with its building engineers. The District considers its relationship with its employees to be positive.

DISTRICT FACILITIES

The District has a total of 22 buildings in two locations and serves all or part of 33 communities. The main campus is located on 211.5 acres in southwest Elgin. The District also has a Center for Emergency Services located on 119.7 acres in Burlington. The initial six buildings on the main campus were built between 1970 and 1979. The Visual and Performing Arts Building, which contains an art gallery, lab space, a 600-seat theatre and stage, specialized classrooms for visual arts, music, drama and speech, and administrative offices, opened in the fall of 1994.

A University and Business Center was added in 1995, providing space for conferences, seminars, workshops, classes and meetings for the District's Continuing Education Division and Workforce Development.

In April of 2009, the voters of the District approved a $178 million bond referendum, which financed new buildings to provide students modernized learning environments. These improvements included expanding the campus from 837,690 to 1,108,073 square feet of space. Two former light industrial properties were converted into the 71,000 square foot building K that offers 26 new classrooms and five computer labs. Buildings A (health and life sciences Building) and C (Renner Learning Resources) were constructed from the ground up. Building A features state-of-the-art healthcare training facilities that simulate a working hospital. Building C replaces an outdated library that was a third of its current size. Many other renovations were made across campus to update aging buildings and include renovated classrooms, labs, and office space.

The District has "community education centers" located in public schools, village halls and churches in Elgin, Carpentersville, Streamwood, and Hanover Park. The District also offers a variety of distance learning options for students in the form of online courses, hybrid (partially online) courses, and telecourses.

TUITION

Present in-District tuition and fees is $132 per credit hour. A typical class is three credit hours, totaling approximately $396 per class. The Board evaluates tuition levels at least annually. Tuition represents approximately 30% of the District's Fiscal Year 2021 operating budget. The trend of recent tuition and fees increases is summarized below:

FISCAL YEAR	IN-DISTRICT TUITION AND FEES PER SEMESTER HOUR	OUT-OF-DISTRICT TUITION AND FEES PER SEMESTER HOUR	OUT-OF-STATE TUITION AND FEES PER SEMESTER HOUR
2010	$ 91.00	$358.08	$442.65
2011	91.00	343.43	436.49
2012	99.00	336.02	445.27
2013	105.00	361.53	472.54
2014	109.00	354.81	480.93
2015	114.00	381.10	497.79
2016	119.00	434.49	497.79
2017	125.00	434.49	497.79
2018	129.00	434.49	497.79
2019	132.00	434.49	497.79
2020	132.00	434.49	497.79
2021	132.00	297.00	396.00

Source: The District.

DISTRICT ENROLLMENT AND STUDENT BODY

On average, the District's student base is largely part-time or half-time with approximately 32% full-time enrollment. District statistics also indicate that, on an annual basis, approximately 11% of its students are age 19 and under, approximately 47% of its students are between 20 and 30 years old, and 43% of its students are over age 30. Listed below are Fall enrollment totals (as of census date) for the last ten years, along with total credit hours.

In fiscal year 2019, the District made a larger investment in its marketing department by increasing its digital marketing for current and prospective students. The District may add new programs such as cybersecurity, pipe welding and enhancements to industrial manufacturing technology. The District is also looking to sunset current programs that do not have adequate enrollment.

Fiscal Year	Full Time Equivalent Credit Courses	Headcount Credit Courses	Total Credit Hours Claimed
2011	7,009	12,214	216,117
2012	6,862	11,811	214,909
2013	6,757	11,554	207,401
2014	6,675	11,285	197,308
2015	6,396	10,937	195,829
2016	6,052	10,336	189,445
2017	5,773	9,918	179,420
2018	5,679	9,599	176,626
2019	5,577	9,567	172,354
2020	5,732	9,917	173,961

Source: The District.

Facilities Master Plan

The current facilities master plan was adopted in May 2020. The District's previous 2012 campus plan contained plans for general site improvements as well as physical and deferred maintenance projects, and included the development and construction of a new library, health and life sciences building, general classroom building, new Center for Emergency Services in Burlington, Illinois, deferred maintenance and remodeling of outdated buildings on campus, as well as, infrastructure improvements. A bond referendum was approved by the taxpayers of the District in April of 2009 that enabled the District to complete the major projects and deferred maintenance laid out in the master plan.

The District's new campus master plan contains recommendations for expansion of greenspace, utility and site improvements, renovation and expansion of spaces for growing academic programs, and creation of a newly constructed manufacturing training facility. The State appropriated approximately $28,000,000 to support the completion of this project in Public Act 101-0638 (June 2020). The District has not yet received these State funds. In addition, the District will finance the State match portion of this project with funds on hand in its operating funds. The District transferred a portion of such funds to its construction funds during fiscal year 2020, and will make an additional transfer of approximately $12 million this year.

General Information Regarding the City of Elgin

Located along the Fox River, the City is approximately 38 miles northwest of downtown

Chicago and covers an area of approximately 38 square miles. The City is located in two counties, approximately one-fifth of the current EAV is in Cook County and four-fifths is in Kane County. The estimated population of the City has grown from 104,939 based on a special census in March 2008 to 112,456 based on the 2017 census. The City's location at the north end of the growing "Fox Valley" region and along the Interstate 90 Northwest Tollway's "Golden Corridor" has contributed to substantial residential and commercial/industrial growth in the City in recent years. The Chicago Metropolitan Agency for Planning projects the City's population to be in excess of 139,517 by the year 2040.

WESTERN GROWTH AREA

The City adopted a new comprehensive plan in 2018, and that plan continues the commitment by the City to quality land resource management for tens of thousands of acres on the City's western edge. The plan puts forth growth management policies that direct a balance between the need to develop, the cost of development, and conservation of the natural environment. Development within the City's western growth area will continue to demonstrate the use of innovative architecture, site planning, and land design of such quality as to set a standard of excellence for subsequent development. Currently, the City includes more than 23,700 acres of land, but another 47,500 unincorporated acres are within the City planning area, mostly within the western growth area.

PARKS AND RECREATION FACILITIES

The City's Parks and Recreation Department (the *"Park Department"*) oversees some 1,711 acres of parks and open space. In total the City currently has 75 parks. Wing Park, the regional park on the City's near west side, has a large family aquatic center, seven baseball fields, a band shell, two shelters, a golf course, basketball courts, and tennis courts. Lords Park, the regional park on the City's east side, also has a family aquatic center, basketball courts, a zoo, nine baseball fields, two picnic shelters, natural history museum, pavilion, three lagoons, and tennis courts. Hawthorne Hill Nature Center and Park is a 66-acre natural area with interpretive trails, fishing ponds, and a 4,800 square foot nature center. Trout Park, on the City's northeast side, has a nature preserve, baseball field, and a picnic shelter. The Park Department manages three City-owned golf courses. The Park Department also manages the Elgin Sports Complex, which comprises ten lighted softball fields, eleven soccer fields, two sand volleyball courts and one of the only BMX tracks in the State. During the weekdays, residents enjoy the sports complex as they participate in many different active leagues and events. On the weekends, from early April to late October, the Elgin Sports Complex hosts approximately thirty different tournaments. These tournaments bring approximately 1,600 teams and their fans to the sports complex, resulting in 300,000 estimated visitors.

The City, along with the Kane County Forest Preserve District, owns Jack Cook Park and Forest Preserve, a 224-acre parcel on the City's far-west side. A Phase I development took place in 2013 and included two soccer fields, tennis and basketball courts, a shelter, roadway and parking lot. Phase II development was completed in 2017 and included expansion of the parking lot to accommodate 100 vehicles.

TRANSPORTATION

The City is ideally positioned with highway access to all points in the Chicago metropolitan area. To the east, Interstate 90 connects the City to O'Hare International Airport and downtown Chicago. Three full-service interchanges on Interstate 90 serve residents, businesses and visitors at the major north-south transportation corridors of Illinois Route 31, Illinois Route 25 and Randall Road. Illinois Routes 19 and 58 and U.S. Route 20 are the additional east-west transportation corridors serving the City residents. The Elgin-O'Hare Expressway comprises a portion of U.S. Route 20 and is continuing to be developed as a western access to O'Hare International Airport. The Elgin-O'Hare Expressway will ultimately serve as the City's second connection to O'Hare International Airport.

Commuter rail transportation is available through the Metropolitan Rail's Milwaukee Road (Metra) line. The City has three commuter train stations for passengers commuting to the Chicago business district. Bus service connects with all three commuter train stations. Air transportation is available from O'Hare International Airport, approximately 22 miles southeast of the City along Interstate 90. Commercial trucking and rail freight services are also available.

Bus transportation for the City and neighboring communities is provided by the State-funded Pace Suburban Bus Service of the Regional Transportation Authority (RTA). Dial-a-Ride services are also provided by Pace and is available for those who are unable to use regular bus service, such as the elderly or physically challenged. The service operates on a door-to-door basis during weekdays.

There is motor coach bus service available daily from the City to O'Hare International Airport, Chicago, Rockford, Madison, Wisconsin and Dubuque, Iowa.

EDUCATION

The City is a regional center for learning as is evidenced from the descriptions of the schools below.

District U-46 is the second largest school district in the State, serving nearly 39,000 students in 11 communities, including the City. District U-46 offers a well-rounded and rigorous preK-12 education for students at two early learning centers, forty elementary schools, eight middle schools, five high schools, and two alternative programs for middle and high school students.

About 47 percent, or 18,250, of the students in District U-46 are residents of the City. District U-46 has 4,754 full-time equivalent employees, including 2,587 teachers. More than 2,000 City residents are employed by District U-46, and about 23 percent of the teachers are City residents.

The Elgin Academy (the *"Academy"*), founded in 1839, is the oldest independent, co-ed, college-preparatory day school in the Chicago area. The Academy serves Preschool through 12th grade with an enrollment of approximately 340 students. The school occupies an eighteenacre campus in the Historical District of the City. The Academy is committed to academic excellence and developing the full potential of each student.

HIGHER EDUCATION

Judson University, a four-year liberal arts college established in 1963, is located in the City. The university has an enrollment of approximately 1,300 people, and is located on a 90 acre campus along the Fox River. Judson University offers more than 60 undergraduate majors, minors and pre-professional programs and is currently the only evangelical Christian university to offer an accredited architecture program. Judson University's adult undergraduate offerings include Management and Leadership (also available online); Human Services; Human Resource Management; Criminal Justice and Management Technology Systems. Graduate programs include the Master of Architecture, Master of Education and Master of Organizational Leadership with more graduate programs under consideration.

Established more than 125 years ago, National Louis University (*"NLU"*) is one of Chicago's oldest private universities and a leader in providing a quality education for the adult learner. NLU is a nonprofit, non-denominational university serving more than 8,000 students in three colleges: National College of Education; College of Arts & Sciences; and College of Management and Business. It offers bachelors, masters and doctoral degrees in 60 fields including education, management, human services, counseling, and other community-serving disciplines. NLU's reach is national with five campus locations in the State: Downtown Chicago, the City, Lisle, North Shore, and Wheeling. NLU first opened its academic center in the City in 1979, and currently resides in an 18,900 square foot building located in the Leslie Oaks Business Center.

DeVry University and Robert Morris College also have satellite campuses in the City. Additional opportunities for higher education are available to City residents from the various colleges and universities throughout the Chicago metropolitan area.

COMMUNITY LIFE

The City is a regional health care center serving area residents with two state-of-the-art health care facilities, Presence Saint Joseph Hospital and Advocate Sherman Hospital.

Founded in 1902, Presence Saint Joseph Hospital (the *"Hospital"*), is a 184 bed full-service hospital with a Level II Trauma Center. The Hospital offers services from inpatient care, outpatient services, surgical care, emergency and urgent care, wound and non-healing wound care using the Elgin area's only hyperbaric oxygen chamber, compassionate adult and adolescent behavioral (mental) health (psychiatric) care services and more. The Hospital also has a state-of-the-art cancer center with the area's only Cancer Rehab Program and Lymphedema treatment program, a nationally-recognized heart & vascular institute providing the highest rated heart surgery, the area's only Women's Heart Center and a new patient tower.

Advocate Sherman Hospital (*"Sherman Health"*) is an acute care facility with highly skilled physicians and clinical professionals offering a comprehensive range of health care services. Since 1888, Sherman Health has provided quality, compassionate care to its patients and communities, and is a leader in delivering the most advanced technologies and services available in the northwest suburbs.

Library services are available to City residents from the Gail Borden Public Library District (the *"Library"*), which is a separate, non-component unit of government. The Library records over 1,000,000 visits annually. Approximately 99,637 of the 144,597 individuals living within the Library's boundaries are registered Library patrons. Small portions of the City are also served by the Bartlett Public Library District and the Dundee Township Public Library District. Serving and collaborating with the local community since 1874, the Library's main prairie style building along the Fox River was completed in 2003. Its first branch opened just west of Randall and Bowes in 2009. The beautiful sustainable Rakow Branch situated adjacent to wetlands earned the rare gold status from U.S. Green Building Council and is a living educational classroom for visitors. The Library opened a second branch in South Elgin in 2016.

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL ONLY) (1)

CALENDAR YEAR	SERIES 2012 BONDS(2) (DEC. 15)	SERIES 2013A BONDS(3) (DEC. 15)	SERIES 2013B BONDS(4) (DEC. 15)	SERIES 2019 BONDS(5) (DEC. 15)	PLUS: THE 2021A BONDS(6) (DEC. 15)	PLUS: THE 2021B BONDS(6) (DEC. 15)	TOTAL OUTSTANDING BONDS(6)
2021	$ 380,000	$ 3,300,000			$ 415,000	$2,025,000	$6,120,000
2022	2,975,000				2,760,000	900,000	6,635,000
2023				$ 4,525,000	1,130,000	895,000	6,550,000
2024					3,910,000	3,085,000	6,995,000
2025					1,140,000	6,410,000	7,550,000
2026					2,425,000	5,465,000	7,890,000
2027					5,995,000	3,235,000	9,230,000
2028					6,060,000	3,070,000	9,130,000
2029			$ 1,000,000		5,635,000	3,550,000	10,185,000
2030			6,200,000			4,490,000	10,690,000
2031			2,800,000			9,265,000	12,065,000
2032				11,555,000		2,315,000	13,870,000
2033				11,695,000		2,575,000	14,270,000
2034				10,810,000		4,255,000	15,065,000
2035						11,985,000	11,985,000
TOTAL	$3,355,000	$3,300,000	$10,000,000	$38,585,000	$29,470,000	$63,520,000	$148,230,000

(1) As of the issuance of the Bonds. Assumes the issuance of the Bonds and the refunding of the Refunded Bonds.
(2) General Obligation Refunding Bonds, Series 2012, dated April 3, 2012.
(3) General Obligation Refunding Bonds, Series 2013A, dated April 1, 2013.
(4) General Obligation Bonds, Series 2013B, dated April 16, 2013.
(5) General Obligation Refunding Bonds, Series 2019, dated September 16, 2019.
(6) Preliminary, subject to change.

OVERLAPPING GENERAL OBLIGATION BONDS
(As of December 1, 2020)

TAXING BODY	OUTSTANDING[2]	APPLICABLE TO DISTRICT[1] PERCENT	APPLICABLE TO DISTRICT[1] AMOUNT
Cook County	$ 2,658,926,750	1.439%	$ 38,263,847
Cook County Forest Preserve District	78,085,000	1.439%	1,123,699
DeKalb County	8,685,000	0.016%	1,418
DuPage County	27,410,000	3.234%	886,417
DuPage County Forest Preserve District	69,380,000	3.234%	2,243,694
Kane County Forest Preserve District	126,940,000	55.429%	70,361,935
McHenry County Conservation District	75,985,000	10.671%	8,108,439
Metropolitan Water Reclamation District	2,585,513,000	1.464%	37,856,675
Campton Township	23,770,000	90.708%	21,561,196
Village of Algonquin	3,885,000	86.138%	3,346,461
Village of Barrington Hills	39,040,000	6.376%	2,489,250
Village of Carpentersville	33,489,000	91.615%	30,681,034
City of Crystal Lake	27,660,000	0.032%	8,758
Village of East Dundee	10,320,000	100.000%	10,320,000
City of Elgin	69,755,000	100.000%	69,755,000
Village of Hanover Park	11,670,000	37.488%	4,374,856
Village of Hoffman Estates	89,285,000	17.504%	15,628,398
Village of Huntley	6,080,000	5.752%	349,740
Village of Lake in the Hills	1,695,000	33.462%	567,173
City of St. Charles	106,995,000	99.874%	106,860,136
Village of Schaumburg	335,445,000	3.353%	11,247,394
Village of Streamwood	17,600,000	100.000%	17,600,000
Village of West Dundee	6,205,450	99.833%	6,195,111
St. Charles Special Service Area 21	910,000	100.000%	910,000
Wayne Special Service Area 5	235,000	100.000%	235,000
East Dundee and Countryside Fire Protection District	3,990,000	31.895%	1,272,609
South Elgin Fire Protection District	8,855,000	100.000%	8,855,000
Gail Borden Library District	2,650,000	98.874%	2,620,153
Huntley Area Library District	12,245,000	3.038%	371,993
Poplar Creek Library District	13,370,000	77.439%	10,353,544
Bartlett Park District	20,260,000	100.000%	20,260,000
Carol Stream Park District	45,453,294	7.555%	3,434,222
Crystal Lake Park District	435,000	0.453%	1,972
Genoa Township Park District	1,456,310	0.317%	4,616
Hampshire Park District	50,000	95.396%	47,698
Hanover Park District	6,664,625	40.725%	2,714,182
Hoffman Estates Park District	4,700,000	18.691%	878,482
Huntley Park District	429,000	2.036%	8,732
St. Charles Park District	22,335,000	99.917%	22,316,534
Schaumburg Park District	11,068,305	3.366%	372,602
Streamwood Park District	3,402,000	93.908%	3,194,741
West Chicago Park District	14,689,405	14.945%	2,195,392
Huntley Consolidated School District 158	86,035,515	0.033%	28,133
Elgin Community Unit School District 46	218,313,638	100.000%	218,313,638
Carpentersville Community Unit School District 300	236,816,782	99.577%	235,814,037
Burlington Community Unit School District 301	36,360,542	99.708%	36,254,405
St. Charles Community Unit School District 303	32,455,000	100.000%	32,455,000
Sycamore Community Unit School District 427	60,901,961	0.212%	128,931
TOTAL OVERLAPPING BONDED DEBT			$1,062,872,246

Source: With respect to the applicable taxing bodies and the information used to calculate the percentage of overlapping EAV, the County Clerks' Offices. Information regarding the outstanding bonds of the overlapping taxing bodies was obtained from publicly-available sources.

(1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.

SELECTED FINANCIAL INFORMATION[1]

2019 Estimated Full Value of Taxable Property:	$39,535,641,522
2019 EAV:	$13,178,547,174[2]
Population Estimate:	457,915[3]
General Obligation Bonds:	$ 148,230,000[4]
Other Direct General Obligation Debt:	$ 0
Total Direct General Obligation Debt:	$ 148,230,000[4]
Percentage to Full Value of Taxable Property:	0.37%[4]
Percentage to EAV:	1.12%[4]
Debt Limit (2.875% of EAV):	$ 378,883,231
Percentage of Debt Limit:	39.12%[4]
Per Capita:	$ 324[4]
General Obligation Bonds:	$ 148,230,000[4]
Overlapping General Obligation Bonds:	$ 1,062,872,246
General Obligation Bonds and Overlapping General Obligation Bonds:	$ 1,211,102,246[4]
Percentage to Full Value of Taxable Property:	3.06%[4]
Percentage to EAV:	9.19%[4]
Per Capita:	$ 2,645[4]

(1) As of the issuance of the Bonds. Assumes the issuance of the Bonds and the refunding of the Refunded Bonds.
(2) Excludes TIF EAV.
(3) Source: U.S. Census Bureau.
(4) Preliminary, subject to change.

COMPOSITION OF EAV

	2015	2016	2017	2018	2019
By Property					
Residential	$ 8,059,593,236	$ 8,811,899,282	$ 9,252,515,746	$ 9,592,759,123	$10,153,156,487
Farm	126,906,632	131,323,305	139,688,621	144,494,479	151,429,617
Commercial	1,444,833,804	1,507,180,233	1,577,946,812	1,617,212,556	1,769,137,078
Industrial	678,836,614	753,682,050	791,174,163	807,965,513	907,176,068
Railroad	4,880,209	4,823,262	4,833,070	4,419,508	4,433,342
Mineral	10,922,134	12,195,809	11,170,759	11,426,902	11,806,267
Total EAV[1]	$10,325,972,629	$11,221,103,941	$11,777,329,171	$12,178,278,081	$12,997,138,859
Percentage Change[2]	2.99%	8.67%	4.96%	3.40%	6.72%

Source: County Clerks' Offices.
(1) Does not include TIF EAV.
(2) Based on 2014 EAV of $10,026,440,546.

	2015	2016	2017	2018	2019
By County					
Kane County	$6,642,992,397	$ 7,128,541,514	$ 7,553,471,961	$ 7,911,773,894	$ 8,313,338,927
Cook County	1,800,481,002	2,096,834,581	2,125,713,783	2,074,509,022	2,402,063,160
DuPage County	1,125,700,616	1,193,836,367	1,248,222,861	1,293,712,973	1,340,785,795
McHenry County	756,521,307	801,575,371	849,595,275	897,940,139	940,593,629
DeKalb County	277,307	316,108	325,291	342,053	357,348
Total EAV(1)	$10,325,972,629	$11,221,103,941	$11,777,329,171	$12,178,278,081	$12,997,138,859

Source: County Clerks' Offices.
(1) Does not include TIF EAV.

TREND OF EAV

LEVY YEAR	EAV(1)	% CHANGE IN EAV FROM PREVIOUS YEAR
2015	$10,325,972,629	2.99%(2)
2016	11,221,103,941	8.67%
2017	11,777,329,171	4.96%
2018	12,178,278,081	3.40%
2019	12,997,138,859	6.72%

Source: County Clerks' Offices.
(1) Does not include TIF EAV.
(2) Based on the District's $10,026,440,546 2014 EAV.

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED(1)	PERCENT COLLECTED
2014/2015	$48,835,066	$48,767,792	99.86%
2015/2016	47,863,136	47,829,223	99.93%
2016/2017	48,320,908	48,207,340	99.76%
2017/2018	48,366,923	48,303,065	99.87%
2018/2019	51,396,347	51,322,746	99.86%
2019/2020(2)	51,756,279	51,168,874	98.87%

Source: County Treasurers' and County Clerks' Offices.
(1) Excludes interest.
(2) Collections are as of October 31, 2020.

District Tax Rates by Purpose

(Per $100 EAV)

Purpose	2015	2016	2017	2018	2019	Maximum Rate[1]
Educational	$0.319189	$0.302806	$0.296307	$0.293642	$0.299362	$ 0.7500
Bond and Interest	0.117218	0.109108	0.091439	0.104918	0.094617	None
Operations & Maintenance	0.097620	0.094687	0.090698	0.090358	0.088243	0.1000
Audit	0.001269	0.001152	0.001120	0.000960	0.000830	0.0050
Liability Insurance	0.016820	0.014493	0.013681	0.011083	0.003771	None
Social Security	0.007810	0.007295	0.006758	0.005911	0.000038	None
Prior Year Adjustment	0.000941	0.000036	(0.000085)	0.000642	(0.000365)	None
Total	$0.560867	$0.529577	$0.499918	$0.507514	$0.486496	

Source: Kane County Clerk's Office.
(1) See "Real Property Assessment, Tax Levy and Collection Procedures - Property Tax Extension Limitation Law" herein for information on the operation of such maximum rates.

Representative Total Tax Rates

(Per $100 EAV)

Taxing Authority	2015	2016	2017	2018	2019
The District	$ 0.560867	$ 0.529577	$ 0.499918	$ 0.507514	$ 0.486496
Kane County	0.447884	0.420062	0.402498	0.387659	0.373902
Kane County Forest Preserve District	0.294354	0.225322	0.165841	0.160702	0.154854
Elgin Township	0.110190	0.101960	0.119218	0.116408	0.112058
Elgin Township Road District	0.084850	0.078510	0.075810	0.074480	0.072250
City of Elgin	2.411034	2.239577	2.149390	2.024020	1.878761
School District Number U46	7.123750	6.548728	6.369576	6.123677	5.788967
Gail Borden Public Library District	0.529431	0.489848	0.472874	0.463036	0.444541
Fox River Water Reclamation District	0.033943	0.031533	0.030240	0.029111	0.027846
Total[1]	$11.596303	$ 10.665117	$10.285365	$ 9.886607	$ 9.339675

Source: Kane County Clerk's Office.
(1) The total of such rates is the property tax rate paid by a typical resident living in the largest tax code in the District.

TEN LARGEST TAXPAYERS

TAXPAYER NAME	2019 EAV	PERCENT OF DISTRICT'S TOTAL EAV
Sears-Prop Tax	$ 37,354,153	0.28%
Target Corp.	29,996,761	0.23%
Legia St. Charles Associates LLC	24,407,546	0.19%
Arboretum S. Barrington	21,538,101	0.16%
Paul Hastings LLP	20,411,999	0.15%
John B. Sanfolippo & Son, Inc.	19,914,675	0.15%
HMC Pt. Poplar Creek	19,273,200	0.15%
Prairie Winds II LLC & Prairie Winds TIC LLC	18,030,793	0.14%
Q Center LLC	17,407,870	0.13%
Canterfield Apartment Owner LLC ET AL	17,070,293	0.13%
Total	$ 225,405,391	1.71%

Source: Kane, Cook and DuPage County Clerks' Offices. Values include TIF EAV (if any)
The above taxpayers represent 1.71% of the District's $13,178,547,174 2019 EAV (includes TIF EAV). Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

RETAILERS' OCCUPATION TAX AND SERVICE OCCUPATION TAX(1)

The following table shows the distribution of the municipal portion of the Retailers' Occupation Tax and Service Occupation Tax collected by the Illinois Department of Revenue (the *"Department"*) from retailers within the municipalities listed below. The table indicates the level of retail activity in the City.

CALENDAR YEAR	MUNICIPAL TAX	HOME RULE TAX	TOTAL
2015	$ 14,496,095	$ 10,641,357	$25,137,451
2016	14,422,856	10,808,415	25,231,271
2017	14,921,831	11,629,346	26,551,177
2083	16,194,871	13,342,210	29,537,081
2019	16,471,716	14,475,384	30,947,100
2020(2)	7,649,321	6,620,129	14,269,450

Source: The Department.
(1) Tax distributions are based on records of the Department relating to the 1% municipal portion of the Retailers' Occupation Tax and Service Occupation Tax, collected on behalf of each municipality less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.
(2) Through June of 2020.

Largest Employers

Below is a listing of large employers within or near the District.

Employer	Product or Service	Location	Approximate Number of Employees
Northwest Community Healthcare	Community hospital	Arlington Heights	4,000
Elgin School District U-46	Public school district	Elgin	3,750
Transform Holdco, LLC	Holding company HQ; retail department store chain	Hoffman Estates	3,200
Beacon Sales Acquisition, Inc.	Wholesale building products	Arlington Heights	3,000
Zurich North America	Company HQ & commercial property & casualty ins.	Schaumburg	2,500
Advocate Sherman Hospital	General hospital	Elgin	2,200
St. Alexius Medical Center	Full-service hospital	Hoffman Estates	2,045
Nation Pizza Products L. P.	Dough related items, including pizzas, sandwiches, appetizers, snacks & desserts	Schaumburg	2,000
Northrop Grumman Corp., Land & Self Protection Systems Div.	Divisional HQ & electronic countermeasures, radar & infrared jamming & microwave tubes, targeting systems & automatic test equipment	Rolling Meadows	1,900
JP Morgan Chase Card Services	Credit card division	Elgin	1,880
HSBC Finance Corp.	Consumer financial services, including automobile & residential real estate loans	Arlington Heights	1,500
Amita Health St. Joseph Hospital	General hospital	Elgin	1,300
Grand Victoria	Riverboat casino & entertainment	Elgin	1,250
John B. Sanfilippo & Son, Inc.	Corporate headquarters & snack foods	Elgin	1,200
Clearbrook	Non-profit social services provider & charitable organization for children, adults & seniors with intellectual & development disabilities	Arlington Heights	1,000
Arthur J. Gallaher & Co.	Company headquarters & insurance sales	Rolling Meadows	825
OptumRx, Inc.	Pharmacy software & automation services	Schaumburg	800
Paylocity Corp.	Corporate headquarters & SaaS human capital management software development & payroll processing services	Schaumburg	800
LSI	Third-party financial services firm for banks & credit unions, including customer service, consumer lending, mortgage, collections, outbound, internet lending, indirect lending & underwriting	Elgin	700
American NTN Bearing Mfg. Corp.	Hub bearing assembly	Elgin	675
Gallagher-Bassett Services, Inc.	Third party administrators & global risk management services	Rolling Meadows	675
Capsonic Automotive, Inc.	Insert-molded plastic parts & DIP switches for the automotive, business machine & industrial markets	Elgin	600
CDK Global	Integrated information technology, digital marketing & dealership management systems software for the automotive, truck, motorcycle, marine, RV & heavy equipment retail segments	Hoffman Estates	600
Experian Information Solutions, Inc.	Direct marketing computer & information services	Schaumburg	600

Source: 2020 Illinois Services and 2020 Illinois Manufacturers Directories and the Illinois Department of Commerce and Economic Opportunity.

UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for the City, Kane County, Cook County, DuPage County and the State.

	THE CITY	COUNTY OF KANE	COUNTY OF COOK	COUNTY OF DUPAGE	THE STATE
2015 – Average	6.7%	5.7%	6.2%	4.8%	6.0%
2016 – Average	6.4%	5.5%	6.0%	4.7%	5.8%
2017 – Average	5.6%	4.9%	5.1%	3.9%	4.9%
2018 – Average	5.4%	4.9%	4.0%	3.1%	4.3%
2019 – Average	5.1%	4.4%	3.8%	2.9%	4.0%
2020 – Average (7 mos.)(1)	11.3%	9.8%	11.5%	8.4%	10.0%

Source: State of Illinois Department of Employment Security.
(1) The District attributes the increase in unemployment rates to the various stay at home orders, issued by the Governor, related to the COVID-19 pandemic. See "RISK FACTORS—Potential Impact of COVID-19" herein.

SPECIFIED OWNER-OCCUPIED UNITS

	THE CITY		COUNTY OF KANE		COUNTY OF COOK	
VALUE	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under $50,000	973	3.89%	3,254	2.49%	42,174	3.78%
$50,000 to $99,999	1,634	6.53%	7,688	5.88%	92,694	8.30%
$100,000 to $149,999	5,284	21.10%	17,537	13.40%	140,730	12.60%
$150,000 to $199,999	7,078	28.27%	24,602	18.80%	178,057	15.94%
$200,000 to $299,999	6,430	25.68%	37,625	28.76%	261,678	23.43%
$300,000 to $499,999	3,338	13.33%	31,293	23.92%	248,248	22.23%
$500,000 to $999,999	206	0.82%	7,576	5.79%	119,262	10.68%
$1,000,000 or more	97	0.39%	1,252	0.96%	33,916	3.04%
Total	25,040	100.00%	130,827	100.00%	1,116,759	100.00%
Median Value	$177,500		$232,000		$237,200	

	COUNTY OF DUPAGE		THE STATE	
VALUE	NUMBER	PERCENT	NUMBER	PERCENT
Under $50,000	4,616	1.85%	214,345	6.72%
$50,000 to $99,999	7,885	3.15%	476,898	14.95%
$100,000 to $149,999	16,880	6.75%	499,362	15.66%
$150,000 to $199,999	28,374	11.34%	513,220	16.09%
$200,000 to $299,999	68,011	27.19%	668,842	20.97%
$300,000 to $499,999	81,542	32.60%	537,360	16.85%
$500,000 to $999,999	35,003	13.99%	223,197	7.00%
$1,000,000 or more	7,824	3.13%	55,811	1.75%
Total	250,135	100.00%	3,189,035	100.00%
Median Value	$299,000		$187,200	

Source: U.S. Census Bureau (2014-2018 American Community Survey).

EMPLOYMENT BY INDUSTRY

	The City		County of Kane		County of Cook	
Agriculture, forestry, fishing, hunting and mining	242	0.43%	1,406	0.53%	4,403	0.17%
Construction	2,995	5.35%	17,139	6.44%	119,212	4.68%
Manufacturing	11,068	19.77%	44,367	16.67%	247,352	9.70%
Wholesale trade	1,895	3.38%	9,692	3.64%	72,063	2.83%
Retail trade	6,249	11.16%	29,396	11.05%	248,700	9.76%
Transportation, warehousing and utilities	3,391	6.06%	15,302	5.75%	180,343	7.08%
Information	1,020	1.82%	4,776	1.79%	55,804	2.19%
Finance, insurance and real estate	3,233	5.77%	18,349	6.90%	205,038	8.04%
Professional, scientific management, administrative and waste management	6,289	11.23%	33,497	12.59%	371,057	14.56%
Educational, health and social services	10,624	18.97%	50,100	18.83%	578,789	22.71%
Arts, entertainment, recreation, accommodations and food services	5,425	9.69%	24,321	9.14%	251,206	9.86%
Other services	2,471	4.41%	11,155	4.19%	125,739	4.93%
Public administration	1,090	1.95%	6,613	2.49%	89,290	3.50%
Total	55,992	100.00%	266,113	100.00%	2,548,996	100.00%

	County of DuPage		The State	
Agriculture, forestry, fishing, hunting and mining	1,101	0.22%	66,259	1.06%
Construction	23,280	4.75%	328,620	5.28%
Manufacturing	59,261	12.10%	753,276	12.10%
Wholesale trade	19,490	3.98%	188,536	3.03%
Retail trade	48,599	9.92%	669,968	10.76%
Transportation, warehousing and utilities	29,738	6.07%	394,511	6.34%
Information	12,524	2.56%	120,002	1.93%
Finance, insurance and real estate	44,343	9.05%	453,391	7.28%
Professional, scientific management, administrative and waste management	72,542	14.81%	735,339	11.81%
Educational, health and social services	103,602	21.15%	1,426,656	22.91%
Arts, entertainment, recreation, accommodations and food services	41,052	8.38%	568,457	9.13%
Other services	22,616	4.62%	294,078	4.72%
Public administration	11,710	2.39%	226,871	3.64%
Total	489,858	100.00%	6,225,964	100.00%

Source: U.S. Census Bureau (2014-2018 American Community Survey).

EMPLOYMENT BY OCCUPATION

	The City		County of Kane		County of Cook	
Management, professional and related occupations	15,948	28.48%	93,175	35.01%	1,019,892	40.01%
Service occupations	10,773	19.24%	44,130	16.58%	455,103	17.85%
Sales & office occupations	12,304	21.97%	61,465	23.10%	564,569	22.15%
Natural resources, construction and maintenance occupations	4,169	7.45%	20,622	7.75%	151,460	5.94%
Production, transportation and material moving occupations	12,798	22.86%	46,721	17.56%	357,972	14.04%
Total	55,992	100.00%	266,113	100.00%	2,548,996	100.00%

	County of DuPage		The State	
Management, professional and related occupations	225,819	46.10%	2,370,095	38.07%
Service occupations	62,242	12.71%	1,072,423	17.23%
Sales & office occupations	119,294	24.35%	1,393,893	22.39%
Natural resources, construction and maintenance occupations	27,113	5.53%	448,917	7.21%
Production, transportation and material moving occupations	55,390	11.31%	940,636	15.11%
Total	489,858	100.00%	6,225,964	100.00%

Source: U.S. Census Bureau (2014-2018 American Community Survey).

MEDIAN HOUSEHOLD INCOME

Household Income	The City Number	The City Percent	County of Kane Number	County of Kane Percent	County of Cook Number	County of Cook Percent
Under $10,000	1,706	4.65%	6,844	3.84%	150,136	7.65%
$10,000 to $14,999	1,047	2.85%	4,761	2.67%	82,860	4.22%
$15,000 to $24,999	2,670	7.28%	11,705	6.57%	185,110	9.43%
$25,000 to $34,999	3,271	8.92%	12,687	7.13%	169,860	8.65%
$35,000 to $49,999	5,165	14.08%	20,373	11.44%	227,406	11.58%
$50,000 to $74,999	6,380	17.39%	30,459	17.11%	318,622	16.23%
$75,000 to $99,999	5,520	15.05%	23,738	13.33%	234,678	11.95%
$100,000 to $149,999	6,254	17.05%	33,541	18.84%	289,976	14.77%
$150,000 to $199,999	2,613	7.12%	16,612	9.33%	136,558	6.96%
$200,000 or more	2,056	5.60%	17,330	9.73%	167,864	8.55%
Total	36,682	100.00%	178,050	100.00%	1,963,070	100.00%
Median Household Income	$67,209		$76,912		$62,088	

Household Income	County of DuPage Number	County of DuPage Percent	The State Number	The State Percent
Under $10,000	379	2.84%	314,802	6.52%
$10,000 to $14,999	377	2.82%	194,284	4.02%
$15,000 to $24,999	910	6.82%	431,405	8.93%
$25,000 to $34,999	1,070	8.02%	415,960	8.61%
$35,000 to $49,999	1,417	10.62%	577,213	11.95%
$50,000 to $74,999	2,096	15.70%	828,597	17.16%
$75,000 to $99,999	1,853	13.88%	613,917	12.71%
$100,000 to $149,999	2,699	20.22%	751,099	15.55%
$150,000 to $199,999	1,276	9.56%	335,066	6.94%
$200,000 or more	1,272	9.53%	367,695	7.61%
Total	13,349	100.00%	4,830,038	100.00%
Median Household Income	$88,711		$63,575	

Source: U.S. Census Bureau (2014-2018 American Community Survey).

PER CAPITA INCOME

NAME OF ENTITY	PER CAPITA INCOME
The City	$ 28,175
County of Kane	34,924
County of Cook	35,575
County of DuPage	43,982
The State	34,463

Source: U.S. Census Bureau (2014-2018 American Community Survey).

SHORT-TERM BORROWING

The District has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

FUTURE DEBT

Except for the Bonds, the District does not currently anticipate issuing any debt in the next six months.

DEFAULT RECORD

The District has no record of default and has met its debt repayment obligations promptly.

WORKING CASH FUND

The Working Cash Fund is established by Section 3-33.1 of the Act. The fund is established for the purpose of enabling the District to have on hand at all times sufficient money to meet the demands for ordinary and necessary expenditures for all community college purposes. By making temporary transfers, the Working Cash Fund is used as a source of working capital by other funds. Such temporary transfers assist funds in meeting the demands for ordinary and necessary expenditures during periods of temporary low cash balances. Working Cash Fund Bonds may be issued for the purpose of creating or increasing a working cash fund.

Moneys in the Working Cash Fund are not regarded as current assets available for community college purposes and may only be used by to provide moneys with which to meet ordinary and necessary disbursements for salaries and other community college purposes. The moneys may be loaned to the educational or operations and maintenance funds in order to avoid the issuance of tax anticipation warrants and notes.

WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2016	$ 4,385,283
2017	4,420,879
2018	4,476,401
2019	4,542,414
2020	4,639,388

Source: Compiled from the District's Audited Financial Statements for the fiscal years ended June 30, 2016-2020.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the Counties. Certain procedures for tax assessment, levy and collection differ between Cook County and Kane, DuPage, McHenry and DeKalb Counties. Such differences are noted in this section. There can be no assurance that the procedures described herein will not change.

REAL PROPERTY ASSESSMENT AND EQUALIZATION

Cook County

The Cook County Assessor (the *"Assessor"*) is responsible for the assessment of all taxable real property within the Cook County, including such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Department. For triennial reassessment purposes, Cook County is divided into three Districts: west and south suburbs (the *"South Tri"*), north and northwest suburbs (the *"North Tri"*), and the City of Chicago (the *"City Tri"*). The District is located in the South Tri and was last reassessed for the 2017 tax levy year. The District will next be reassessed for the 2020 levy year.

Real property in the Cook County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the *"Assessed Valuation"*) for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year

2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

CLASS	DESCRIPTION OF QUALIFYING PROPERTY	ASSESSMENT PERCENTAGE	REVERTS TO CLASS
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7c	Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation	10% for first 3 years and any 3 year renewal; if not renewed, 15% in year 4, 20% in year 5	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the *"Board of*

Review"), which consists of three commissioners elected by the voters of the Cook County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the *"PTAB"*), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County (the *"Circuit Court"*) or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department is required by statute to review the Assessed Valuations. The Department establishes an equalization factor (the *"Equalization Factor"*), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the Cook County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization. The following table sets forth the Equalization Factor for the Cook County for the last ten tax levy years.

Tax Levy Year	Equalization Factor
2010	3.3000
2011	2.9706
2012	2.8056
2013	2.6621
2014	2.7253
2015	2.6685
2016	2.8032
2017	2.9627
2018	2.9109
2019	2.9160

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the *"Assessment Base"*).

Kane, DuPage, McHenry and DeKalb Counties

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Department assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

PROPERTY TAX EXEMPTIONS

The Illinois Property Tax Code, as amended (the *"Property Tax Code"*), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (*"Residential Property"*) may be reduced by the amount of any increase over 1977 EAV (1) up to a maximum reduction of $6,000 in Kane, DuPage, McHenry and DeKalb Counties and (2) up to a maximum reduction of $7,000 for tax years 2012 through 2016, and $10,000 for tax years 2017 and thereafter in Cook County.

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of $75,000 for up to four years, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

In Cook County, the Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less (*"Qualified Homestead Property"*). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2013, the maximum exemption is (1) \$5,000 in Kane, DuPage, McHenry and DeKalb Counties and (2) \$5,000 for tax years 2013 through 2016 and \$8,000 for tax years 2017 and thereafter in Cook County.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$55,000 for assessment year 2008 through assessment year 2017 in Kane, DuPage, McHenry and DeKalb Counties and \$55,000 per year in Cook County. Beginning in assessment year 2018 in Kane, DuPage, McHenry and DeKalb Counties and assessment year 2017 in Cook County, the maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year. Beginning in tax year 2017 in Cook County, the amount of the exemption is equal to the greater of the amount calculated as described in the previous sentence (as more completely set forth in the Property Tax Code) or \$2,000.

Beginning January 1, 2015 purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the *"Natural Disaster Exemption"*) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the equalized assessed value of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is $2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is $5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of $5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

TAX LEVY AND COLLECTIONS

Cook County

As part of the annual budgetary process of governmental units (the *"Units"*) with power to levy taxes in the Cook County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the Cook County Clerk and the Cook County Treasurer. After the Units file their annual tax levies, the Cook County Clerk computes the annual tax rate for each Unit. The Cook County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the District. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Limitation Law. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

The Cook County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The Cook County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the Cook County Collector (the *"Warrant Books"*) along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the Cook County Collector's authority for the collection of taxes and are used by the Cook County Collector as the basis for issuing tax bills to all property owners.

Property taxes are collected by the Cook County Collector, who also serves as the Cook County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the *corrected* prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has been the first business day in March for each of the last ten years. However, for 2010, the first installment penalty date was established as April 1 by statute. The following table sets forth the second installment penalty date for the last ten tax levy years in the Cook County.

Tax Levy Year	Second Installment Penalty Date
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018
2018	August 1, 2019

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the Cook County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the Cook County Collector, the District promptly credits the taxes received to the funds for which they were levied.

Within 90 days following the second installment due date, the Cook County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the *"Annual Tax Sale"*) of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and a half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the *"Scavenger Sale"*), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

Kane, DuPage, McHenry and DeKalb Counties

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

PROPERTY TAX EXTENSION LIMITATION LAW

In Cook County, the Limitation Law is applied after the prior year EAV limitation. The use of prior year EAVs to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in taxing Districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois nonhome-rule units, including the District. In general, the annual growth permitted under the

Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless the obligations first are approved at a direct referendum, are alternate bonds or are for certain refunding purposes (such as the Bonds).

The District has the authority to levy taxes for many different purposes. See "Tax Rates by Purpose" above. The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

Local governments, including the District, can issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

TRUTH IN TAXATION LAW

Legislation known as the Truth in Taxation Law (the *"Law"*) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action or fail to take any action which would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution.

STATE AID

GENERAL

The State provides aid to local community college districts via grant programs administered by the ICCB. Many community college districts rely on such "State Aid" for a significant portion of their budgets. For the fiscal year ended June 30, 2020, the District received approximately 6.96% of its General Fund revenue from sources at the State, including State Aid. See "EXHIBIT C—GENERAL FUND REVENUE SOURCES, FISCAL YEARS ENDED JUNE 30, 2016-2020" for additional information and "RISK FACTORS – Finances of the State of Illinois" herein.

The State subsidizes the costs of higher education by allocating tax dollars between the following four areas: (a) direct operating support, (b) indirect operating support, (c) institutional grant programs and (d) student financial aid programs.

The Community College System Operating Budget is funded based upon unrestricted and restricted grants. Unrestricted grants have no grant guidelines or expenditure requirements and can be used for any operating purpose. Such grants include but are not limited to the Base Operating Grant, Equalization Grant, Small College Grant and Technical Education Formula Grant (as more fully discussed below). Restricted grants must be spent according to grant and expenditure guidelines and include the Workforce Development Grant, Adult Education Grant and Career and Technical Education Grant (as more fully discussed below).

Various proposals for changing the Illinois system of state financial aid have been considered over the years. The nature of future modifications to the process for distributing State Aid cannot be predicted, but such modifications could have an adverse effect on the finances of the District should they be enacted.

DIRECT OPERATING SUPPORT

Public community colleges are funded primarily through direct operating support. Most of the funds for operating support are used for meeting general costs such as salaries, contracts for services, energy, supplies, travel and scholarships; however, operating support can also be appropriated to specific activities such as workforce preparation programs, adult basic education, career and technical education or legislative initiatives.

INDIRECT OPERATING SUPPORT

Public community colleges also benefit from indirect operating support through payments or benefits provided by the State to or for faculty and staff. Rather than being paid to community colleges, such funds are spent by other State entities on behalf of community college employees. Examples of indirect operating support include employee health insurance provided by the State employee benefits plan and funding for community college employees' pensions paid to SURS (as hereinafter defined).

INSTITUTIONAL GRANT PROGRAMS

Additionally, grant programs provide funds for specific activities undertaken by educational programs. Funding for such programs as Cooperative Work Study and Nursing Grants is appropriated to the IBHE and then distributed by the IBHE based upon competitive application and program criteria. Private community colleges are also eligible to apply for such grants.

As noted previously, the ICCB also administers grant programs and distributes funding to community colleges. The two principal operating grants for community colleges are the Base Operating Grant and the Equalization Grant, both of which are allocated to each local community college district based upon prescribed formulae. Generally, ICCB grants to community colleges amount to the difference between the total funds needed to offer educational programs and the total funds available from local property taxes and tuition and fees. Rate adjustments are required when State appropriations for ICCB grants fall short of equaling the calculated needs of the system. The funds of both the Base Operating Grant and the Equalization Grant are distributed on a monthly basis, though the State has delayed payment of these grants in recent years. The District has received the State payments for fiscal year 2020.

In addition to the grants discussed in this section, the State distributes numerous other grants to Illinois community colleges on an annual basis.

STUDENT FINANCIAL AID

State tax dollars support higher education through direct support to students; such financial aid is distributed through the Illinois Student Assistance Commission. The primary source of direct student assistance is need-based. Need-based programs, such as the Monetary Award Program (MAP), cover a portion of the costs of tuition and fees for students at public community colleges. The State also provides several programs that pay some or all of the costs of tuition and fees for students who have served in the military or are preparing for high-demand occupations such as nursing and certain teaching positions. In the event the federal government, the State or any agency pays tuition for any community college student, neither the district of such student's residence nor the student is required to pay that tuition, or any portion thereof, that is otherwise paid.

CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT

The State's allocation from the Coronavirus Relief Fund (by population proportions) is approximately $4.9 billion, split between the State ($2.7 billion) and local governments (the City of Chicago and Illinois counties with populations that exceed 500,000) ($2.2 billion). The CARES Act also provides $30.75 billion for an Education Stabilization Fund for states, school districts and institutions of higher education for costs related to COVID-19. Of that amount, $13.5 billion is available for elementary and secondary education as formula-grants to states based on the following formula: 60% of the funds are distributed based on the relative number of 5- to 24-year-olds in a state; and 40% of the funds are distributed based on the relative number of individuals younger than 21. States will then distribute 90% of the funds to local educational agencies (LEAs) based on their proportional allocation of Every Student Succeeds Act (*"ESSA"*)

Title I-A funds. State education agencies can reserve up to 10% of funds for emergency needs as determined by the state. Funds distributed to LEAs can be used for coronavirus-response activities, such as planning for and coordinating during long-term school closures; purchasing educational technology to support online learning for all students served by the LEAs; and additional activities authorized by federal elementary and secondary education laws. The District received approximately $4.6 million from the CARES Act and also received approximately $300,000 from the Governor's Education Emergency Relief Fund. The District has spent such funds on purchasing computers, software, hotspots, personal protective equipment and cleaning supplies.

HISTORY OF STATE FUNDING

The following table provides a five-year history of the State's receipt of State Aid.

	YEAR ENDED JUNE 30, 2016	YEAR ENDED JUNE 30, 2017	YEAR ENDED JUNE 30, 2018	YEAR ENDED JUNE 30, 2019	YEAR ENDED JUNE 30, 2020
ICCB Grants	$1,778,547	$5,713,131	$5,240,200	$5,611,370	$5,936,265
Other State Funds	0	0	0	0	0
Total State Funds	$1,778,547	$5,713,131	$5,240,200	$5,611,370	$5,936,265

Source: The audited financial statements of the District for the fiscal years ended June 30, 2016-June 30, 2020.
Note: Excludes (i) MAP grants and (ii) amounts paid by the State on-behalf of the District with respect to SURS or the District's retiree healthcare plan.

RETIREMENT PLAN

The District contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of the state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State's financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by accessing the website at **www.SURS.org**, or calling 1-800-275-7877.

Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State on behalf of the individual employers at an actuarially determined rate. The State's contribution is calculated by an actuary pursuant to the provisions of the Illinois Pension Code, as amended (the *"Pension Code"*). The Pension Code requires the State to contribute annually the constant percent of payroll necessary to allow SURS to achieve a 90% funded ratio by fiscal year 2045.

Financial Reporting under GASB Standards

The Governmental Accounting Standards Board (*"GASB"*) promulgates standards for financial reporting with respect to financial statements prepared by public pension systems and governments sponsoring such pension systems. Although SURS's actuary utilizes these standards in preparing certain aspects of the annual actuarial valuation and the State uses these standards for financial reporting purposes, such standards do not impact the calculation of the State contribution or the District contribution for SURS.

For the District's fiscal years up to and including the fiscal year ended June 30, 2014, the applicable GASB financial reporting standard pursuant to which the District's financial statement disclosures related to pensions were prepared was GASB Statement No. 27 (the *"Prior GASB Standard"*). Beginning with the District's fiscal year ending June 30, 2015, the applicable GASB financial reporting standard pursuant to which the District's financial statement disclosures related to pensions will be prepared is GASB Statement No. 68 (the *"New GASB Standard"*).

The Prior GASB Standard required, among other things, the determination of an *"Actuarially Required Contribution"* and the calculation of pension funding statistics such as the unfunded actuarial accrued liability and the funded ratio. Unlike the Prior GASB Standard, the New GASB Standard does not establish an approach to funding pension plans. Instead, the New GASB Standard provides standards solely for financial reporting and accounting related to pension plans. The New GASB Standard requires calculation and disclosure of a *"Net Pension Liability,"* which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the New GASB Standard (referred to in such statements as the *"Total Pension Liability"*) and the fair market value of the pension plan's assets (referred to as the *"Fiduciary Net Position"*).

The New GASB Standard requires that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of an employer.

As of June 30, 2019, SURS reported a Net Pension Liability of $28,720,071,173. As of June 30, 2019, the proportionate share of the State's Net Pension Liability associated with the District is $339,184,041 or 1.181%. The amount of the proportionate share of the Net Pension Liability to be recognized for the District as of the measurement date is $0 due to a special funding situation. For the purposes of financial reporting, the State and participating employers (such as the District) are considered to be under a special funding situation.

The District's proportionate share of collective pension expense is recognized similarly to on-behalf payments for both the contributions made by the State and the matching expense in the financial statements. As a result, the District recognized on-behalf revenue and pension expense of $36,548,008 for the fiscal year ended June 30, 2020.

Cost Shifting

On July 6, 2017, the General Assembly enacted Public Act 100-0023 (*"P.A. 100-23"*) which, among other things, requires employers participating in SURS, such as the District, to make certain contributions to SURS that were not required under prior law. P.A. 100-23 includes provisions for a separate set of benefits (the *"New Tier Benefits"*) applicable to employees hired after the *"Implementation Date,"* the same being the date on which SURS authorizes new hires to participate in the New Tier Benefits, which P.A. 100-23 directs should be "as soon as possible" after the effective date of P.A. 100-23. Under P.A. 100-23, beginning in Fiscal Year 2018, the District will be responsible for paying the normal cost for those employees earning the New Tier Benefits (as well as the normal cost for certain employees hired after the Implementation Date that elect to earn the benefits currently in place) and to amortize any unfunded liability related thereto. Finally, P.A. 100-23 mandates that the District make an additional payment to SURS to the extent that any employee's salary exceeds the salary of the Governor of the State of Illinois (currently $177,412), as calculated therein.

The contributions required by P.A. 100-23 represent an increase in the District's contributions to SURS in comparison to prior laws, however, the District is unable to predict the amount of such additional contributions at this time. Furthermore, the District makes no prediction as to whether impact of such additional contributions on the District's finances will be material.

In addition, in an attempt to remedy severe under-funding of the State's retirement systems, changes have been proposed to the manner of funding of such retirement systems, including SURS. One proposed change would require community colleges, including the District, to contribute the full amount of the normal costs of all of their employees' SURS pensions. "Normal Cost" refers generally to the portion of the present value of retirement benefits allocable to an employee's current year of service. Certain proposals would phase in such contributions over the course of several years. Discussions and deliberations on this complex topic remain fluid. The District cannot predict whether, or in what form, such legislation may be enacted into law. Furthermore, it is possible that any pension reform legislation that is ultimately passed by the General Assembly and signed into law by the Governor would face court challenges.

If a cost shifting proposal were to become law, it may have a material effect on the finances of District. How community colleges, including the District, would pay for such shift of contributions cannot be determined at the current time.

Additional information regarding the District's pension plan is described in Note 7 of the Audit (as hereinafter defined), which is included in Appendix A to the Official Statement.

RETIREE HEALTH PLAN

The District contributes to the States' Community College Health Insurance Program (*"CIP"*), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State and which has a special funding situation as defined under Illinois law. CIP provides health, vision and dental benefits to retired staff and dependent beneficiaries of participating community colleges.

Employees are required to make contributions to the retiree health insurance plan at the rate of 0.5% of salary. The District is required to contribute to the retiree health insurance plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the retiree health insurance plan. The State is required to make an annual appropriation to the trust fund in an amount certified by the SURS Board of Trustees.

At June 30, 2020, the District reported a liability of $40,975,965 for its proportionate share of the total Other Post Employee Benefits (*"OPEB"*) liability that reflected a reduction for State OPEB support of $40,975,965 resulting in a total OPEB liability associated with the District of $81,951,930. The OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation performed as of June 30, 2018 rolled forward to June 30, 2019.

For the year ended June 30, 2020, the District recognized OPEB expense of $1,411,308 and revenue of $1,411,308 for support provide by the State.

For more information regarding the District's OPEB liability, see Note 8 to the Audit.

BOND RATING

Moody's has assigned the Bonds a rating of "Aaa" (Stable Outlook). This rating reflects only the views of Moody's and any explanation of the significance of such rating may only be obtained therefrom. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's by the District. There is no assurance that the rating will be maintained for any given period of time or that such rating may not be changed by Moody's if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," the form of which is attached hereto as APPENDIX C, neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

TAX MATTERS

THE 2021A BONDS

Interest on the 2021A Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the 2021A Bonds may result in other federal income tax consequences to certain taxpayers. Holders of the 2021A Bonds should consult their tax advisors with respect to the inclusion of interest on the 2021A Bonds in gross income for federal income tax purposes and any collateral tax consequences.

THE 2021B BONDS

Federal tax law contains a number of requirements and restrictions which apply to the 2021B Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the 2021B Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the 2021B Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the 2021B Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the 2021B Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the *"Code"*).

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the 2021B Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of

Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the 2021B Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the *"OID Issue Price"*) for each maturity of the 2021B Bonds is the price at which a substantial amount of such maturity of the 2021B Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the 2021B Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the 2021B Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the 2021B Bonds (the *"OID Bonds"*) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of 2021B Bonds who dispose of 2021B Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2021B Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the 2021B Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the *"Revised Issue Price"*), the purchaser will be treated as having purchased a 2021B Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a 2021B Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue

Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2021B Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2021B Bonds.

An investor may purchase a 2021B Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the 2021B Bond. Investors who purchase a 2021B Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2021B Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2021B Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the 2021B Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the 2021B Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the 2021B Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the 2021B Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2021B Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the 2021B Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 2021B Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2021B Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

STATE TAX TREATMENT

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds.

Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the *"MSRB"*) pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of the Undertaking, attached hereto as APPENDIX C.

The Board adopted disclosure policies and procedures at its August 13, 2019 meeting which specifically include additional procedures to be followed by the District in relation to the two new reportable events added in 2019 to the list of reportable events for which the District must provide notice to the EMMA website under the Rule.

There have been no instances in the previous five years in which the District failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2020 (the *"Audit"*), contained in Appendix A, including the independent auditor's report accompanying the Audit, have been prepared by Sikich LLP, Naperville, Illinois (the *"Auditor"*), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Kimberly Wagner, Vice President of Business and Finance of the District.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has an S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (*"Beneficial Owner"*) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois (*"Chapman and Cutler"*), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

NO LITIGATION

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Bonds are delivered.

MUNICIPAL ADVISOR

The District has engaged Speer Financial, Inc. as municipal advisor (the *"Municipal Advisor"*) in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the Undertaking.

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the *"Agreement"*) between the District and Robert W. Baird & Co. Incorporated, Naperville, Illinois (the *"Underwriter"*), the Underwriter has agreed to purchase the 2021A Bonds at an aggregate purchase price of $___________. The purchase price will produce an underwriting spread of ____% of the principal amount of the 2021A Bonds. Pursuant to the terms of the Agreement, the Underwriter has agreed to purchase the 2021B Bonds at an aggregate purchase price of $___________. The purchase price will produce an underwriting spread of ____% of the principal amount of the 2021B Bonds. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices different than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

AUTHORIZATION

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, this Official Statement, together with any supplements thereto, as of the date hereof, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/ ______________________________
Vice President of Business and Finance
Community College District No. 509, Counties of Kane, Cook, DuPage, McHenry and DeKalb and State of Illinois

January __, 2021

EXHIBITS

Exhibit A shows the District's recent financial history. Exhibit B provides information on the District's 2021 budget. Exhibit C provides information on the general fund revenue sources of the District.

Exhibit A — Combined Statement of Revenues, Expenditures and Changes in Fund Balance, Fiscal Years Ended June 30, 2016-2020

	Education	Operations & Maintenance	Debt Service	Operations & Maintenance Restricted	Auxiliary Enterprise Fund[1]	Restricted Purposes	Working Cash	Federal Finance Aid Fund	Audit	Liability Protection & Settlement	Building Bond Proceeds Fund	Federal Grants Fund	Total
Beginning Balance	$ 49,686,284	$ 11,960,022	$ 4,435,843	$ 13,529,555	$ 3,877,694	$ 2,343,908	$ 4,365,483	$ 0	$ 111,401	$ 3,595,195	$ 17,060,855	$ 0	$ 110,966,240
Revenues	61,248,761	10,185,581	14,369,073	1,427,168	7,031,675	800,589	19,800	13,691,145	136,834	2,566,594	12,689	2,567,352	114,057,261
Expenditures	58,690,150	10,652,763	15,255,159	834,261	6,907,932	800,589	0	13,691,145	123,085	2,305,182	11,378,159	2,567,352	123,205,777
Other Sources (Uses)	(3,699,802)	1,238,000	0	1,500,000	961,802	0	0	0	0	0	0	0	0
Ending Balance, 6/30/2016	$ 48,545,093	$ 12,730,840	$ 3,549,757	$ 15,622,462	$ 4,963,239	$ 2,343,908	$ 4,385,283	$ 0	$ 125,150	$ 3,856,607	$ 5,695,385	$ 0	$ 101,817,724
Beginning Balance	$ 48,545,093	$ 12,730,840	$ 3,549,757	$ 15,622,462	$ 4,963,239	$ 2,343,908	$ 4,385,283	$ 0	$ 125,150	$ 3,856,607	$ 5,695,385	$ 0	$ 101,817,724
Revenues	66,478,724	10,653,047	13,270,652	1,422,009	6,483,305	1,207,329	35,596	12,310,067	133,506	2,545,841	35,381	2,695,040	117,270,497
Expenditures	55,989,681	10,286,637	13,073,984	0	5,634,968	1,207,329	0	12,310,067	132,656	2,107,997	2,848,205	2,695,040	106,286,564
Other Sources (Uses)	(940,287)	0	0	0	940,287	0	0	0	0	0	0	0	0
Ending Balance, 6/30/2017	$ 58,093,849	$ 13,097,250	$ 3,746,425	$ 17,044,471	$ 6,751,863	$ 2,343,908	$ 4,420,879	$ 0	$ 126,000	$ 4,294,451	$ 2,882,561	$ 0	$ 112,801,657
Beginning Balance	$ 58,093,849	$ 13,097,250	$ 3,746,425	$ 17,044,471	$ 6,751,863	$ 2,343,908	$ 4,420,879	$ 0	$ 126,000	$ 4,294,451	$ 2,882,561	$ 0	$ 112,801,657
Revenues	67,789,884	10,939,959	12,523,196	1,407,246	39,670,500[2]	35,058,859	55,522	13,327,380	132,317	2,440,558	58,337	3,018,681	186,422,439
Expenditures	55,966,622	9,848,869	13,029,147	5,851	43,165,426[2]	35,058,859	0	13,327,380	122,452	2,257,321	22,564	3,018,681	175,823,172
Other Sources (Uses)	(12,206,349)	0	1,773,889	0	10,432,460[3]	0	0	0	0	0	0	0	0
Change in Accounting Principle	0	0	0	0	(40,416,531)[4]	0	0	0	0	0	0	0	(40,416,531)
Ending Balance, 6/30/2018	$ 57,710,762	$ 14,188,340	$ 5,014,363	$ 18,445,866	($26,727,134)	$ 2,343,908	$ 4,476,401	$ 0	$ 135,865	$ 4,477,688	$ 2,918,334	$ 0	$ 82,984,393
Beginning Balance	$ 57,710,762	$ 14,188,340	$ 5,014,363	$ 18,445,866	($26,727,134)	$ 2,343,908	$ 4,476,401	$ 0	$ 135,865	$ 4,477,688	$ 2,918,334	$ 0	$ 82,984,393
Revenues	70,918,555	11,362,902	12,962,136	1,390,312	40,626,665[2]	35,971,852	66,013	12,721,482	129,706	2,129,866	58,153	3,386,581	191,724,223
Expenditures	57,180,352	10,092,677	13,407,059	300,945	43,386,864[2]	35,971,852	0	12,721,482	96,004	1,287,669	1,738,579	3,386,581	179,570,064
Other Sources (Uses)	(3,098,164)	0	0	2,000,000	1,098,164	0	0	0	0	0	0	0	0
Ending Balance, 6/30/2019	$ 68,350,801	$ 15,458,565	$ 4,569,440	$ 21,535,233	($28,389,169)	$ 2,343,908	$ 4,542,414	$ 0	$ 169,567	$ 5,319,885	$ 1,237,908	$ 0	$ 95,138,552
Beginning Balance	$ 68,350,801	$ 15,458,565	$ 4,569,440	$ 21,535,233	($28,389,169)	$ 2,343,908	$ 4,542,414	$ 0	$ 169,567	$ 5,319,885	$ 1,237,908	$ 0	$ 95,138,552
Revenues	73,530,519	11,738,208	13,472,207	1,373,639	42,760,615[2]	39,069,577	96,974	14,710,880	117,952	1,181,129	13,845	4,322,935	202,388,480
Expenditures	58,080,019	10,825,456	13,199,716	920,968	45,355,547[2]	39,069,577	0	14,710,880	109,505	1,753,684	1,251,753	4,322,935	189,600,040
Other Sources (Uses)	(18,453,827)	0	0	10,600,000[5]	7,853,827[6]	0	0	0	0	0	0	0	0
Change in Accounting Principle	0	0	0	0	347,052	0	0	0	0	0	0	0	347,052
Ending Balance, 6/30/2020	$ 65,347,474	$ 16,371,317	$ 4,841,931	$ 32,587,904	($22,783,222)	$ 2,343,908	$ 4,639,388	$ 0	$ 178,014	$ 4,747,330	$ 0	$ 0	$123,400,924

Source: The audited financial statements of the District for the fiscal years ended June 30, 2016 - June 30, 2020.

(1) Auxiliary Enterprise Funds includes Food Services, Book Store, Early Childhood Lab School, Visual Performing Arts Center, Production Services, Student Life and Athletics, Corporate Training and Continue Education, and Employee Benefits subfunds.

(2) Beginning in 2018, contributions by the State to SURS on behalf of the District were included as revenues and expenditures in the Employee Benefits subfund.

(3) Includes a $9,5000,000 transfer to fund CIP liability and auxiliary operating transfers.

(4) Restatement for the change in accounting principle related to recording the District's pro -rata share of the unfunded liability related to the CIP.

(5) Reflects transfer of funds to complete future projects set forth in the District's capital improvement plan. See "THE DISTRICT-Facilities Master Plan" herein.

(6) Includes a $6,200,000 transfer to fund CIP liability and auxiliary operating transfers.

EXHIBIT B — BUDGET, FISCAL YEAR ENDING JUNE 30, 2021[(1)]

	EDUCATION	OPERATIONS & MAINTENANCE	DEBT SERVICE	OPERATIONS & MAINTENANCE RESTRICTED	AUXILIARY ENTERPRISE FUND	RESTRICTED PURPOSES	WORKING CASH	FEDERAL FINANCE AID FUND	AUDIT	LIABILITY PROTECTION & SETTLEMENT	BUILDING BOND PROCEEDS FUND	FEDERAL GRANTS FUND	TOTAL
Est. Beginning Balance	$ 72,190,149	$ 17,439,246	$ 3,483,817	$32,104,748	$(24,811,637)	$ 80,997	$ 4,616,665	$0	$204,293	$ 4,410,713	$0	$0	$109,718,991
Revenues	72,134,411	11,786,385	12,582,158	1,337,251	16,623,255	8,809,520	55,000	0	120,663	842,176	0	0	124,290,819
Expenditures	67,645,179	11,716,560	12,387,608	3,000,000	18,339,625	8,809,520	0	0	120,663	1,558,466	0	0	123,577,621
Other Sources (Uses)	(4,489,232)	(69,825)	0	3,000,000	1,489,213	0	0	0	0	0	0	0	(69,844)
Est. Ending Balance, 6/30/2021	$ 72,190,149	$ 17,439,246	$ 3,678,367	$33,441,999	$(25,038,794)	$ 80,997	$ 4,671,665	$0	$204,293	$ 3,694,423	$0	$0	$110,362,345

Source: Budget for the District for the fiscal year ending June 30, 2021. The beginning fund balances were estimated by the District at the time the budget was adopted. Consequently, such balances may not match the preliminary, unaudited ending fund balances for the fiscal year ended June 30, 2020, as set forth in Exhibit A, attached hereto.

EXHIBIT C — GENERAL FUND REVENUE SOURCES, FISCAL YEARS ENDED JUNE 30, 2016-2020

	YEAR ENDED JUNE 30, 2016	YEAR ENDED JUNE 30, 2017	YEAR ENDED JUNE 30, 2018	YEAR ENDED JUNE 30, 2019	YEAR ENDED JUNE 30, 2020
Local Sources	61.60%	58.56%	58.44%	58.18%	59.17%
State Sources	2.49%	7.41%	6.66%	6.82%	6.96%
Student Tuition & Fees	33.36%	31.51%	31.78%	30.51%	29.74%
Other	2.55%	2.53%	3.13%	4.49%	4.12%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The audited financial statements of the District for the fiscal years ended June 30, 2016-June 30, 2020. For purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund.

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Years Ended
June 30, 2020 and 2019

Prepared by
Finance Department

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS
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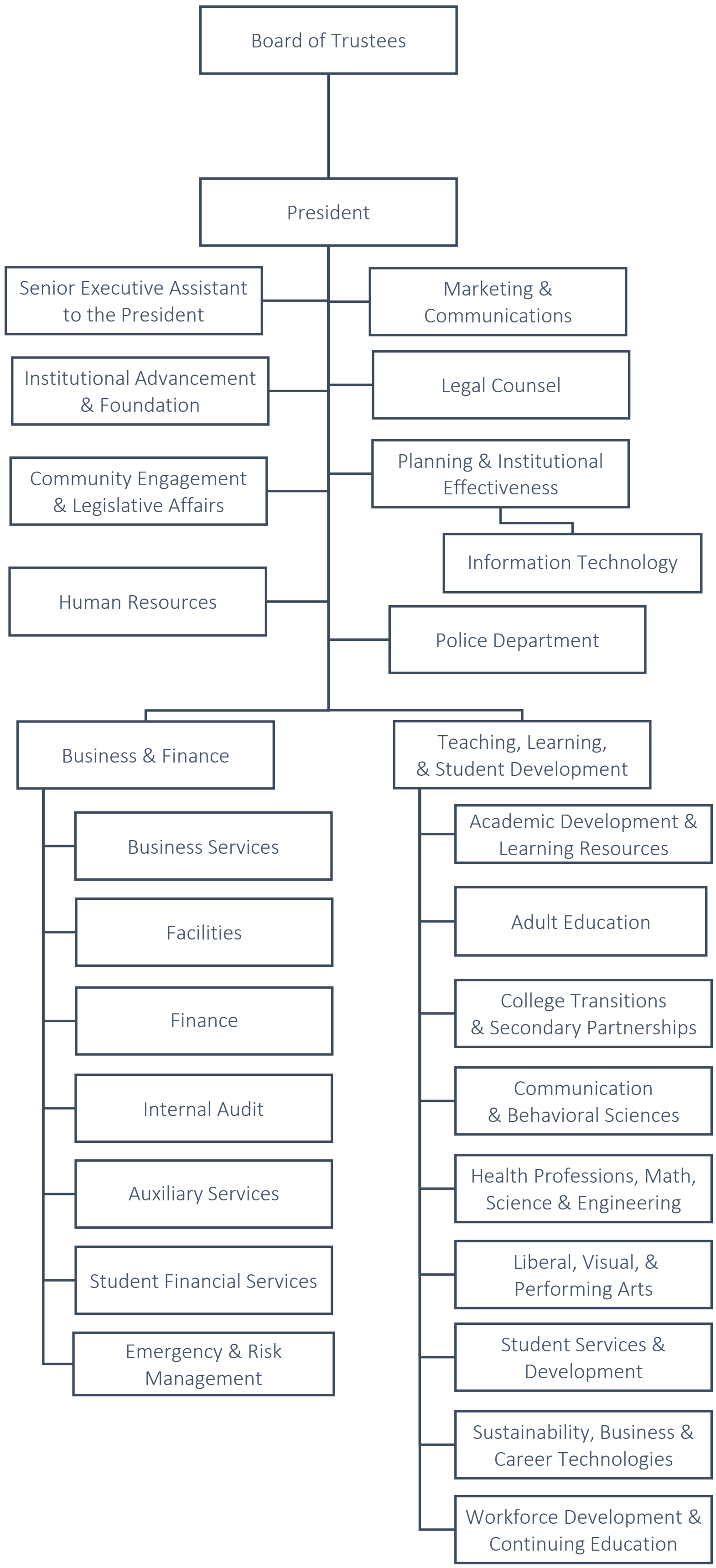
Community College District No. 509

Principal Officials


Board of Trustees
President
Senior Executive Assistant to the President
Marketing & Communications
Institutional Advancement & Foundation
Legal Counsel
Community Engagement & Legislative Affairs
Planning & Institutional Effectiveness
Information Technology
Human Resources
Police Department
Business & Finance
Teaching, Learning, & Student Development
Business Services
Facilities
Finance
Internal Audit
Auxiliary Services
Student Financial Services
Emergency & Risk Management
Academic Development & Learning Resources
Adult Education
College Transitions & Secondary Partnerships
Communication & Behavioral Sciences
Health Professions, Math, Science & Engineering
Liberal, Visual, & Performing Arts
Student Services & Development
Sustainability, Business & Career Technologies
Workforce Development & Continuing Education

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Elgin Community College
Illinois

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

Elgin Community College
1700 Spartan Drive • Elgin IL 60123 • P 847-697-1000 • elgin.edu

November 23, 2020

Board of Trustees
Elgin Community College
1700 Spartan Drive
Elgin, Illinois 60123

The comprehensive annual financial report of Elgin Community College (ECC), Community College District No. 509 for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management of the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

The comprehensive annual report presents the Management Discussion and Analysis (MD&A), basic financial statements, and information required by the Illinois Community College Board. The MD&A provides an analytical overview of the College's financial activity. This letter of transmittal should be read in conjunction with the MD&A.

Mission, Vision, and Goals

All major directives and initiatives at the College are guided by the institution-wide *ECC Strategic Plan*, a comprehensive and institution-wide plan which is renewed every five years by the Strategic Planning Committee, a cross-functional team of faculty, administrators and support staff members. The plan is divided into several broad components, which include: the mission, vision, philosophy statement, shared values, themes, goals, strategies, and success indicators as defined below.

Mission	Statement about why the college exists (our purpose)
Vision	Statement about where we are headed (our future)
Philosophy Statement	The core conceptual framework that guides our work
Shared Values	Foundational beliefs that shape our actions and embody our philosophy

Themes	Enduring concepts emerging from planning discussions used to frame goals and strategies
Goals	Broad, long-range intentions that help to clarify our vision
Strategies	Specific and reportable actions we intend to accomplish within each goal
Success Indicators	Reportable measures to assess whether goals are on track

The College community started a year long process in fall of 2016 to review student success data, comparative benchmarks and best practices from other institutions, national trends in higher education, labor and demographic trends, and financial reports to reflect on current and future opportunities. The processes were informed by employee focus groups, student meetings, web surveys, surveys or area residents, and forums with educational, business, and community leaders. The efforts of these groups and the strategic planning committee brought to focus four key themes to guide the college's future work which include: Equity and Learning (strategies 1 through 3), Holistic Programming (strategies 4 through 6), Community Partnerships (strategies 7 through 10), and Service Excellence and Collaboration (strategies 11 through 14). Within these strategies, success indicators provide specificity on measuring the work performed. The strategic plan for 2018 through 2022 was approved by the board of trustees in October of 2017. The key components are as follows:

MISSION

The mission of Elgin Community College is to improve people's lives through learning.

VISION

We will pursue our Mission by focusing all our efforts on making Elgin Community College a national leader in promoting success for all students. This Vision will be attained through a commitment to provide innovative and affordable learning opportunities for all constituencies and to promote cultural competence and community partnership in our decisions and actions.

PHILOSOPHY ON LEARNING

Learning is the primary driver behind our Mission and Vision. We believe learning is a lifelong process of intellectual and interpersonal growth that occurs when individuals expand their depth of knowledge, skills, and experiences. We further believe that learning empowers individuals to improve their lives and the economic, social, and cultural conditions of local and global communities.

SHARED VALUES

Excellence
Our programs and services strive for the highest level of excellence to successfully achieve our vision. We use research-based methods to strengthen curriculum and deliver high-quality learning-centered instruction and services.

Freedom of Inquiry
We believe learning is most engaging and viable when a spirit of free inquiry exists, allowing everyone the freedom to explore new and diverse ideas and to express their interests and attitudes. We strive to create environments where inquiry flourishes and guides innovation.

Equity
We are an inclusive community that provides students, employees, and community members with full access to all resources needed to achieve their individual goals. We commit to creating an environment that is equitable and inclusive to all.

Diversity
We value and honor diversity in all forms and perspectives. To successfully achieve our vision, we provide a safe and inclusive community that promotes and affirms individual growth, social responsibility, and self-worth for success in a global world.

Ethical Practices
We are responsible to carry out our work with honesty and integrity. Our decisions and actions are guided by our vision and not by personal interests, and they will be enacted with a sense of service to students and community members.

Accountability
As a public institution we commit to make the best use of resources. We strive to be transparent in reporting our decisions and actions and seek feedback from others as we continuously improve our practices.

Collaboration
We are actively committed to serving students, employees, and community members. The decisions and actions we undertake in carrying out our vision derive from working cooperatively with local through global constituencies.

STRATEGIC THEMES, GOALS, AND STRATEGIES

THEME: EQUITY AND LEARNING

GOAL: IDENTIFY AND EXPAND PRACTICES TO RAISE ACADEMIC ACHIEVEMENT AND COMPLETION

- Strategy 1: Create equitable learning environments to ensure that all students acquire the knowledge and skills needed for academic and career success
- Strategy 2: Develop students' self-advocacy skills and professional behaviors
- Strategy 3: Study and model research-based teaching practices that elevate student learning

Success Metrics

- Improve achievement metrics for identified target populations. Achievement metrics include rates for: course success; retention; graduation; transfer; and job attainment
- Reduce the proportion of students enrolling in developmental coursework
- Increase the proportion of employees and students who complete cultural competence training

THEME: HOLISTIC PROGRAMMING

GOAL: STRATEGICALLY BUILD AND MAINTAIN ENROLLMNENT AND PURPOSEFUL PATHWAYS

- Strategy 4: Strengthen outreach, recruitment, retention, and completion of key target populations
- Strategy 5: Routinely assess and adjust college practices to ensure that students make informed decisions
- Strategy 6: Develop an institution-wide approach to class scheduling and the efficient use of student resources

Success Metrics

- Increase the number of enrolled students from identified target populations
- Reduce the proportion of students having "undecided" as their program of study
- Increase the proportion of students who successfully complete the recommended course sequence each semester for their chosen program of study
- Increase the proportion of students who successfully complete co-curricular learning opportunities

THEME: COMMUNITY PARTNERSHIPS
GOAL: DEVELOP MUTUALLY BENEFICIAL DOMESTIC AND GLOBAL RELATIONSHIPS

- Strategy 7: Prepare students for college and ensure successful transitions through the educational pipeline (preschool through bachelor's degree)
- Strategy 8: Strengthen student learning connections outside the classroom
- Strategy 9: Leverage community and workforce partnerships to develop resources and secure funding to support program and student needs
- Strategy 10: Design and structure programs in ways that respond to community and workforce needs

Success Metrics
- Increase the number of new partnerships and programs in emerging fields as determined by environmental scanning
- Increase the number of district high school students enrolling in dual credit opportunities
- Increase the proportion of key community constituencies who are aware of ECC's brand (quantitatively and/or qualitatively)
- Increase the number of community members attending ECC events, programs, and using ECC services
- Assess the direct and indirect impacts of ECC on the local economy (quantitatively and/or qualitatively)

THEME: SERVICE EXCELLENCE AND COLLABORATION
GOAL: INSTILL A CULTURE OF SERVICE EXCELLENCE

- Strategy 11: Provide relevant continuing education opportunities for employees
- Strategy 12: Improve the recruitment, hiring, and onboarding of new faculty, staff, and administrators
- Strategy 13: Strengthen cross-departmental communication and opportunities for dialog and reflection
- Strategy 14: Systematically use evidence to guide academic and operational improvements and redirect resources for maximum impact

Success Metrics
- Improve employee satisfaction ratings of institutional processes (e.g., internal communications, efficacy of training, etc.)
- Increase the proportion of employees participating on institutional committees
- Increase the proportion of employees who complete professional development
- Reduce the time required to fulfill key institutional processes (e.g., hiring, contract approvals, etc.)

ECONOMIC CONDITION AND LOCAL ECONOMY

The College's district covers a 360 square-mile area in northern Illinois. It encompasses parts of five counties: Cook, DeKalb, DuPage, Kane, and McHenry Counties; and serves 29 incorporated municipalities and substantial unincorporated areas. The main campus of the College is located on 331.2 acres in southwest Elgin. According to the US Census's 2015 American Community Survey estimates (5-year average), the College serves an area of 478,272 residents. The city of Elgin has the largest population of the District's population at 25%, followed by Bartlett at 10%, Streamwood/Hanover Park at 9%, and St. Charles at 8%. The fastest rate of growth comes from communities in the western part of the District, such as the Village of Burlington and the Village of Pingree Grove, where the population is expected to triple by 2040. Even the population of district 509's largest municipality, Elgin, is projected to increase by 50% over the next 20 years.

Illinois is and has been historically a destination for immigrants. This influx of immigrants seeking employment in the state brings more need for training in many skill areas, from basic English as a Second Language to technical credentials. As immigration continues to rise, the convenience, affordability, and accessibility of community colleges will be essential to training this new workforce. According to the latest Census estimates, the District is 62% White and 25% Latino; however, the Latino population is not evenly disbursed throughout the District and is much higher in certain communities, such as Carpentersville at 50%, Elgin at 44%, Streamwood at 37%, Hanover Park at 33%, and Bartlett at 13%. Other racial/ethnic minorities in the District are Asian/Pacific Islander at 8%, Black/African American at 3%.

According to Census estimates, males and females equally represent the district compared to the Illinois state levels of 49% for males and 51% for females. Seventy-seven percent (77%) of district residents are 15 years of age and over, and 26% are between the ages of 15 and 34. The city of Elgin has 73% of residents who are 18 years of age and over.

ECC student population is representative of the district which is comprised of 42% Hispanic, 39% White, 8% Asian, 5% Black or African American, and 6% other. According to data compiled by the American Association of Community Colleges, the average age of a community college student nationwide is 28. ECC's average student is 27 years of age. In addition, 56% of ECC students are women; this is typical of the nation's community colleges, which are on average 57% female. Just over 72% of ECC students have graduated from high school and 5% have earned a bachelor's, graduate, or professional degree (bachelor's degree or higher).

EMPLOYMENT TRENDS

Like many Illinois communities, the greater Elgin area has traditionally been a region of manufacturing, an industry that continues to support many district residents. Over the years, much of the area's heavy manufacturing has given way to a host of service occupations, the largest of which are in healthcare, architecture/engineering, media/technology, and retail. The largest industries in the area include educational services, healthcare, and social assistance (19%), manufacturing (17%), retail trade (12%) and professional, scientific, management administrative and waste management services (12%).

Industry of Workers

	District 509
Civilian Employed Population 16 and Over	220,285
Agriculture, Fishing, Hunting, and Mining	1%
Construction	6%
Manufacturing	17%
Wholesale Trade	4%
Retail Trade	11%
Transportation, Warehousing, and Utilities	5%
Information	2%
Finance, Insurance, Real Estate, Rental, and Leasing	7%
Professional, Scientific, Management, Administrative, and Waste Management Services	13%
Educational Services, Healthcare, and Social Assistance	19%
Arts, Entertainment, Recreation, Food Services, and Accommodation	9%
Other Services (except Public Administration)	4%
Public Administration	2%

Source: 2013-2017 American Community Survey, 5-year estimates of selected economic characteristics for District 509 boundary.

Like many areas in the nation, unemployment for Kane County has been declining over the past couple years; however, due to the COVID-19 pandemic, unemployment hit a record high in April 2020 at 16.6% according to the Illinois Department of Employment Security. The unemployment rate for Kane County has decreased to 8.3% as of September 2020, however, is still 4.7% higher than the rate of 3.6% from just one year prior.

STUDENT ENROLLMENT

Student credit hours increased slightly in 2020 over 2019 after steadily declining since reaching a peak in 2011 at 216,117 credit hours. In fiscal year 2020, credit hours increased by 1,607 credit hours or 1.0 percent over 2019 enrollment. In fiscal year 2019, credit hours had declined by 2.42 percent to 172,354 credit hours from 176,626 credit hours in 2018. The prevailing theory is that community college enrollment correlates inversely to the local economy and unemployment rates. As the local economy worsens and unemployment rises, residents look to community colleges to retrain and prepare themselves for newer or more advanced jobs. On the other hand, as the economy improves, community members who might have otherwise looked to the College for job training are now working – and thus, fewer students enroll.

The COVID 19 pandemic transitioned the college to online learning in mid-March 2020. The College offered limited lab classes in person and mostly online classes for summer and fall 2020 semesters.. Due to reduced class capacity to meet restriction guidelines from the state of Illinois in the lab classes and the transition to online learning, credit hours are once again on the decline.

Student enrollment at the census date (10th day of each term) and end-of-semester total credit hours generated for the last 3 years are contained below:

Fiscal Year	2018	2019	2020
Fall Enrollment	9,599	9,567	9,917
Spring Term Enrollment	9,480	9,137	9,554
Summer Term Enrollment	4,902	4,934	4,992
Annual Unduplicated Enrollment	15,074	14,547	14,467
Total Claimed Credit Hours	176,626	172,354	173,961

Source: ICCB E1 enrollment files, A1 annual enrollment files, SR/SU claim reports.

Through its Planning and Institutional Effectiveness office, the College analyzes trends, current data, and the environment to establish a plan and goals for monitoring student success. A key commitment of the current strategic plan is to improve reporting practices throughout the College, so that they are data-driven and integrated with decision-making processes related to student success.

STRATEGIC INITIATIVES & TARGETS FOR FISCAL YEAR 2021

With past uncertainty of funding from the State of Illinois, the College has been focused on maintaining operations in as prudent a manner as possible. The College has made every effort to minimize expenses while delivering quality education. Zero based budgeting is utilized across campus. This process builds the budget in line by line detail specifically identifying each expense. The detailed process allows the College to accurately identify the use of funds and allows for adjustments throughout the year to restrict spending, repurpose funds that either aren't needed for the intended purpose, and reprioritize. The College can accurately adjust for unexpected needs or unexpected declines in funding. This process allows the College to make the funding commitments required to support the strategic plan through innovation. COVID-19 has caused a shift in operational needs. The College has been able to make the necessary adjustments to redirect funds to accommodate the changing needs brought on by the pandemic, as well as, continue with important initiatives identified within the strategic plan. The following efforts will be the focus for fiscal year 2021 in addition to the great work the College has already institutionalized.

STUDENT SUCCESS PROJECTS

The Student Success Infrastructure (SSI), and the SSI Coordinating council, is the College's umbrella organization where student success interventions on campus are strategized. Its purpose is to promote "broad engagement around student success by focusing on innovations that produce systemic results" and is composed of faculty and administrators working together to determine where we should best leverage our efforts to maximize results. The SSI also pilots projects for future scaling. In the past few years, SSI had scaled back on larger initiatives and took a more intentional approach on focused initiatives. In fiscal year 2020, the College refocused on larger innovative efforts to set the College apart from others to build enrollment and strive to meet the goals of the strategic plan. SSI supports the following three taskforces: **Undocumented Student Support, Student Goal Completion** and **Culturally Responsive Teaching**. The Undocumented Student Support taskforce's primary goal is to increase the awareness and support for undocumented students on campus, whereas the Student Goal Completion taskforce's goal is to increase course and credential completion rates of African-American students. The Culturally Responsive Teaching taskforce focuses on infusing cultural orientations and experiences of students from different socially-constructed racial and ethnic backgrounds into teaching strategies for all disciplines.

These efforts will continue in fiscal year 2021 as the response to the pandemic and remote work has reprioritized resources and slowed progress on larger projects. As the college community becomes more comfortable with this new environment, projects are once again gaining steam and progress continues.

The *ECC Strategic Plan* is anchored around the college's mission *to improve people's lives through learning*. SSI continues to focus on equity following the definition by Achieving the Dream; "In higher education, equity refers to ensuring that each student receives what they need to be successful through the intentional design of the college experience." SSI will continue with the two main student success target outcomes. The first is to research, identify, implement, evaluate and scale effective student success initiatives and strategies, particularly ensuring equity for African-American students, undocumented students, and other populations. The second is to support and incentivize efforts that expand an institutionalize equity at ECC.

There are a variety of initiatives working to address these outcomes. Some of these initiatives include:

- Create Equity Plan as a new member of ILEA (Illinois Equity in Attainment) under the Partnership for College Completion, with a goal to "eliminate institutional achievement gaps in college degree completion for low-income, African-American, and Latino students by 2025." As a part of the Higher Learning Commission Student Success Academy, we completed a complete inventory of policy/procedural barriers impacting student success. These efforts will result in an equity plan comprised of multiple strategies for moving the needle in eliminating equity gaps at ECC. Many current initiatives exist in this area, such as the adoption of new placement metrics, the expansion of dual credit, and professional development efforts aimed at improving cultural competence in the classroom, and more. Progress toward this initiative will be assessed and planning to fill gaps will continue.
- The creation of a new Culturally Responsive Teaching work group, which will focus on the creation of a culturally responsive teaching and learning program at ECC. Work will continue throughout the 2021 academic year by broadening the focus of the initial pilot and launching professional development on culturally responsive teaching.
- The Critical Engagement Series, a series of guided discussions sponsored in collaboration with Center of Teaching and Learning (CETL), Global and International Taskforce (GIST), Multicultural and Global Initiatives Committee (MAGIC), and Student Life, focusing on various contemporary issues of critical importance (implicit bias, DACA, transgender students, religion, et al).

In addition to the specific outcomes targeted by SSI, the Division of Teaching, Learning and Student Development (TLSD) has an annual plan that defines the 2020 priorities for the academic divisions of the College. These priorities align to the strategic plan as follows:

Theme: Equity and Learning

- The College has been identifying synergies and gaps in co-curricular programming by mapping to general education and program learning outcomes. Opportunities will be identified to improve the effectiveness of general education, program, course, and co-curricular assessment.
- The College will identify strategies to reduce textbook costs including the exploration and piloted use of Open Educational Resources (OER).
- The College will develop students' self-advocacy skills and professional behaviors by defining employability skills and professional behaviors and align them to general education and program learning outcomes.
- The College will be exploring differences in instructional practices in high school and college and reviewing culturally relevant teaching practices to increase the use of equitable instructional design methods. Due to the quick transition to online teaching in response to COVID, extensive, focused faculty training took place to ensure quality online delivery. Training efforts will continue as we continue to adjust the delivery of instruction in response to the changing environment due to the pandemic.

Theme: Holistic Programming

- The College will review and evaluate scheduling practices and explore optimization tools for course scheduling to gain efficiencies and more effectively meet the needs of students.
- The College will work in partnership with high schools and employers to develop and strengthen career pathways by working to align high school and college curriculum to the recommended Technical and Essential Employability Competencies. This includes working with high school districts to provide training to strengthen advising in the high schools.
- The College will work to develop regional career exploration opportunities for students.
- The needs of adult learners will be evaluated to strategically and intentionally address those needs.

Theme: Community Partnerships

- In an effort to prepare students and ensure successful transitions through the educational pipeline, ECC will assess the impact of newly implemented placement practices on student success and institutional resources.
- Efforts will be made to summarize and communicate gaps with undecided, near completers, and non-returning students and make recommendation for enhancing support.

- The Division will evaluate the programming needs of the community and the workforce within the district to identify potential new programs and review and establish criteria for new program opportunities which may include an incubation of programs by starting them within non-credit to transition to credit once successful. This will include the launch of a regional needs assessment to identify program opportunities.
- In order to strengthen student learning connections outside the classroom, the ECC will forge partnerships with local business for out-of-class work-based learning opportunities.

Teaching, Learning, and Student Development champion the majority of the goals as described above with the support of the rest of the college; however, the theme of service excellence is pioneered by the entire college. The goal to "*Instill a culture of service excellence and collaboration*" directly relates to all divisions within the college. The fiscal year 2021 actions related to attaining this goal include:

- The College will assess campus emergency and violence prevention plans through ongoing training plans.
- The College set into motion the Emergency Operations Plan at the onset of COVID 19. The safety of the college community remains a high priority. The Operations Team will continue to develop and amend the campus re-opening plan as operation guidelines change in reaction to the pandemic. The President's Cabinet acting as the Policy Team continue to review and approve the campus re-opening plan to maintain consistent policy decisions.
- In this new remote environment, the College continues to seek ways to improve remote access to employees and students through providing technology, supplies, and other support as opportunities are identified. The intention is to move from a reactive approach to get faculty, employees, and students the remote work supplies they require, to a longer term, holistic approach through evaluating and filling identified gaps.
- The College will continue efforts to improve recruitment, hiring, and onboarding of new employees by expanding the use of an integrated talent management system. Modules for recruitment and onboarding have been implemented and are in place. Implementation will continue with the integration of performance appraisals and professional development within the talent management system.
- The College will create multi-year communication plans for equity and student success to promote a common understanding which will strengthen cross-departmental communication and opportunities for dialog and reflection.
- To promote continuous improvement, the College will work to reduce barriers that impede operations. In an effort to maximize the efficiencies within the college, a cross-functional team was created to seek input, evaluate, and address perceived barriers or inefficient processes. Areas for

improvement have been identified and efforts are underway to make adjustments to procedures and processes.

- In an effort to systematically use evidence to guide academic and operation improvements, the College will communicate evaluation plans (logic models) for key student success initiatives. This will improve the ability to make data driven decisions across campus.
- The College is in the process of rolling out a predictive analytics tool, CRM Advise, for student success. CRM Advise will upgrade the College's early alert system adding the ability to use predictive analytics to identify students that may have personal or academic difficulty based on data factors. These students will receive interventions as part of the program to help them surpass the challenges, gain better outcomes, and continue their education. The upgrade is a multi-year project and will allow for earlier identification of students at risk and provide the ability to serve and impact more students.

FACILITIES MASTER PLAN

The College developed a new comprehensive facilities master plan during fiscal year 2020. The master planning process was a collaborative effort that engaged the entire campus community through surveys, small group discussions, drop-in sessions, town forums, planning meetings, and board discussions. The master plan creates a multi-year framework to reinforce a vision, establish priorities, enhance campus identity and create a sense of place for students, faculty and staff. It is about maximizing the utilization of existing resources while fostering a physical environment to support academic goals into the future. It is also about stewardship and getting the most from every dollar invested within an environment of limited funding. The facilities master plan included a space utilization study, program and market analysis, and facility assessment to create a comprehensive plan that will prioritize needs on campus for the next five to ten years.

The comprehensive master plan establishes a road map to guide the college forward as it strives to continue to grow as a regional focal point. Deferred maintenance of existing space is an ongoing need of any campus, as well as, evaluation and modification of existing space, and the consideration of additional space to serve the evolving needs of the community. One of the top priorities within the master plan is driven by the needs of the community and the industry partners within the district to provide education and training for advanced manufacturing careers by building a manufacturing and training center. The building will embody a broad assemblage of programs and pathways aimed at producing workers to fill the middle skills gap. The College has been able to secure an allocation of state funds from the state of Illinois and earmark local funds for the building. Preliminary planning is underway with the intention of construction in the near future depending on the release of funds by the state of Illinois.

LONG–TERM FINANCIAL PLANNING

During Fiscal Year 2016, the Board updated the required operating reserves policy to maintain working capital equal to six months of operating expenses in the operating subfunds (the education subfund and the operations and maintenance subfund) instead of the previous requirement of four months. Due to the uncertainty of annul budgets and appropriations from the State of Illinois, the College realizes the importance of planning for the success of students. By requiring the maintenance of six months of operating expenditures in working capital, the College will ensure that it has the reserves available to complete a semester of operations once it has started regardless of state funding levels. The College has met the reserve requirement of six months of reserves through fiscal responsibility and conservative budgeting.

Public Act 89-1 places limitations on the annual growth of property tax collections of most local governments, including the College; however, the College has the capacity to meet revenue shortfall as a result of this cap through increased tuition rates. State law does, however, limit tuition and mandatory fees to one-third of the College's per capita costs.

RELEVANT FINANCIAL POLICIES

The Board of Trustees has established Board Policies for administration to follow relating to Budgeting, Financial Condition, and Asset Protection. Administration has established administrative procedures to establish direction for revenues, investing, purchasing, operating reserve levels, accounting for capital assets, tuition and fees, and other pertinent financial matters. These procedures are used as the basis for decision making within the College in accordance with the Board Policies. The College also follows the Illinois Compiled Statutes as they relate to Illinois Community Colleges and reports to the Illinois Community College Board as required by the Statutes.

Management of the College is responsible for establishing and maintaining internal controls designed to ensure that the assets of the College are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The 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.

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 Elgin Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2019. 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 governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR) whose contents conform to program standards. Such a 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 are proud to announce that we received our first Certificate of Achievement award for the fiscal year ended June 30, 2003 and each subsequent year through 2019. We believe our current report for the fiscal year ended June 30, 2020 continues to meet the stringent program requirements for the Certificate of Achievement and will be submitted to GFOA.

Independent Audit. State statutes require an annual audit by an independent certified public accountant. The accounting firm of Sikich LLP is the College's auditor. The auditor's report on the basic financial statements is included in the financial section of this report. The College was subject to the requirements of the Uniform Grant Guidance (the Single Audit). The Single Audit Report is available under separate cover.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

Furthermore, a special thanks to the College President and College Board of Trustees for their leadership and support.

Sincerely,

Kimberly A. Wagner

Kimberly Wagner, Ed.D.
Vice President, Business and Finance

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Elgin Community College
District Number 509
Elgin, Illinois

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component unit, Elgin Community College Foundation (the Foundation), of Elgin Community College District Number 509 (the District), as of and for the years ended June 30, 2020 and 2019, and the notes to financial statements, which collectively comprise the District's basic financial statements as listed in the accompanying 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the business-type activities and the aggregate discretely presented component unit, Elgin Community College Foundation, of Elgin Community College District Number 509, as of June 30, 2020 and 2019, and the respective changes in financial position and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The District adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2020. The implementation of this guidance resulted in changes to the current liabilities, net position, revenue, expense and notes to financial statements. The data as of the June 30, 2019 fiscal year end was not restated as the required information was not available. Our opinion is not modified with respect to this matter.

The Foundation adopted the provisions of Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, as amended by ASU 2015-14, and ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* during the year ended June 30, 2020. The adoption of these ASUs did not result in a change to the accounting of any of the Foundation's revenue streams; as such, no cumulative effect adjustment was recorded. Our opinion has not been modified with respect to these matters.

The Foundation adopted new accounting guidance as issued by the Financial Accounting Standards Board (FASB) under Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities* during the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the District's financial statements as a whole. The introductory section, supplementary information, supplemental financial information, uniform financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, supplemental financial information and uniform financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the 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 November 23, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
November 23, 2020

Elgin Community College
MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

As management of Elgin Community College, we offer readers of Elgin Community College's financial statements this narrative overview and analysis of the financial activities of Elgin Community College for the fiscal years ended June 30, 2020; June 30, 2019; and June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information available in our letter of transmittal and the College's basic financial statements.

Using This Annual Report

These financial statements focus on the College as a whole. The College's basic financial statements are intended to provide a clear picture of the College as a single, unified entity, in a manner similar to a private-sector business. The focus of the Statement of Net Position is designed to be similar to bottom-line results for the College. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. The Statement of Revenues, Expenses, and Changes in Net Position focuses on operating revenues and expenses which report primarily exchange transactions such as tuition revenue and the direct costs of providing services to the constituency while non-operating revenues and expenses report revenues from non-exchange transactions such as property taxes and state and federal grants. This approach is intended to summarize and simplify the user's analysis for the cost of various College services to students and the public.

Accounting Standards

The College implemented GASB Statement No. 84, *Fiduciary Activities*, during the fiscal year 2020. The implementation of this new accounting statement resulted in a restatement of the beginning net position of the College's student activity or student clubs subfunds and student life and athletics subfunds. The implementation of this accounting principle resulted in the recording of income and expenses for the student life club accounts.

The College adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the fiscal year 2018. The implementation of this new accounting principle resulted in changes to the post-employment benefit related liability, deferred inflows, deferred outflows, revenue, and expenses. This change took place in the fiscal year 2018. The College's change in net position from operations before recognizing the change in accounting principle as of fiscal year 2018 decreased by \$3.5 million to \$6.1 million. The change in accounting principle that was applied in fiscal year 2018 amounted to \$40.4 million. The total net position at the end of fiscal year 2018 decreased by \$34.3 million.

Financial Highlights

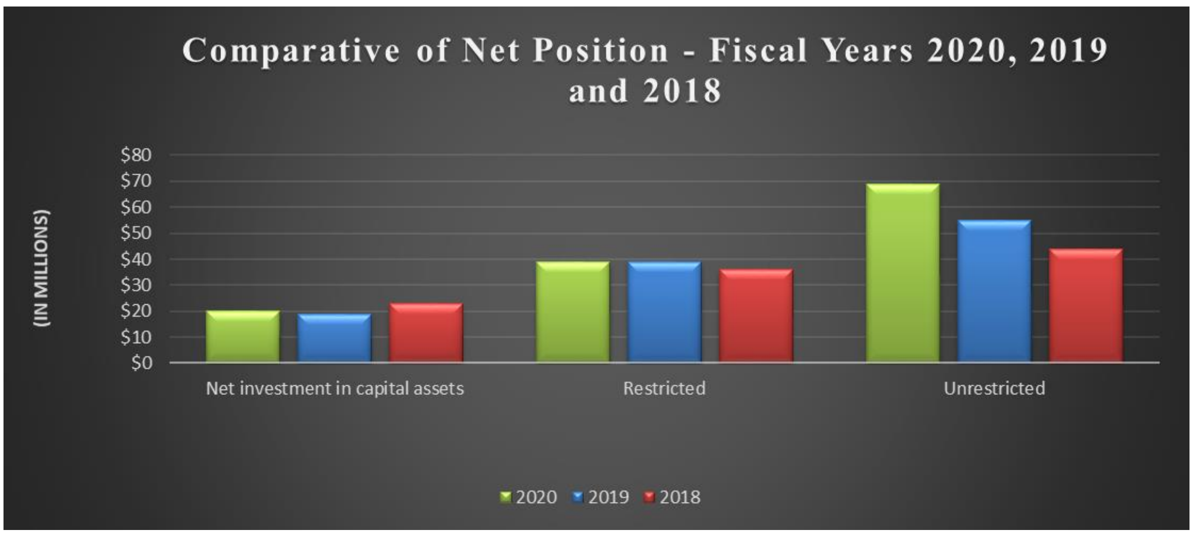
Two of the College's shared values are accountability and collaboration. Accountability is the characteristic of a well-run college. The College has strong financial policies to provide reliable and timely information. As stated in the College's strategic plan, the College is a public institution that commits to making the best use of resources and strives to be transparent in reporting. The College defines collaboration in the strategic plan as actively committed to serving students, employees, and community members. Collaboration is the College's decisions and actions undertaken in carrying out the vision of the college. Accountability and collaboration were challenged in fiscal year 2020 with the onset of COVID-19. The College's emergency operations plan was activated in early March to respond to the pandemic. The College campus closed on March 16th, 2020. The College had to react quickly to offer online classes for the faculty and students and create a remote work environment for the employees. The college community pulled together to make this transition happen as quickly as possible. The Distance Learning department trained and assisted faculty with the transition to online delivery to provide instruction for students through the end of the spring semester. After the semester ended, more robust training was provided for faculty to prepare for the upcoming summer and fall semesters. The College purchased personal protective equipment (PPE) for the students, faculty, and staff. Information Technology and the Library collaboratively devised a checkout process to provide hot spots and Chromebooks to students for online class participation. Students were given the option to drop classes with no financial penalties for the spring 2020 semester. The College collaborated with ECC's Foundation to provide much needed financial assistance to students struggling not only with educational costs but also with basic needs. Assistance was provided to students based on their individual needs and ranged from tuition assistance to payments for rent, utilities, and groceries. Throughout the pandemic, the Emergency Operations Team and the Policy Group together devised a comprehensive operating plan in response to the pandemic to lead the college through this difficult time. Weekly meetings have been held throughout the shutdown to respond to the changing mitigation measures from the Governor of Illinois to maintain a safe campus and to address the needs of the college community.

The College's audit was completed and the College is pleased to share the financial highlights of fiscal year 2020. The College's net position increased by $15.2 million or 13.4 percent compared to fiscal year ended June 30, 2019. In fiscal year 2020, the College's Comprehensive Master Plan and the Employee Compensation and Philosophy studies were completed. Due to COVID-19, there were projects that were budgeted for in fiscal year 2020 that were left incomplete or not started. Examples of these projects include the College's Human Resources' eTime upgrade, the Student and Academic CRM Advise implementation that will aid in retaining students and increase student engagement, and several deferred maintenance projects that include a chiller replacement, upgrades for the building automation system, repairs to the drainage and grating system by the dock, and upgrades to building L. Many professional growth and training conferences occur in the spring and with the arrival of COVID-19, these travel and training funds remained unspent. Additionally, the College received grant funding for equipment and supply needs in response to the COVID-19 outbreak. Adult Education budgeted for in the Education Fund was supported by the Adult Education Grant. Grants such as Adult Education, Perkins, and the ICAPS Strengthening Institutional Performance allowed the College to purchase Chromebooks for students to borrow from the College library. Additionally, vacant positions within the College that went unfilled contributed to the increase in net position in fiscal year 2020.

	2020	2019	Increase/(Decrease) 2020/2019	2018
Total College Revenues	158,896,574	150,775,627	8,120,947	146,365,290
Total College Expenses	146,388,429	140,546,222	5,842,207	140,235,341
Change in net position before capital contributions	12,508,145	10,229,405	2,278,740	6,129,949
Capital Contributions	1,740,000	82,500	1,657,500	29,995
Change in net position	14,248,145	10,311,905	3,936,240	6,159,944
Net position at beginning of year	114,139,501	102,892,937	11,246,564	137,149,524
Change in accounting principle	934,659	-	934,659	(40,416,531)
Net position, July 1, Restated	114,139,501	102,892,937	11,246,564	96,732,993
Net position at end of year	$ 128,387,646	$ 113,204,842	$ 15,182,804	$ 102,892,937

Breakdown of Net Position – By Category

The following chart provides a graphical breakdown of net position by category for the fiscal years ended June 30, 2020; June 30, 2019; and June 30, 2018:



In fiscal year 2020, the College’s unrestricted net position was $69.4 million, an increase of $14.5 million from fiscal year 2019. The College completed large projects on the fiscal year 2020 project list. Examples of these projects include the new roof for Building I, the completion of the Building H remodel, the baseball fence was replaced at the College's baseball fields, and classroom renovations were completed for the Cybersecurity Department to allow for a more conducive instructional environment. There were other projects on the fiscal year 2020 project list that were not able to be completed and attributed to the increase in the unrestricted net position. A few of those projects are the purchase of new contract software, purchase and implementation of student retention and success software, and a new fire truck for the Emergency Services Fire Science and Safety department. Due to COVID, many travel plans for professional development, training and student field trips were canceled. Net investments in capital assets increased by $0.8 million in fiscal year 2020 when compared to fiscal year 2018. Net investment in capital assets was $19.7 million in fiscal year 2020 and $18.9 million in fiscal year 2019. The College's long-term debt decreased by $5 million. The College issued $38.6 million in General Obligation Refunding Bonds to refund a total of $39.8 million of the 2009B and 2009C bonds. Through the refunding transaction, the College achieved a cash flow savings of $7,096,906 and an economic gain of $5,960,254. The fiscal year 2020 restricted net position is made up of capital projects, debt service, specific purposes, and working cash. The fiscal year net position for restricted assets remained flat when compared to fiscal year 2019. The total restricted net position in fiscal year 2020 was $39.3 million compared to a balance of $39.4 million in fiscal year 2019.

In fiscal year 2019, the College’s unrestricted net position was $54.9 million. This increased by $10.5 million when compared to fiscal year 2018. The College’s restricted net position for capital projects increased $2.9 million in fiscal year 2019 when compared to fiscal year 2018. In fiscal year 2018, the College had an unrestricted net position of $44.4 million which was a decrease from fiscal year 2017 of $32.5 million. This decrease was due to the implementation of GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB*), which required the College to record a long-term obligation for OPEB as a liability for the first time. In fiscal year 2018, the long-term liability at the beginning of the year was $40.4 million representing the College’s proportionate share of the state college insurance program.

The Statement of Net Position

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenue and expenses are recognized as incurred.

	2020	2019	Increase/ (Decrease) 2020/2019	2018
Current assets	$ 205,027,619	$ 191,475,578	$ 13,552,041	$ 172,523,322
Restricted assets	-	1,325,733	(1,325,733)	2,940,898
Total current assets	205,027,619	192,801,311	12,226,308	175,464,220
Non-current assets				
Capital assets, net of depreciation	184,755,689	188,867,771	(4,112,082)	195,856,432
Total non-current assets	184,755,689	188,867,771	(4,112,082)	195,856,432
Total assets	389,783,308	381,669,082	8,114,226	371,320,652
Deferred outflows of resources	1,793,809	1,529,513	264,296	991,818
Total assets and deferred outflows of	391,577,117	383,198,595	8,378,522	372,312,470
Current liabilities	22,634,889	25,950,645	(3,315,756)	24,352,628
Non-current liabilities	200,776,749	206,312,848	(5,536,099)	211,916,681
Total liabilities	223,411,638	232,263,493	(8,851,855)	236,269,309
Deferred inflows of resources	39,777,833	37,730,260	2,047,573	33,150,224
Total liabilities and deferred inflows of	263,189,471	269,993,753	(6,804,282)	269,419,533
Net Position				
Net investment in capital assets	19,693,055	18,904,009	789,046	22,528,437
Restricted for:				
Capital projects	22,908,872	22,773,141	135,731	19,825,069
Debt service	4,841,931	4,569,440	272,491	5,014,363
Specific purposes	7,547,301	8,067,752	(520,451)	7,144,909
Working cash	4,014,363	4,014,363	-	4,014,363
Unrestricted	69,382,124	54,876,137	14,505,987	44,365,796
Total net position	$ 128,387,646	$ 113,204,842	$ 15,182,804	$ 102,892,937

Net Position as of June 30

The net position is comprised of three major categories. Net investment in capital assets represents the College's total investment in capital assets, net of accumulated depreciation, and net of any long-term liabilities incurred to construct or purchase capital assets. Restricted net position is resources the College is legally or contractually obligated to spend under restrictions imposed by external third parties. Unrestricted net position is resources derived from student tuition and fees, state appropriations, and auxiliary enterprises.

The College operates on a balanced budget from year to year. When additional revenues are received and budgeted large projects are delayed, the impact on the net position is apparent. The change in net position from operations resulted in part from the College receiving additional funds from the State of Illinois compared to budget, the additional interest revenue received, vacant positions, along with conservative spending. Additional revenue received without allocating funds to additional expenses or additional projects will result in a surplus. Due to the strong economy, investment income totaled $2.5 million which was $1.3 million over the budgeted amount for 2020. The College had plans to restore professional development for the College's employees; however, due to COVID-19, travel restrictions were put in place and the funds were not used. The College had an excess of $14.2 million in fiscal year 2020 compared to the excess of $10.3 million in fiscal year 2019 and $6.2 million in fiscal year 2018.

The College budgeted to receive $1.8 million in funding from the State of Illinois in fiscal year 2018 and received $5.2 million from the state. The fiscal year 2018 change in net position from operations was also due to projects that were delayed until fiscal year 2019.

The College's total assets and deferred outflows of resources at fiscal year-end 2020 were $391.6 million, an increase of 2.1 percent or $8.4 million when compared to fiscal year-end 2019. The increase is due to an increase in total current assets of $12.2 million, a decrease in total non-current assets of $4.1 million and a slight increase in deferred outflows of resources of $0.3 million. Current assets increased $12.2 million when compared to fiscal year 2019. The increase was due to cash and cash equivalents increasing by $22.3 million and a decrease of $9.5 million in investments compared to fiscal year 2019. The College's receivables and prepaid assets remained flat when compared to fiscal year 2019. Restricted assets decreased by $1.3 million in fiscal year 2020. Capital assets decreased due to assets which were disposed and annual depreciation. The College completed a physical inventory of all the fixed assets which resulted in some assets being removed from the fixed asset inventory. Total current liabilities decreased by $3.4 million in fiscal year 2020 when compared to fiscal year 2019. This decrease is attributed to a decrease in payables as of June 30th. Noncurrent liabilities decreased $6.4 million when compared to fiscal year 2019. General obligation bonds payable decreased $5.0 million due to principal payments made for the outstanding bond debt. The difference between fiscal year 2020 and fiscal year 2019 in other postemployment benefit liabilities was $0.50 million. Total deferred inflows of resources balance was $39.8 million and includes deferred property tax at $31.7 million and OPEB liability of $8.0 million. These deferred liabilities increased in total by $2.1 million when compared to fiscal year 2019. Deferred property tax revenue remained flat compared to fiscal year 2019 and the OPEB liability increased by $1.7 when compared to fiscal year-end 2019. The overall increase to liabilities and deferred inflows of resources was $7 million in fiscal year 2020.

The College's total assets and deferred outflows of resources at fiscal year-end 2019 were $383.2 million, an increase of 2.8 percent or $10.9 million when compared to fiscal year-end 2018. This increase is attributed to the increase in current assets of $17.3 million. Current assets increased in fiscal year 2019 due to investments increasing in the amount of $11.6 million when compared to fiscal year 2018. Property taxes receivable also increased by $4.1 million when compared to fiscal year 2018 due to the timing of payments from the counties. Capital assets net of depreciation decreased by $7.0 million. Total deferred outflows of resources increased in fiscal year 2019 by $0.5 million which is due to the OPEB liability increasing. The net result of the increase in current assets of $17.3 million, the net decrease of noncurrent assets of $7.0 million, and the $0.5 million increase in deferred outflows of resources attributed to the $10.9 million increase in total assets and deferred outflows of resources. Current liabilities increased $1.6 million when compared to fiscal year 2018. Non-current liabilities decreased $5.6 million when compared to the non-current liabilities in fiscal year 2018. This decrease was due to the principal payments made for the outstanding bond debt. The deferred revenue for property taxes increased by $1.8 million. The OPEB liability increased by $2.7 million when compared to fiscal year's 2018 OPEB liability.

The College's total assets and deferred outflows of resources at fiscal year-end 2018 were $372.3 million, an increase of 1.5 percent. This increase was the net change between a $14.0 million increase in current assets, a $9.0 million decrease in noncurrent assets, and a $0.60 million increase in deferred outflows of resources. The College's capital assets remained stable with a slight increase of $0.40 million. Accumulated depreciation increased by $9.5 million due to depreciation for fiscal year 2018.

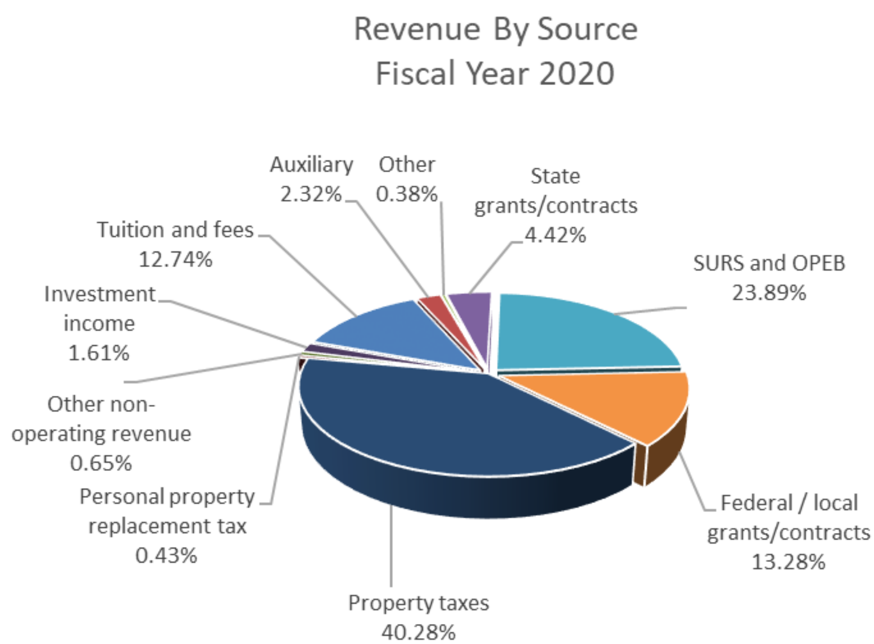
Statement of Revenue, Expenses, and Changes in Net Position

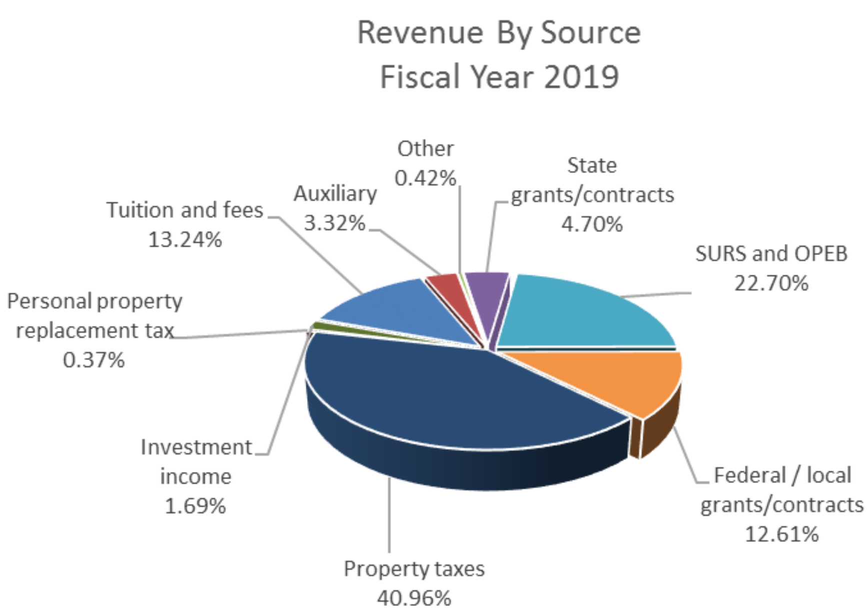
Following is a comparison of the major components of operating results of the College for the years ended June 30, 2020; June 30, 2019, and June 30, 2018:

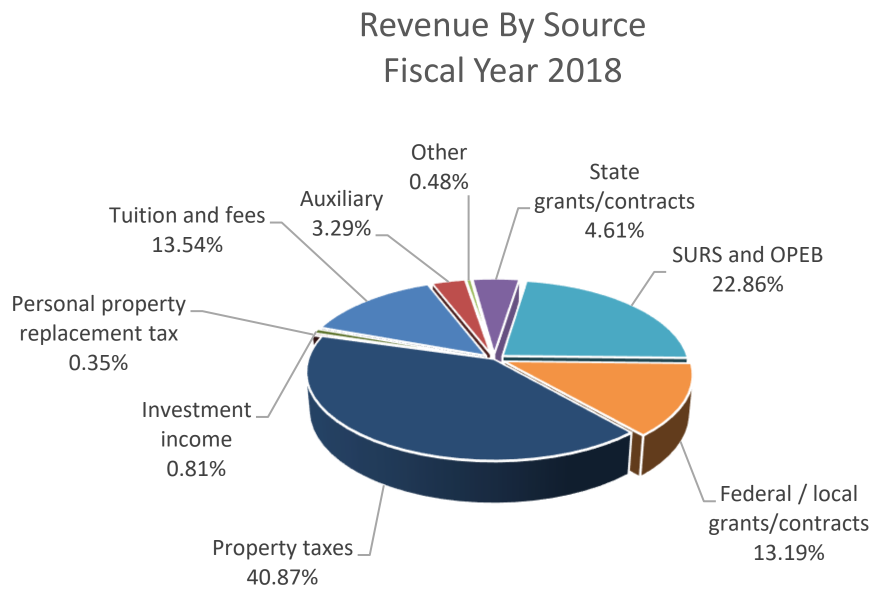
	2020	2019	Increase/(Decrease) 2020/2019	2018
Operating Revenues				
Tuition and fees	$ 20,248,902	$ 19,968,429	$ 280,473	$ 19,819,523
Auxiliary enterprises revenue	3,689,390	5,001,003	(1,311,613)	4,812,253
Other operating revenue	604,607	639,385	(34,778)	704,257
Total operating revenues	24,542,899	25,608,817	(1,065,918)	25,336,033
Non-Operating Revenues				
State grants and contracts	7,022,027	7,079,794	(57,767)	6,752,842
State Universities Retirement System (SURS)	36,548,008	31,772,738	4,775,270	29,712,674
Community College Health Insurance Security Fund OPEB	1,411,308	2,454,500	(1,043,192)	3,748,389
Federal and local grants and contracts	21,097,380	19,006,175	2,091,205	19,311,064
Property taxes	64,005,961	61,757,426	2,248,535	59,812,614
Personal property replacement tax	677,470	554,744	122,726	512,789
Other non-operating income	1,027,620	-	1,027,620	-
Investment income	2,563,901	2,541,433	22,468	1,178,885
Total non-operating revenues	134,353,675	125,166,810	9,186,865	121,029,257
Total Revenues	158,896,574	150,775,627	8,120,947	146,365,290
Operating Expenses				
Instruction	54,235,510	51,875,346	2,360,164	52,233,711
Academic support	13,010,581	12,424,020	586,561	12,131,779
Student services	10,966,528	10,164,362	802,166	9,719,882
Public services	966,105	822,876	143,229	621,995
Auxiliary services	5,442,904	5,789,556	(346,652)	6,061,316
Scholarships and student grants	9,236,123	6,545,678	2,690,445	7,006,531
Operation and maintenance of plant	14,033,863	13,068,621	965,242	12,559,033
Institutional support	22,671,699	22,254,771	416,928	22,589,462
Depreciation	8,859,499	9,349,793	(490,294)	9,594,246
Total operating expenses	139,422,812	132,295,023	7,127,789	132,517,955
Non-Operating Expenses				
Interest expense	6,965,617	8,251,199	(1,285,582)	8,397,740
Total non-operating expenses	6,965,617	8,251,199	(1,285,582)	8,397,740
Total Expenses	146,388,429	140,546,222	5,842,207	140,915,695
Change in net position before capital contributions	12,508,145	10,229,405	2,278,740	6,129,949
Capital Contributions	1,740,000	82,500	1,657,500	29,995
Change in net position	14,248,145	10,311,905	3,936,240	6,159,944
Net position at beginning of year	113,204,842	102,892,937	10,311,905	137,149,524
Change in accounting principle	934,659	-	934,659	(40,416,531)
Net position, July 1, Restated	114,139,501	102,892,937	11,246,564	96,732,993
Net position at end of year	$ 128,387,646	$113,204,842	$ 15,182,804	$102,892,937

Internally, the College accounts for its activities using fund accounting, which is then reorganized into operating and non-operating components for the basic financial statements. The College accounts for its operating revenues through student tuition and fees, chargeback revenue, auxiliary enterprises, and other operating revenue. The College as a whole is primarily financed through the following sources of revenue – property taxes, state grants and contracts, federal and local grants and contracts, and tuition and fees.

The following charts show the percentage of these sources of revenues as they were for the years ended June 30, 2020, June 30, 2019, and June 30, 2018:







In fiscal year 2020, the three main sources of revenue, from highest to lowest, are property taxes, federal and local grants and contracts, and tuition and fees. Property tax revenue amounted to 40.26 percent of total revenue collected in fiscal year 2020. In fiscal years 2019 and 2018, revenue from property tax was 40.96 percent and 40.87 percent of total revenue collected, respectively. Property tax continues to be the College's main source of revenue.

Federal and local grants and contracts in previous fiscal years have been the third-highest source of revenue for the College. This changed in fiscal year 2020. Federal and local grants and contracts became the second-largest and tuition and fees became the third-largest source of revenue. Federal and local grants and contract revenues were 13.28 percent of the College's total fiscal year 2020 revenue. Due to the COVID pandemic, the College received additional funding from the US Department of Education from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act allocated federal funds to colleges and universities to help students as they transitioned from in-person learning to online learning. The CARES Act also provided support to help institutions cover some of the expenses incurred as a result of the COVID pandemic. The College's CARES Act allocation was $2.3 million for student relief and $2.6 million for institutional expenses related to COVID. Out of the $4.9 million allocated from the CARES act, the College expended and received as revenue $1.6 million for student assistance and $0.8 million on institutional expenses in fiscal year 2020. In fiscal years 2019 and 2018, federal and local grants and contracts were the third-highest source of total revenue at 12.61 percent and 13.19 percent, respectively.

In previous years, tuition and fees revenue have been the second-largest source of revenue for the College. In fiscal year 2020, tuition and fees revenue become the third-largest amount of revenue collected at 12.74 percent. The COVID pandemic effected the third and fourth quarters of fiscal year 2020. Due to the COVID pandemic, tuition and fees decreased for the College. The College allowed students to drop courses with no penalty and refunds were issued to students for the courses dropped due to the COVID pandemic. With the uncertainty of what COVID would bring, many students dropped their courses. In fiscal year 2019, tuition and fees were the second-largest source of revenue collected by the College at 13.24 percent. In fiscal year 2018, tuition and fees amounted to 13.54 percent of total revenues.

Public Act 1965 removed the community colleges from the system of common K-12 schools and put a ceiling on how much revenue would come from the students in form of tuition. The one-third philosophy was formed whereby the State would provide one-third of the revenue, property taxes would provide one-third and tuition would be the remaining one-third of community college revenue. Illinois has increasingly depended on property taxpayers and students to fund the community colleges. State grants and contracts have remained to be the fourth largest source of total revenue for the College. State grants and contracts were 4.42 percent of the total College's revenue in fiscal year 2020. In fiscal year 2019, state grants and contracts revenue made up 4.70 percent of total revenue. In fiscal year 2018, state grants and contract revenue made up 4.61 percent of the total revenue.

Fiscal Year 2020

For the College as a whole, total revenue increased by $8.1 million or 5.39 percent when compared to fiscal year 2019.

- Property tax revenue increased by $2.2 million or 3.64 percent. The debt service requirements for the 2019 property tax levy were 8.9 percent lower when compared to the property taxes levied for 2018. The College issued $38.6 million in general obligation refunding bonds to refund $39.8 million in Series 2009B and 2009C General Obligation Bonds. The College's BAB rebates for 2009B and 2009C will no longer be available to the College with the refunding. The College will continue to receive Build America Bond payments for the 2010B and 2010C bonds.
- State and local grants remained flat when compared to fiscal year 2019. State grants the College was awarded in fiscal year 2020 include the State Performance and Support for Adult Education, the Apprenticeship grant, and various local grants obtained by the College's Foundation. The Small Business Development Center grant has returned to the College after three years due to the State of IL budget impasse.
- State Universities Retirement System (SURS) proportionate share of revenue and expense had a $4.8 million increase when compared to fiscal year 2019. SURS is a special funding situation whereby the State of Illinois is responsible for funding pensions on behalf of the College. The increase in fiscal year 2020 is a 15.0 percent increase from 2019. The increase in revenue is offset by the same increase in expenses for SURS retirement costs incurred by the State on behalf of the College. The College's proportionate share of revenue and expense for the Health Insurance Security Fund (OPEB) decreased by $1.0 million when compared to fiscal year 2019.

- Federal and local grants and contracts increased 11.0 percent or $2.0 million when compared to fiscal year 2019. In fiscal year 2020, the College awarded $9.8 million in PELL grants. This is a 5.5 percent increase when compared to fiscal year 2019. The number of direct loans to students decreased by 44 loans when compared to fiscal year 2019. In fiscal year 2020, the College awarded $2.4 million in direct loans compared to $2.5 million in fiscal year 2019. This is a decrease of 4.9 percent. Examples of federal grants in fiscal year 2020 include five TRIO grant awards that services students from disadvantaged backgrounds. The College has Workforce Development grants with Cook and Kane counties to provide targeted youth with work experience and training. Another federal grant the College has had for many years is the Perkins Postsecondary grant to support local programs that services special populations. The College was awarded $4.9 million in CARES Act funding to assist students transitioning from in-person learning to online learning due to the COVID pandemic. These funds also reimbursed College expenses related to COVID. In fiscal year 2020, the College spent and was reimbursed for $2.4 million in CARES Act grant monies.
- Tuition and fee revenue remained flat in fiscal year 2020 when compared to fiscal year 2019. Tuition and fee revenue amounts to $20.2 million or 1.4% increase when compared to fiscal year 2019. The College has kept the in-district tuition and fee rate at $132 for the second year in a row. There were no increases in out of district tuition or out of state tuition and fees in fiscal year 2020. Due to the COVID pandemic, the College's enrollment rate dropped in the spring 2020 semester. The College swiftly moved to an online learning platform to continue students' education. The College continues to campaign to increase enrollment and to retain current students to complete their degrees.
- Auxiliary enterprise revenue decreased by $1.3 million when compared to fiscal year 2019. This was a 26.2 percent decrease in fiscal year 2020. The auxiliary units were affected by the COVID pandemic when the College closed mid-March. Examples of the College's auxiliary units include Childcare, Visual and Performing Arts, and Food Service. When the College closed campus in the middle of March, auxiliary programs were closed as well. Performances scheduled for the College's Visual and Performing Arts were canceled due to COVID.
- Investment income remained level when compared to fiscal year 2019. In fiscal year 2020, investment revenue amounted to $2.6 million and in fiscal year 2019 investment income was $2.5 million.
- Overall, the College's total non-operating revenue increased by $9.2 million or 7.34 and operating revenue decreased by $1.1 million or 4.16 percent when compared to fiscal year 2019.

Fiscal Year 2019

For the College as a whole, total revenue increased by $3.0 million or 2.09 percent when compared to fiscal year 2018.

- Property tax revenue increased by $1.9 million or 3.25 percent. The College abated $84,521 of taxes related to the Bond Series 2009B and $697,583 of taxes as related to Bond Series 2009C, which are equal to the Build America Bond payments that were received in fiscal year 2019. All Build America Bond payments received by the college for these bonds are required to be deposited into the College's Bond Fund to pay principal and interest on the Taxable Bonds on the next interest payment date for the Taxable Bonds. This abatement is equal to the taxes related to Bond Series 2009B and 2009C less Build American Bond Payments received in fiscal year 2019 net of the amount lost due to the sequester by the Federal government in 2018.
- State grants and contracts for fiscal year 2019 amounted to $7.1 million. This is an increase of $0.3 million compared to fiscal year 2018. When the state passed the budget for fiscal year 2019, some community colleges received funding above the overall 2 percent increase in funding and other colleges received less funding than in fiscal year 2018. The state has a formula that takes into account the number of credit hours generated, the types of credit hours generated, the amount of local revenues, and the number of in-district hours. Elgin Community College was fortunate enough to have received an increase in state funding of 6.8 percent or $0.3 million when compared to fiscal year 2018.
- State Universities Retirement System (SURS) had a $2.1 million increase when compared to fiscal year 2018. SURS is a special funding situation whereby the State of Illinois is responsible for funding pensions on behalf of the College. The increase in fiscal year 2019 is a 6.9 percent increase from 2018. The increase in revenue is offset by the same increase in expenses for SURS retirement costs incurred by the State on behalf of the College.
- Federal and local grants and contracts remained relatively flat when compared to fiscal year 2018. In fiscal year 2019, the College awarded $9.3 million in PELL grant awards. This is 2.8 percent or $0.3 million less than fiscal year 2018. The PELL grant awards are consistently down across all colleges. The number of students is down due to enrollment and the improved economy over prior years. PELL is a need-based award and with the economy improving and the number of students enrolled, the need is less. PELL awards are grants that students do not payback. The number of direct loans to students decreased by 73 loans in fiscal year when compared to fiscal year 2018. In fiscal year 2019, the amount of direct loans awarded was $2.5 million. When compared to fiscal year 2018, this is a decrease of $0.4 million.
- Tuition and fees revenue remained consistent with fiscal year 2018. In fiscal year 2019, tuition and fees amounted to $20.0 million. In Fiscal year 2018 tuition and fees were $19.8 million. In-district tuition per semester hour increased by $3 when compared to fiscal year 2018. Out-of-district and out-of-state tuition rates remained the same as fiscal year 2018. Total credit hours claimed in fiscal year 2019 amounted to 172,354 which is a decrease of 4,272 credit hours or 2.4 percent when compared to fiscal year 2018. The College has initiated a campaign to increase future enrollment and to capture those students who are currently not enrolled and are only credits away from obtaining their associate's degree or certificate.

- Investment income was $2.5 million which is $1.4 million over what was received in investment income in fiscal year 2018. The positive increase in investment income is attributed to the improved economy.
- Overall the College's non-operating revenue increased $4.1 million or 3.42 percent and operating revenue increased $0.3 million or 1.08 percent when compared to fiscal year 2018.

Fiscal Year 2018

For the College as a whole, total revenue increased by $3.0 million or 2.11 percent when compared to fiscal year 2017.

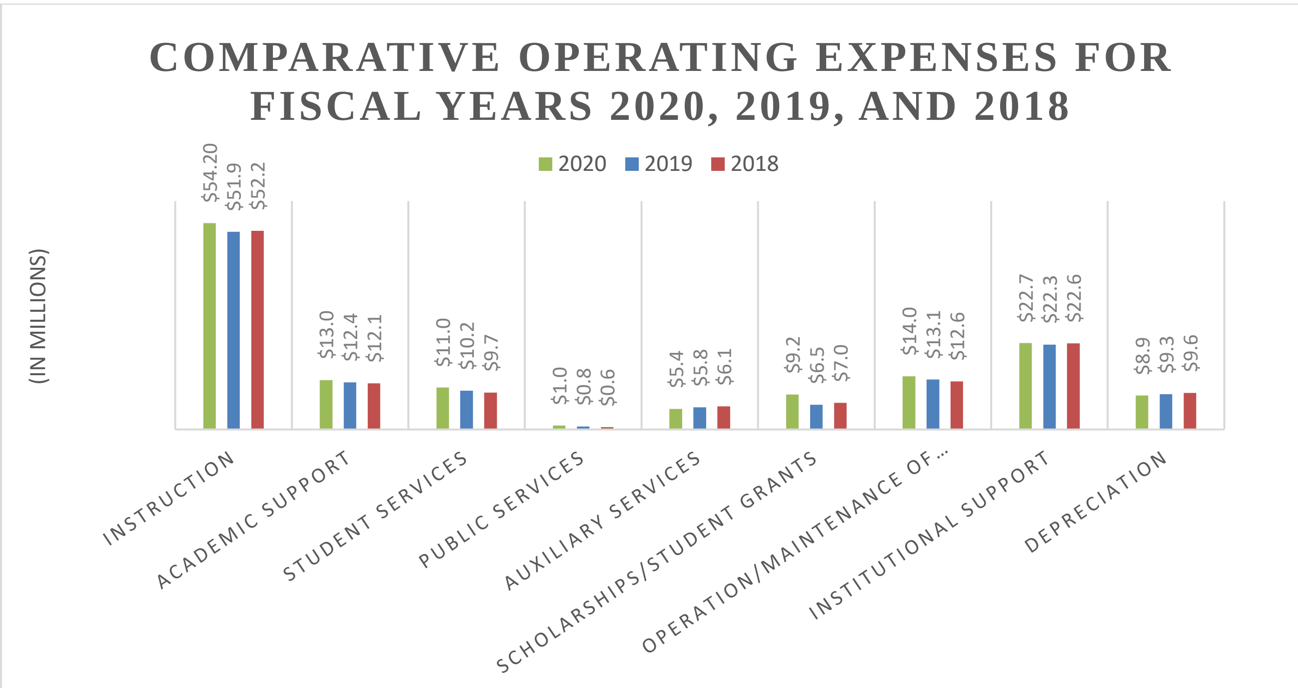
- Property tax revenue remained level with the previous fiscal year. In January of 2018, the College abated debt service taxes in the 2017 tax levy as they relate to the Build America payments or rebates expected to be received in 2018 related to the Taxable General Obligation Bonds, Series 2009B and Series 2009C. The College abated $84,204.75 of the taxes related to Bond Series 2009B and $694,974.76 of the taxes related to Bond Series 2009C, which are equal to the Build America Bond payments that were received in fiscal year 2018 less the amount due to the sequester by the Federal government in 2017. The College also abated the $1.8 million in Debt Service to keep the 2017 levy equal to the 2016 operating levy.
- State grants and contracts in fiscal year 2018 remained relatively flat when compared to the previous fiscal year. The state grants and contracts decreased minimally by $0.3 million.
- State University Retirement System (SURS) had a $2.0 million decrease in fiscal year 2018 compared to fiscal year 2017. The decrease in fiscal year 2018 is a 6.4 percent decrease from 2017. The decrease in revenue is offset by the same decrease in expenses for SURS retirement costs incurred by the State on behalf of the College.
- Federal and local grants and contracts increased by $1.2 million when compared to fiscal year 2017. In fiscal year 2018, the College awarded $0.96 million or 11.1 percent more in PELL grants than in fiscal year 2017. More students attended ECC that qualified for the PELL grant versus paying out of pocket. The number of direct loan students decreased minimally by 5.3 percent however the number of direct loans awarded per student went up by 2.0 percent when compared to fiscal year 2017. The average direct loan per student increased from $3,584 in fiscal year 2017 to $3,872 in fiscal year 2018. The College's federal grants decreased by $0.71 million.
- Tuition and fee revenue remained relatively flat when compared to fiscal year 2017. The tuition and fee revenue increased by $0.1 million or 0.61 percent. The in-district tuition rate increased by $4 per credit hour in fiscal year 2018. Total credit hours claimed in fiscal year 2018 were 176,626 which is 2,794 claimed credit hours or 0.01 percent less than fiscal year 2017.
- Investment income increased from $607,277 in fiscal year 2017 to $1,178,885 in fiscal year 2018, resulting in a 94.13 percent increase. The College's investments have been doing well in a better economy.
- Overall, the College's increase in net position amounted to $6.1 million in fiscal year 2018 which is $3.5 million or 36 percent less than fiscal year 2017.

Operating Expense

Operating expenses are all the costs necessary to perform, conduct, and support academic programs. They include salaries and benefits, utilities, general material and supplies, contractual services, and travel and conference or meeting expenses and are then categorized by programs. During fiscal year 2020, overall operating expenses of $139.4 million increased by $7.1 million or 5.39 percent when compared to fiscal year 2019. The total operating expenses between fiscal years 2018 and 2019 remained relatively flat. In fiscal year 2019 the operating expenses amounted to $132.2 million and in fiscal year 2018 it amounted to $132.5 million. This amounted to a decrease of $0.2 million or 0.17 percent.

Operating Expenses – By Function

The following is a graphic illustration of operating expenses:



Fiscal Year 2020

- Instructional departments are the departments that provide academic programs to the College's students. The College's instruction expenses increased by $2.4 million in fiscal year 2020. The SURS proportionate share or revenue and expense increased by $2.2 million. The Math Department and the English Department each increased expenses by $0.3 million when compared to fiscal year 2019. This was due to the addition of full-time faculty added to each department. Other instructional departments who filled vacant positions and increased the fulltime faculty expense in fiscal year 2020 were General Business, Art History, Nursing, Biology and History and Political Science. In areas such as other contractual, materials and supplies and equipment, the fiscal year 2020 expenses were relatively flat when compared to fiscal year 2019 expenses. The college implemented a temporary no travel policy due to the onset of COVID. Many conferences and training opportunities occur in September and October and then again in the March, April and May. Faculty and staff were not able to attend planned conferences and training opportunities or offer field trips to students in the spring of 2020 due to COVID.

- Academic Support is made up of departments that provide support services for instruction, academic computing, and research. The College's library is an example of a department included with Academic Support. In fiscal year 2020, Academic Support remained flat when compared to fiscal year 2019. Academic Support operating expenses were $13.0 million in fiscal year 2020 which increased by $0.6 million when compared to fiscal year 2019. Salary and benefits increased by $0.20 in fiscal year 2020. In fiscal year 2019, the expenses totaled $12.4 million and in fiscal year 2018, the expenses were $12.1 million.
- Student Services are departments that assist in areas of financial aid, admissions, student records, testing, and advising. Student Services' operating expenses totaled $11.0 million. When compared to fiscal year 2019, the student services expenses increased by $0.8 million or 7.52 percent. Wellness Services increased the number of Wellness professionals which caused a slight increase in full-time salary and benefits from prior years. The Orientation department had an increase in computer software expense when compared to fiscal year 2019 due to the purchase and implementation of Online Orientation software. This software allows the Orientation department to provide robust orientation and training online for new students. In fiscal year 2019, student services expenses amounted to $10.2 million and in fiscal year 2018, the student services expenses amounted to $9.7 million.
- Public Service departments include noncredit classes and other activities such as Continuing Education or Corporate training or the College's Strategic Partnership and Experience Leadership. In fiscal year 2020, public services operating expenses amounted to $0.10 million compared to $0.8 million in fiscal year 2019. The public service operating expenses increased by $0.1 million or 17.4 percent when compared to fiscal year 2019. In fiscal year 2019, public service expenses amounted to $0.8 million and in fiscal year 2019, the expenses amounted to $0.6 million. One area that has grown in fiscal year 2020 is Strategic Partnerships and Experiential Learning. Strategic Partnerships and Experiential Learning works with area businesses to recruit employees and promote area business career events to students.
- In fiscal year 2020, auxiliary services had $5.4 million in operating expenses. This is a $0.3 million decrease when compared to fiscal year 2019. In 2019, the auxiliary operating expenses amounted to $5.7 million. Due to the COVID pandemic, the auxiliary service departments such as food service, the bookstore, childcare, visual performing arts, continuing education, and corporate training and production services had reduced expenses with the college campus closing. Foodservice was not purchasing food and supplies for resale. The bookstore had a decrease in the purchase of new textbooks and general materials. Childcare had fewer expenses in materials and supplies as well. In fiscal year 2018, auxiliary services expenses totaled $6.1 million.
- The scholarships and student grants had expenses of $9.2 million in fiscal year 2020 which is a $2.7 million increase from fiscal year 2019. In fiscal years 2018 and 2019, the amount expensed was $7.0 million and $6.5 million, respectively. The number of PELL awards increased in fiscal year 2020 from 3,079 awards in 2019 to 3,098 awards in 2020. In fiscal year 2020, the amount of PELL grants awarded was $9.9 million compared to fiscal year 2019 of $9.3 million. The Federal Supplemental Education Opportunity Grant (SEOG) is an eligibility based grant for students who demonstrate financial need. In fiscal year 2020, the College awarded $0.3 million or 752 awards. This is a decrease of 28 awards when compared to fiscal year 2019. The College received $2.3 million in CARES Act funding for students. In fiscal year 2020, the College awarded $1.6 million to students who were registered in the spring semester.

- Institutional support is expenses for executive-level activities and support services that benefit the entire institution. In fiscal year 2020, institutional support expenses remained flat when compared to fiscal year 2019. Fiscal year 2020 institutional support expenses amounted to $22.7 million. This is an increase of $0.4 million dollars. In fiscal years 2018 and 2019, the total institutional support expenses were $24.0 million and $26.0 million, respectively. The College had savings in salaries and benefits in institutional support due to long term employees leaving the College and from department reorganizations.

Fiscal Year 2019

- Instruction expenses decreased by $0.4 million in fiscal year 2019. Instructional supplies were less than anticipated funding. Salary and benefit expenses decreased in Instruction due to retirements of tenured faculty and vacancies. Enrollment decreased 2.4 percent which directly impacts the decline in instructional expenses.
- Academic Support increased by a minimal amount of $0.6 million. In fiscal year 2019, academic support expenses amounted to $12.4 million while in fiscal year 2018 these were $12.1 million. Vacant positions were filled in the academic support area and needed professional development training was completed. With the budget impasse of 2016, the College had refrained from professional development and travel. The College has since reinstated professional development and travel while continuing to monitor these expenses.
- Student Services remained relatively stable when compared to fiscal year 2018 with a small increase of $0.4 million. In fiscal year 2019, student services expenses were $11.0 million and in fiscal year 2018 the expenses were $9.7 million.
- Public services had an increase in expenses of $0.2 million or 32.3 percent when compared to fiscal year 2018. The College has been working with area businesses to establish internship opportunities for students. The College has many opportunities for students to achieve their educational and career goals. Some of these programs and services are free to qualifying youth and adult students.
- Auxiliary services include the College's Bookstore, Early Childhood Lab School, Food Service, Visual and Performing Arts program, Student Life, Corporate and Continuing Education Training and Production Services. In fiscal year 2019, the total expenses amounted to $5.8 million which were $0.3 million less than fiscal year 2018. Total expenses decreased 4.4 percent in fiscal year 2019 when compared to fiscal year 2018.
- Scholarships and student grants had a decrease of $0.4 million when compared to fiscal year 2018. The number of PELL grant awards decreased by 235 awards or $0.3 million in fiscal year 2019. The PELL grant award is based on need and with the increase in the economy, the need has decreased among the College's students. Direct loans to students also decreased by 73 loans or $0.3 million for the College's students. The direct loan trend is decreasing and is due to the economy but also because the number of students also decreased in fiscal year 2019.
- The operation and maintenance of the plant increased by $0.5 million when compared to fiscal year 2018 with expenses totaling $13.0 million.
- Institutional Support decreased by $0.3 million or 1.48 percent when compared to fiscal year 2018.
- Overall, the total operating expenses remained flat when compared to fiscal year 2018. Total operating expenses in fiscal year 2019 were $132.3 million and total operating expenses in fiscal year 2018 amounted to $132.5 million. The change amounted to a decrease of $0.2 million or 0.2 percent.

Fiscal Year 2018

- Instruction expenses remained consistent with spending in fiscal year 2017. Instruction expenses in fiscal year 2018 were only $0.02 million or 0.05 percent less than fiscal year 2017. The College has continued to monitor expenses and continued with no out of state travel in fiscal year 2018. The College has been cautious with spending as this was our first fiscal year with a state budget.
- Academic support expenses increased by $1.3 million or 11.7 percent in comparison with fiscal year 2017. The increase is attributed to vacant positions being filled in fiscal year 2018.
- Student Services operating expenses increased $1.7 million or 16.9 percent compared to fiscal year 2017. In the Financial Aid and Scholarships Department, there was an increase in the uncollected Illinois National Guard (ING) and Illinois Veterans Grant (IVG) awards as well as an increase from the third party government uncollected accounts.
- Auxiliary services operating expenses increased $1.3 million or 20.0 percent in relation to fiscal year 2017. Student Life hired a full-time coordinator for targeted populations and added a part-time position in fiscal year 2018.
- The operation and maintenance of the plant increased $1.7 million or 14.2 percent when compared to fiscal year 2017.
- Institutional support operating expenses increased $2.6 million when compared to fiscal year 2017.
- The implementation of GASB Statement No, 75 resulted in an additional OPEB expense of $7.5 million being recognized in the current year.

Long-Term Debt

As of June 30, 2020, 2019 and 2018, the College had a total of $165,584,222, $170,648,454, and $175,826,341 in outstanding bonded indebtedness, respectively. The decrease in long-term debt from fiscal years 2020 and 2019 was due to the repayment of principal bonds. The College issued $38,585,000 General Obligation Refunding Bonds, Series 2019 to refund General Obligation Bonds, Series 2009B and 2009C in the amount of $4,800,000 and $35,000,000, respectively. The decrease in long-term debt from fiscal years 2018, and 2017 was due to the payment of principal on bonds. The entire amount each year is in the form of general obligation bonds that are backed by the full faith and credit of the College.

Please refer to the long-term debt disclosures in the notes to the financial statements (Footnote 5. on pages 21 - 25) for more detailed information.

Capital Assets

Net Capital Assets

	2020	2019	2018
Capital Assets			
Land and improvements	$ 19,065,397	$ 19,065,397	$ 19,065,397
Site improvements	25,329,616	25,291,031	25,073,728
Construction in progress	-	1,122,799	22,564
Buildings	244,187,664	240,971,975	240,583,563
Machinery and equipment	16,077,646	15,363,654	14,733,832
Furniture and fixtures	393,376	214,032	214,032
Total capital assets	305,053,699	302,028,888	299,693,116
Less: accumulated depreciation	(120,298,010)	(113,161,117)	(103,836,684)
Net capital assets	$184,755,689	$ 188,867,771	$ 195,856,432

Net capital assets decreased by $4.1 million in fiscal year 2020 when compared to fiscal year 2019. Net capital assets decreased by $7.0 million in fiscal year 2019 when compared to fiscal year 2018. In fiscal year 2020, the College had building improvement additions of $3.4 million. The building improvements include a roof replacement on building I and renovations to Building H. Equipment additions in fiscal year 2020 amounted to $2.0 million. Instructional equipment purchased benefited the welding and nursing departments. The College received an equipment donation of $1.7 million in machining parts and software for the SWISS Automation machine that was donated in fiscal year 2019. The College had a little over $2.7 million in fixed assets retire and disposed of. In fiscal year 2019, site improvements increased $0.2 million due to improvements to the automotive parking lot, Building M's parking lot, and other parking lot repairs at the main campus. Construction in progress increased $1.1 million in fiscal year 2019 due to the renovations in Building H (Visual and Performing Arts Center) and the roof replacement for Building I (Culinary Arts). Buildings increased by $0.4 million due to the improvements to various doors in Building J for ADA compliance and Building F for door and frame replacements. Machinery and equipment increased by $0.6 million due to various equipment purchases for both instructional and non-instruction purposes. A new simulation baby was purchased for the nursing department along with new portable electronics learning systems for the HVAC department. The addition of capital assets is offset by accumulated depreciation. Long-term assets are depreciated over the assets useful life. Depreciation expenses a portion of the coast of the asset in the year it was purchased and each year after for the rest of the assets useful life.

Net capital assets decreased $9.1 million in fiscal year 2018. In fiscal year 2018, buildings increased $0.02 million due to building improvement of newly installed carpet in the childcare center. Machinery and equipment increased $0.47 million in fiscal year 2018. This increase was due to the purchase of instructional equipment such as two new gas ovens and a combi-oven for the Hospitality Management department. An isolation booth was purchased for a recording studio for the Arts Center. A standup forklift and a new tractor truck were purchased for the Truck Driving department. The Welding department purchased several electrical learning systems. The college also received a donated microtome for the histotechnology department that was valued at $0.030 million. A new tire changer and automotive lift were purchased for the automotive department. The College's police department purchased a new police vehicle to replace an older vehicle in their fleet. The Operations and Maintenance department purchased two new mowers for the Grounds department and a new floor scrubber for the Housekeeping department. These increases were offset by $9.5 million in depreciation.

Please refer to the capital assets disclosures in the notes to the financial statements (Footnote 4. on pages 20 - 21) for more detailed information on capital activity.

CONTACTING THE COLLEGES FINANCIAL MANAGEMENT

This financial report is designed to provide our constituents with a general overview of Elgin Community College's finances and to demonstrate the College's accountability for the resources it receives. Questions concerning this report or requests for additional financial information should be directed to Kimberly Wagner, Vice President for Business and Finance, 1700 Spartan Drive, Elgin, IL 60123.

BASIC FINANCIAL STATEMENTS

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

STATEMENTS OF NET POSITION

June 30, 2020 and 2019

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	$ 70,197,493	$ 47,889,015
Investments	87,254,221	96,810,364
Property tax receivable	35,515,632	34,586,938
Accrued interest receivable	737,697	957,418
Student tuition receivable	5,847,696	7,349,686
Other accounts receivable	3,900,966	2,157,976
Inventory	457,816	386,108
Prepaid assets	1,116,098	1,338,073
Restricted assets		
Cash and cash equivalents	-	1,325,733
Total current assets	205,027,619	192,801,311
NONCURRENT ASSETS		
Capital assets	305,053,699	302,028,888
Less accumulated depreciation	(120,298,010)	(113,161,117)
Total noncurrent assets	184,755,689	188,867,771
Total assets	389,783,308	381,669,082
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding	521,639	91,014
OPEB expense	994,121	1,204,107
SURS pension expense	278,049	234,392
Total deferred outflows of resources	1,793,809	1,529,513
Total assets and deferred outflows of resources	391,577,117	383,198,595

(This statement is continued on the following page.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

STATEMENTS OF NET POSITION (Continued)

June 30, 2020 and 2019

	2020	2019
CURRENT LIABILITIES		
Accounts payable	$ 2,006,904	$ 2,257,228
Accrued salaries and benefits payable	3,914,494	4,290,574
Accrued health care liability	676,955	724,700
Unearned tuition revenue	7,973,611	9,878,483
Claims payable	1,063,535	1,097,719
Interest payable	287,568	346,248
General obligation bonds payable	5,575,000	5,620,000
Other postemployment benefit liability	208,438	196,501
Other current liabilities	928,384	1,539,192
Total current liabilities	22,634,889	25,950,645
NONCURRENT LIABILITIES		
General obligation bonds payable	160,009,222	165,028,452
Other postemployment benefit liability	40,767,527	41,284,396
Total noncurrent liabilities	200,776,749	206,312,848
Total liabilities	223,411,638	232,263,493
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	31,728,948	31,387,630
OPEB expense	8,048,885	6,342,630
Total deferred inflows of resources	39,777,833	37,730,260
Total liabilities and deferred inflows of resources	263,189,471	269,993,753
NET POSITION		
Net investment in capital assets	19,693,055	18,904,009
Restricted for		
Capital projects	22,908,872	22,773,141
Debt service	4,841,931	4,569,440
Grant purposes	2,343,908	2,343,908
Audit purposes	178,014	169,567
Liability insurance	4,747,330	5,319,885
Pension contributions	278,049	234,392
Working cash	4,014,363	4,014,363
Unrestricted	69,382,124	54,876,137
TOTAL NET POSITION	$ 128,387,646	$ 113,204,842

See accompanying notes to financial statements.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the Years Ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Student tuition and fees	$ 20,248,902	$ 19,968,429
Auxiliary enterprises revenue	3,689,390	5,001,003
Other operating revenue	604,607	639,385
Total operating revenues	24,542,899	25,608,817
OPERATING EXPENSES		
Instruction	54,235,510	51,875,346
Academic support	13,010,581	12,424,020
Student services	10,966,528	10,164,362
Public services	966,105	822,876
Auxiliary services	5,442,904	5,789,556
Scholarships and student grants	9,236,123	6,545,678
Operation and maintenance of plant	14,033,863	13,068,621
Institutional support	22,671,699	22,254,771
Depreciation	8,859,499	9,349,793
Total operating expenses	139,422,812	132,295,023
OPERATING INCOME (LOSS)	(114,879,913)	(106,686,206)
NON-OPERATING REVENUES (EXPENSES)		
State grants and contracts	44,981,343	41,307,032
Property taxes	64,005,961	61,757,426
Personal property replacement tax	677,470	554,744
Federal grants and contracts	20,607,509	18,283,797
Local grants and contracts	489,871	722,378
Interest expense and fiscal charges	(6,965,617)	(8,251,199)
Other non-operating revenues	1,027,620	-
Investment income	2,563,901	2,541,433
Total non-operating revenues (expenses)	127,388,058	116,915,611
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	12,508,145	10,229,405
CAPITAL CONTRIBUTIONS	1,740,000	82,500
CHANGE IN NET POSITION	14,248,145	10,311,905
NET POSITION, JULY 1	113,204,842	102,892,937
Change in accounting principle	934,659	-
NET POSITION, JULY 1, RESTATED	114,139,501	102,892,937
NET POSITION, JUNE 30	$ 128,387,646	$ 113,204,842

See accompanying notes to financial statements.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 19,846,020	$ 19,782,712
Payments to suppliers	(38,656,905)	(36,249,721)
Payments to employees	(53,001,847)	(48,896,251)
Auxiliary enterprise charges	3,701,315	4,475,840
Other	13,096	545,415
Net cash from operating activities	(68,098,321)	(60,342,005)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local property taxes	63,418,585	57,696,466
Local grants and contracts	489,871	722,378
State appropriations and grants	7,835,915	7,523,739
Federal grants and contracts	19,709,392	18,050,130
Other non-operating	1,027,620	-
Net cash from noncapital financing activities	92,481,383	83,992,713
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(2,895,148)	(1,581,672)
Principal paid on bonds	(5,620,000)	(5,015,000)
Receipt on refunding bond issue	756,300	-
Refunding escrow payments	(756,300)	-
Interest paid on bonds	(7,213,882)	(8,381,658)
Net cash from capital and related financing activities	(15,729,030)	(14,978,330)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	129,574,845	68,283,789
Interest on investments	2,468,261	1,864,402
Purchase of investments	(119,714,393)	(79,574,633)
Net cash from investing activities	12,328,713	(9,426,442)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,982,745	(754,064)
CASH AND CASH EQUIVALENTS, JULY 1	49,214,748	49,968,812
CASH AND CASH EQUIVALENTS, JUNE 30	$ 70,197,493	$ 49,214,748
Cash and cash equivalents	$ 70,197,493	$ 47,889,015
Restricted cash and cash equivalents	-	1,325,733
TOTAL CASH AND CASH EQUIVALENTS	$ 70,197,493	$ 49,214,748

(This statement is continued on the following page.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended June 30, 2020 and 2019

	2020	2019
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating income (loss)	$ (114,879,913)	$ (106,686,206)
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation	8,859,499	9,349,793
State pension and OPEB expense	37,915,659	34,367,918
Bond issuance costs	325,782	-
Changes in net position		
Receivables (net)	889,350	(335,490)
Inventories	(71,708)	51,177
Prepaid expenses	221,975	41,255
Accounts payable	(362,593)	346,536
Accrued salaries	(376,080)	445,531
Retirement liability	1,363,564	2,308,300
Unearned tuition	(1,904,872)	(344,244)
Claims payable	(34,184)	53,332
Other accrued liabilities	(44,800)	60,093
NET CASH FROM OPERATING ACTIVITIES	$ (68,098,321)	$ (60,342,005)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Accretion of interest on debt	$ 36,758	$ 59,427
Change in fair value of investments	(315,361)	(351,078)
Capital assets acquired through accounts payable	112,269	696,960
Capital contributions	1,740,000	82,500
Issuance of refunding bonds	40,600,226	-
Issuance costs on refunding bonds	(325,782)	-
Refunding escrow payments	(40,790,072)	-
State pension and OPEB expense	37,959,316	34,414,862
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING	$ 39,017,354	$ 34,902,671

See accompanying notes to financial statements.

ELGIN COMMUNITY COLLEGE FOUNDATION
ELGIN, ILLINOIS

STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	$ 1,052,496	$ 883,263
Pledges receivable, net	43,428	63,094
Prepaid assets	21,875	-
Investments	1,224,847	1,059,167
Cash surrender value of life insurance	46,862	44,451
Investments - long term	7,101,915	6,972,605
TOTAL ASSETS	$ 9,491,423	$ 9,022,580
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 1,675	$ 7,483
Deferred revenue	37,197	3,000
Due to Elgin Community College	227,982	63,416
Total liabilities	266,854	73,899
NET ASSETS		
Without donor restrictions:		
Undesignated	1,278,284	1,226,839
Board designated - Apple Presidential Fund	60,826	66,719
Board designated for endowment	39,708	39,708
Total without donor restrictions	1,378,818	1,333,266
With donor restrictions	7,845,751	7,615,415
Total net assets	9,224,569	8,948,681
TOTAL LIABILITIES AND NET ASSETS	$ 9,491,423	$ 9,022,580

See accompanying notes to financial statements.

ELGIN COMMUNITY COLLEGE FOUNDATION
ELGIN, ILLINOIS

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended June 30, 2020
(With Summarized Financial Information for the Year Ended June 30, 2019)

	2020			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**2019 Total**
REVENUES				
Contributions	$ 46,064	$ 399,290	$ 445,354	$ 576,625
Special events	24,515	-	24,515	122,200
Investment return, net of fees	40,986	264,074	305,060	620,985
Net assets released from restrictions				
Management fees	61,092	(61,092)	-	-
Other	385,989	(385,989)	-	-
Total revenues	558,646	216,283	774,929	1,319,810
EXPENSES				
Program services	2,253,840	-	2,253,840	659,809
Management and general	328,227	-	328,227	360,937
Fundraising	78,632	-	78,632	112,534
Cost of direct benefits to donors	5,882	-	5,882	39,879
Total expenses	2,666,581	-	2,666,581	1,173,159
TRANSFERS FROM AFFILIATE - ELGIN COMMUNITY COLLEGE				
Contributed services	364,925	-	364,925	391,608
Gifts in-kind	1,788,562	14,053	1,802,615	115,522
Total transfers from affiliate	2,153,487	14,053	2,167,540	507,130
CHANGE IN NET ASSETS	45,552	230,336	275,888	653,781
NET ASSETS, JULY 1	1,333,266	7,615,415	8,948,681	8,294,900
NET ASSETS, JUNE 30	$ 1,378,818	$ 7,845,751	$ 9,224,569	$ 8,948,681

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Elgin Community College District Number 509 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. In addition, the District presents its financial statements in accordance with accounting practices prescribed or permitted by the Illinois Community College Board (ICCB). The following is a summary of the more significant policies of the District.

a. Reporting Entity

The District is a separate legal entity established under Illinois Compiled Statutes (ILCS) governed by an elected Board of Trustees. The District is fiscally independent and is considered a primary government pursuant to GASB Statement No. 61. The District has determined that the Elgin Community College Foundation (the Foundation), a legally separate 501(c)(3) corporation, meets the requirements of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units,* because of the nature and significance of the Foundation's relationship with the District, which has resulted in the Foundation being reported as a discretely presented component unit of the District as it is legally separate from the District. Separate financial statements of the Foundation are available from the Foundation's Executive Director at 1700 Spartan Drive, Elgin, Illinois 60123.

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

For financial reporting purposes, the District is considered a special purpose government engaged only in business-type activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes; federal, state and local grants; state appropriations; and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the District on a reimbursement basis when qualifying expenses are incurred.

The District reports unearned revenue and deferred revenue on its statement of net position. Unearned revenues arise when a potential revenue does not meet both the measurable and earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. Deferred revenue results from property taxes being levied and reported as a receivable before the period for which the taxes are levied. In subsequent periods, when both revenue recognition criteria are met or when the District has met all eligibility requirements, the liability for unearned revenue is removed from the statement of net position and revenue is recognized. Tuition and fee revenues related to courses primarily held after June 30, 2020 and 2019, respectively, are reported as unearned revenue.

c. Cash and Cash Equivalents

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

d. Investments

Investments with a maturity less than one year when purchased and all non-negotiable certificates of deposit are carried at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Inventories

Inventories consist primarily of items held for resale in the bookstore and the food services operations and are stated at the lower of cost or market using the first-in/first-out (FIFO) method.

f. Prepaid Assets

Prepaid assets represent payments for goods or services that benefit future periods.

g. Restricted Assets

Restricted assets represent the unspent portion of bond proceeds, the use of which are restricted by the related bond covenants.

h. Capital Assets

Capital assets include property, plant, equipment, intangible assets and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the District as assets with an initial unit cost of above a set dollar threshold based on the asset type (see chart below). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets except land and construction in progress of the District are depreciated using the straight-line method over the following useful lives:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Equipment	$ 5,000	8 years
O&M equipment	5,000	8 years
Vehicles	5,000	5 years
Computer equipment and software	5,000	3 years
Furniture and fixtures	5,000	8 years
Site improvements	50,000	10 years
Building improvements	50,000	5-10 years or matched to remaining life on building improved
Buildings	100,000	50 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Accrued Salaries and Benefits

Accumulated vacation leave and compensatory time is recorded as an expense and liability as the benefits accrue to employees. The liability for accumulated unpaid vacation leave is based upon accumulated days times the current pay rate for each employee. A maximum of 30 days of vacation and 40 hours of compensatory time may be accumulated for full-time, non-union staff. Since 1986, the District has offered a senior service incentive program to employees planning retirement. Provisions of the current contract with the Elgin Community College Faculty Association and other employee groups allow up to 15 faculty members to retire per year between 1998 and 2008 and to receive additional compensation during the final three years of employment and five years of paid health care. Administrators of the District with over ten years of service were also eligible for a similar plan. These amounts are accrued as salaries payable once the employee is eligible and provides irrevocable notice to the District of their intent to utilize this benefit. This benefit is no longer available to be taken, but there is still a liability accrued for employees that gave irrevocable notice prior to the elimination of the benefit.

When a staff member retires after minimum years of service with the District he/she is allowed to apply his/her accrued sick leave days toward service credit for retirement with the State Universities Retirement System.

j. Long-Term Obligations

Long-term obligations are reported as liabilities in the applicable financial statements. Bond premiums and discounts are capitalized and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period incurred.

k. Net Position

Net Investment in Capital Assets

This represents the District's total investment in capital assets, net of accumulated depreciation and net of liabilities outstanding incurred to construct or purchase capital assets.

Restricted Net Position

This includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources when they are needed. None of the District's restricted net position are restricted as a result of the District's enabling legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Net Position (Continued)

Unrestricted Net Position

This includes resources derived from student tuition and fees, state appropriations and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the governing board to meet current expenses for any purpose.

l. Classification of Revenues and Expenses

Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state and local grants and contracts and state appropriations and (4) gifts and contributions. Operating expenses include all direct expenses incurred for education purposes. Non-operating expenses are expenses incidental to operations.

m. Deferred Outflows/Inflows of Resources

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

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

n. Federal Financial Assistance

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work Study, Federal Family Education Loans and Perkins Loans programs. Federal programs are audited in accordance with Uniform Grant Guidance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Pension and OPEB Revenue and Expense

The District applies the requirement of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and recognizes a revenue and expense for the State of Illinois portion of College Insurance Plan (CIP) under a special funding situation (see Note 8). The District applies the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, whereby the State of Illinois is responsible for the employer contribution and the total pension liability resulting from a special funding situation. Therefore, the District has reported its proportionate share of the collective pension expense and revenue for the State of Illinois' share (see Note 7).

p. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

In addition, the District's Board of Trustees has adopted an investment policy which provides further restrictions on the investment of District funds. It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are: safety of principal, liquidity, return on investment and maintaining public trust. The use of derivatives is expressly prohibited by the policy.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 110% of the uninsured bank balance, with collateral held by the Federal Reserve Bank, the District's agent or by the trust department or escrow agent of the pledging institution, evidenced by a written collateral agreement.

b. Investments

The following table presents the debt investments of the District as of June 30, 2020 by type of investment:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	$ 18,449,709	$ 18,449,709	$ -	$ -	$ -
FFCB	2,030,838	2,030,838	-	-	-
Negotiable certificates of deposit	11,186,175	9,905,800	1,280,375	-	-
TOTAL	$ 31,666,722	$ 30,386,347	$ 1,280,375	$ -	$ -

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

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

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	$ 9,879,954	$ 4,253,715	$ 5,626,239	$ -	$ -
FHLB	2,493,150	-	2,493,150	-	-
FFCB	2,017,861	-	2,017,861	-	-
Negotiable certificates of deposit	6,699,498	495,569	6,203,929	-	-
TOTAL	$ 21,090,463	$ 4,749,284	$ 16,341,179	$ -	$ -

In accordance with its investment policy, the District limits its exposure to interest rate risk by limiting the maturities for its investments to generally less than two years when purchased (180 days for commercial paper).

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government, commercial paper obligations must be rated in the two highest classifications by two major rating agencies. At June 30, 2020, the FFCB debt investments were rated Aaa by Moody's. At June 30, 2019, the FFCB and FHLB debt investments were rated Aaa by Moody's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the District's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the District's agent separate from where the investment was purchased.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Concentration of Credit Risk

The District requires diversification to eliminate the risk of loss resulting in over concentration in a specific maturity issuer or class of securities. The District requires allocation as follows: a maximum of 100% can be invested in securities issued by the United States of America and its agencies, a maximum of 90% can be invested in collateralized savings, time deposits or certificates of deposit with federally insured institutions. Up to 33% can be invested in collateralized repurchase agreements, commercial paper, limited to 10% in any one institution and The Illinois Funds and other money market fund.

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

The District has the following recurring fair value measurements as of June 30, 2020: U.S. Treasury securities of $18,449,709, U.S. agency securities (FFCB) of $2,030,838, and negotiable certificates of deposit of $11,186,175 are valued using a matrix pricing model (Level 2 inputs).

The District has the following recurring fair value measurements as of June 30, 2019: U.S. Treasury securities of $9,879,954, U.S. agency securities (FFCB and FHLB) of $4,511,011 and negotiable certificates of deposit of $6,699,498 are valued using a matrix pricing model (Level 2 inputs).

3. PROPERTY TAXES

The following information gives significant dates on the property tax calendar of the District.

- The property tax lien date is January 1.
- The annual tax levy resolution for 2018 was passed on December 11, 2018 and the annual tax levy resolution for 2019 was passed on December 10, 2019.
- Property taxes are due to the County Collectors in two installments, June 1 and September 1 of the calendar year following the year the tax attaches as a lien.
- The District will receive the majority of its distributions in June, July, September and November 2019 and 2020.

3. PROPERTY TAXES (Continued)

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

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Land	$ 19,065,397	$ -	$ -	$ 19,065,397
Construction in progress	1,122,799	2,270,492	3,393,291	-
Total capital assets not being depreciated	20,188,196	2,270,492	3,393,291	19,065,397
Capital assets being depreciated				
Buildings	240,971,975	3,393,291	177,602	244,187,664
Site improvements	25,291,031	38,585	-	25,329,616
Machinery and equipment	15,363,654	2,247,646	1,533,654	16,077,646
Furniture and fixtures	214,032	196,091	16,747	393,376
Total capital assets being depreciated	281,840,692	5,875,613	1,728,003	285,988,302
Less accumulated depreciation for				
Buildings	85,663,424	5,805,744	177,602	91,291,566
Site improvements	14,364,558	2,085,747	-	16,450,305
Machinery and equipment	12,929,682	940,656	1,528,257	12,342,081
Furniture and fixtures	203,453	27,352	16,747	214,058
Total accumulated depreciation	113,161,117	8,859,499	1,722,606	120,298,010
Total capital assets being depreciated, net	168,679,575	(2,983,886)	5,397	165,690,292
CAPITAL ASSETS, NET	$ 188,867,771	$ (713,394)	$ 3,398,688	$ 184,755,689

4. CAPITAL ASSETS (Continued)

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Land	$ 19,065,397	$ -	$ -	$ 19,065,397
Construction in progress	22,564	1,122,799	22,564	1,122,799
Total capital assets not being depreciated	19,087,961	1,122,799	22,564	20,188,196
Capital assets being depreciated				
Buildings	240,583,563	388,412	-	240,971,975
Site improvements	25,073,728	217,303	-	25,291,031
Machinery and equipment	14,733,832	655,182	25,360	15,363,654
Furniture and fixtures	214,032	-	-	214,032
Total capital assets being depreciated	280,605,155	1,260,897	25,360	281,840,692
Less accumulated depreciation for				
Buildings	79,606,380	6,057,044	-	85,663,424
Site improvements	12,075,164	2,289,394	-	14,364,558
Machinery and equipment	11,962,033	993,009	25,360	12,929,682
Furniture and fixtures	193,107	10,346	-	203,453
Total accumulated depreciation	103,836,684	9,349,793	25,360	113,161,117
Total capital assets being depreciated, net	176,768,471	(8,088,896)	-	168,679,575
CAPITAL ASSETS, NET	$ 195,856,432	$ (6,966,097)	$ 22,564	$ 188,867,771

5. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2020 is as follows:

	Balances July 1, 2019	Issuance*	Repayment/ Amortization	Balances June 30, 2020	Current Portion
General Obligation (Capital Appreciation) Bonds Series 2001B	$ 910,622	$ 36,758	$ 480,000	$ 467,380	$ 480,000
General Obligation Taxable, Build America Bonds Series 2009B	4,800,000	-	4,800,000	-	-
General Obligation Taxable, Build America Bonds Series 2009C	35,000,000	-	35,000,000	-	-
General Obligation Taxable, Build America Bonds Series 2010A	1,000,000	-	1,000,000	-	-
General Obligation Taxable, Build America Bonds Series 2010B	6,000,000	-	-	6,000,000	-
General Obligation Taxable, Build America Bonds Series 2010C	35,000,000	-	-	35,000,000	-

5. LONG-TERM DEBT (Continued)

	Balances July 1, 2019	Issuance*	Repayment/ Amortization	Balances June 30, 2020	Current Portion
General Obligation Taxable, Build America Bonds Series 2010D	$ 37,170,000	$ -	$ 1,900,000	$ 35,270,000	$ 2,800,000
General Obligation Refunding Bonds Series 2012	5,090,000	-	1,240,000	3,850,000	495,000
General Obligation Bonds Series 2013A	34,250,000	-	1,000,000	33,250,000	1,800,000
General Obligation Bonds Series 2013B	10,000,000	-	-	10,000,000	-
General Obligation Refunding Bonds Series 2019	-	38,585,000	-	38,585,000	-
Premium on general obligation bonds	1,592,830	2,015,226	291,214	3,316,842	-
Discount on general obligation bonds	(165,000)	-	(10,000)	(155,000)	-
TOTAL	$ 170,648,452	$ 40,636,984	$ 45,701,214	$ 165,584,222	$ 5,575,000

*Annual accretion of interest.

Changes in long-term debt for the year ended June 30, 2019 is as follows:

	Balances July 1, 2018	Issuance*	Repayment/ Amortization	Balances June 30, 2019	Current Portion
General Obligation (Capital Appreciation) Bonds Series 2001B	$ 1,331,195	$ 59,427	$ 480,000	$ 910,622	$ 480,000
General Obligation Taxable, Build America Bonds Series 2009B	4,800,000	-	-	4,800,000	-
General Obligation Taxable, Build America Bonds Series 2009C	35,000,000	-	-	35,000,000	-
General Obligation Taxable, Build America Bonds Series 2010A	2,000,000	-	1,000,000	1,000,000	1,000,000
General Obligation Taxable, Build America Bonds Series 2010B	6,000,000	-	-	6,000,000	-
General Obligation Taxable, Build America Bonds Series 2010C	35,000,000	-	-	35,000,000	-
General Obligation Taxable, Build America Bonds Series 2010D	38,670,000	-	1,500,000	37,170,000	1,900,000
General Obligation Refunding Bonds Series 2012	6,325,000	-	1,235,000	5,090,000	1,240,000
General Obligation Bonds Series 2013A	35,050,000	-	800,000	34,250,000	1,000,000
General Obligation Bonds Series 2013B	10,000,000	-	-	10,000,000	-
Premium on general obligation bonds	1,825,146	-	232,316	1,592,830	-
Discount on general obligation bonds	(175,000)	-	(10,000)	(165,000)	-
TOTAL	$ 175,826,341	$ 59,427	$ 5,237,316	$ 170,648,452	$ 5,620,000

*Annual accretion of interest.

5. LONG-TERM DEBT (Continued)

General Obligation Bonds

The District issues general obligation bonds to finance various capital improvements. General Obligation Bonds at June 30, 2020 are comprised of the following:

$8,798,748 General Obligation (Capital Appreciation) Bonds, Series 2001B, dated June 28, 2001. The bonds are payable in annual installments of $100,000 to $900,000 from December 15, 2005 to December 15, 2020. Interest is not payable annually but rather accretes semiannually at rates of 4.00% to 5.40% to the principal each June 15 and December 15 and is payable upon maturity.

$4,800,000 General Obligation Taxable Build America Bonds, Series 2009B, dated December 8, 2009. The bonds are payable in one installment of $4,800,000 on December 15, 2023. Interest is payable semiannually each June 15 and December 15 at a rate of 5.375%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2009B Build America Bonds, after rebate, is 3.494%.

$35,000,000 General Obligation Taxable Build America Bonds, Series 2009C, dated December 8, 2009. The bonds are payable in installments of $11,500,000 to $12,000,000 annually on December 15, 2032 through December 15, 2034. Interest is payable semiannually each June 15 and December 15 at a rate of 6.000% to 6.125%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2009B Build America Bonds, after rebate, is 3.900% to 3.981%.

$4,000,000 General Obligation Taxable Build America Bonds, Series 2010A, dated August 12, 2010. The bonds are payable in annual installments of $1,000,000 on December 15, 2016 through December 15, 2019. Interest is payable semiannually each June 15 and December 15 at a rate of 2.80% to 4.15%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2010A Build America Bonds, after rebate, is 1.82% to 2.70%.

$6,000,000 General Obligation Taxable Build America Bonds, Series 2010B, dated August 12, 2010. The bonds are payable in one installment of $6,000,000 on December 15, 2026. Interest is payable semiannually each June 15 and December 15 at a rate of 5.125%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2010B Build America Bonds, after rebate, is 3.33%.

5. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

$35,000,000 General Obligation Taxable Build America Bonds, Series 2010C, dated August 12, 2010. The bonds are payable in installments of $3,105,000 to $10,050,000 annually on December 15, 2028 through December 15, 2034. Interest is payable semiannually each June 15 and December 15 at a rate of 5.45% to 5.70%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2010C Build America Bonds, after rebate, is 3.54% to 3.71%.

$40,000,000 General Obligation Taxable Build America Bonds, Series 2010D, dated November 23, 2010. The bonds are payable in installments of $630,000 to $12,460,000 annually on December 15, 2016 through December 15, 2027 with one final payment on December 15, 2035. Interest is payable semiannually each June 15 and December 15 at a rate of 2.50% to 6.00%. Pursuant to the American Recovery and Reinvestment Act, the District is eligible to receive a rebate from the U.S. Treasury Department of up to 35% of the interest paid each year. The net interest rate for the Series 2010D Build America Bonds, after rebate, is 1.63% to 3.90%.

$8,040,000 General Obligation Refunding Bonds, Series 2012, dated March 13, 2012. The bonds are payable in installments of $380,000 to $2,975,000 annually on December 15, 2016 through December 15, 2022. Interest is payable semiannually each June 15 and December 15 at a rate of 2.00% to 2.40%.

$38,000,000 General Obligation Bonds, Series 2013A, dated April 1, 2013. The bonds are payable in installments of $800,000 to $6,100,000 annually on December 15, 2016 through December 15, 2029. Interest is payable semiannually each June 15 and December 15 at a rate of 3% to 4%.

$10,000,000 General Obligation Bonds, Series 2013B, dated April 16, 2013. The bonds are payable in installments of $1,000,000 to $6,200,000 annually on December 15, 2029 through December 15, 2031. Interest is payable semiannually each June 15 and December 15 at a rate of 3.15% to 3.30%.

The District issued $38,585,000 General Obligation Refunding Bonds, Series 2019 to refund $4,800,000 of the District’s Taxable General Obligation Bonds, Series 2009B and $35,000,000 of the District’s Taxable General Obligation Bonds, Series 2009C. The bonds mature on December 15, beginning December 15, 2023 through December15, 2034, with maturities from $4,525,000 to $11,695,000. Interest is due semiannually on June 15 and December 15 at 3.00%, commencing December 15, 2019. Through the refunding transaction, the College achieved a cash flow savings of $7,096,906 and an economic gain of $5,960,254. The 2009B and 2009C bonds were called and paid off on December 15, 2019.

5. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Debt service to maturity on these issues is as follows:

Fiscal	General Obligation Bonds			General Obligation Capital Appreciation Bonds 2001B	
Year	Principal	Interest	Total	Accretion	Repayment
2021	$ 5,095,000	$ 6,804,658	$ 11,899,658	$ 12,570	$ 480,000
2022	5,980,000	6,585,682	12,565,682	-	-
2023	6,825,000	6,347,458	13,172,458	-	-
2024	6,825,000	6,118,382	12,943,382	-	-
2025	7,300,000	5,869,008	13,169,008	-	-
2026	7,910,000	5,562,032	13,472,032	-	-
2027	9,000,000	5,184,058	14,184,058	-	-
2028	9,600,000	4,756,807	14,356,807	-	-
2029	9,900,000	4,311,507	14,211,507	-	-
2030	11,100,000	3,834,882	14,934,882	-	-
2031	11,455,000	3,335,917	14,790,917	-	-
2032	12,850,000	2,759,171	15,609,171	-	-
2033	14,660,000	2,168,498	16,828,498	-	-
2034	15,085,000	1,634,640	16,719,640	-	-
2035	15,910,000	1,055,100	16,965,100	-	-
2036	12,460,000	373,800	12,833,800	-	-
TOTAL	$ 161,955,000	$ 66,701,600	$ 228,656,600	$ 12,570	$ 480,000

Operating Lease Commitment

The District has an operating lease for off-campus classroom space. Lease payments for fiscal years 2020 and 2019 totaled $120,000 and $120,000, respectively. The lease expired in fiscal year 2018 and was extended until June 30, 2020.

6. RISK MANAGEMENT AND CONTINGENT LIABILITIES

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the District.

6. RISK MANAGEMENT AND CONTINGENT LIABILITIES (Continued)

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. These risks, except for employee health, are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

The District is self-insured for employee health insurance. The District's third party administrator (TPA) processes all claims for the District and is reimbursed monthly for the claims paid in the previous month. During fiscal year 2008, the District modified its employee health insurance to be purchased through a third party provider in a modified self-insured program, effective July 1, 2008.

The District, through the third party provider, has purchased specific and aggregate excess insurance to limit its exposure. For fiscal years 2020 and 2019, the specific coverage is $110,000 per covered person and the aggregate attachment is approximately $6,654,841and $6,603,989, respectively, on a fiscal year basis. A liability for claims incurred but not paid as of the fiscal year end, including an estimate of incurred but not reported claims has been accrued as of June 30, 2020 and 2019.

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

	2020	2019	2018
CLAIMS PAYABLE, JULY 1	$ 1,097,719	$ 1,044,387	$ 1,175,206
Claims paid	(8,351,643)	(8,699,751)	(8,509,675)
Claims incurred	8,317,459	8,753,083	8,378,856
CLAIMS PAYABLE, JUNE 30	$ 1,063,535	$ 1,097,719	$ 1,044,387

7. RETIREMENT COMMITMENTS

Plan Description

The District contributes to the State Universities Retirement System of Illinois (SURS), 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's financial reporting

7. RETIREMENT COMMITMENTS (Continued)

Plan Description (Continued)

entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40 of the ILCS. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2019 and 2018 can be found in SURS' comprehensive annual financial report (CAFR) notes to financial statements.

Contributions

The State is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of SURS 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 years 2019 and 2020 was 12.29% and 13.02%, respectively, of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8% 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).

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy

The following disclosures are in accordance with GASB Statement No. 68.

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

Net Pension Liability

At June 30, 2019 and 2018, SURS reported a net pension liability of $28,720,071,173 and $27,494,556,682, respectively. The net pension liability was measured as of June 30, 2018 and 2017.

Employer Proportionate Share of Net Pension Liability

For the year ended June 30, 2020, the amount of the proportionate share of the net pension liability to be recognized for the District is $0. The proportionate share of the State's net pension liability associated with the District is $339,184,041 or 1.1810%. This amount is not recognized in the financial statement due to the special funding situation. The net pension liability was measured as of June 30, 2019 and the total pension used to calculate the net pension liability was determined based on the June 30, 2018 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 2019.

For the year ended June 30, 2019, the amount of the proportionate share of the net pension liability to be recognized for the District is $0. The proportionate share of the State's net pension liability associated with the District is $325,315,595 or 1.1832%. This amount is not recognized in the financial statement due to the special funding situation. The net pension liability was measured as of June 30, 2018 and the total pension used to calculate the net pension liability was determined based on the June 30, 2017 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2018.

Pension Expense

At June 30, 2019 and 2018, SURS reported a collective net pension expense of $3,094,666,252 and $2,685,322,700, respectively.

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

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

Employer Proportionate Share of Pension Expense

The District's proportionate share of collective net pension expense is recognized as both revenue and matching expense in the 2020 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 2019. As a result, the District recognized revenue and pension expense of $36,548,008 for the fiscal year ended June 30, 2020.

The District's proportionate share of collective net pension expense is recognized as both revenue and matching expense in the 2019 financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year 2018. As a result, the District recognized revenue and pension expense of $31,772,738 for the fiscal year ended June 30, 2019.

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

Deferred outflows of resources are the consumption of net assets by the District that is applicable to future reporting periods. The District paid $278,049 in federal, trust or grant contributions for the fiscal year ended June 30, 2020. These contributions were made subsequent to the pension liability measurement date of June 30, 2019 and are recognized as deferred outflows of resources as of June 30, 2020.

Deferred outflows of resources are the consumption of net assets by the District that is applicable to future reporting periods. The District paid $234,392 in federal, trust or grant contributions for the fiscal year ended June 30, 2019. These contributions were made subsequent to the pension liability measurement date of June 30, 2018 and are recognized as deferred outflows of resources as of June 30, 2019.

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to 2017. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to 2014. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.25% to 12.25%, including inflation
Investment rate of return	6.75% beginning with the actuarial valuation as of June 30, 2017

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan’s trustees after considering input from the plan’s investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan’s target asset allocation as of June 30, 2019 and 2018, these best estimates are summarized in the following tables:

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

2019

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23.00%	5.25%
Private Equity	6.00%	8.65%
Non-U.S. Equity	19.00%	6.75%
Global Equity	8.00%	6.25%
Fixed Income	19.00%	1.85%
Treasury-Inflation Protected Securities	4.00%	1.20%
Emerging Market Debt	3.00%	4.00%
Real Estate REITS	4.00%	5.70%
Direct Real Estate	6.00%	4.85%
Commodities	2.00%	2.00%
Hedged Strategies	5.00%	2.85%
Opportunity Fund	1.00%	7.00%
Total	100.00%	4.80%
Inflation		2.75%
EXPECTED ARITHMETICAL RETURN		7.55%

2018

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

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

2020

Discount Rate

A single discount rate of 6.59% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 3.13% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.59%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percentage-point lower or 1 percentage point higher:

	1% Decrease (5.59%)	Current Single Discount Rate Assumption (6.59%)	1% Increase (7.59%)
Net pension liability	$ 34,786,851,779	$ 28,720,071,173	$ 23,712,555,197

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

2019

Discount Rate

A single discount rate of 6.65% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 3.62% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.65%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percentage-point lower or 1 percentage point higher:

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

8. RETIREE HEALTH PLAN

Plan Description

In addition to the pension plan described previously, the District contributes to CIP, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State. CIP provides health, vision and dental benefits to retired staff of participating community colleges. The benefits, employer, employee, retiree and state contributions are dictated by ILCS through the State Group Insurance Act of 1971 (the Act) and can only be changed by the Illinois General Assembly. Separate financial statements, including required supplementary information, may be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue East, Springfield, Illinois 62763.

The Act requires every active contributor (employee) of SURS to contribute 0.50% of covered payroll and every community college district to contribute 0.50% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State of Illinois to contribute 0.50% of estimated covered payroll directly to the plan. The result is pay-as-you-go financing of the plan.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of CIP and additions to/deductions from CIP's fiduciary net position have been determined on the same basis as they are reported by CIP. For this purpose, CIP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

<u>2020</u>

At June 30, 2020, the District reported a liability of $40,975,965 for its proportionate share of the total OPEB liability that reflected a reduction for State OPEB support of $40,975,965 resulting in a total OPEB liability associated with the District of $81,951,930. The OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2018 rolled forward to June 30, 2019. The District's proportion of the net OPEB liability was based on the District's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the State, statutorily determined.

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2020 (Continued)

At June 30, 2020 and 2019, the District's proportions were 2.169716% and 2.200284%, respectively.

For the year ended June 30, 2020, the District recognized OPEB expense of $1,411,308 and revenue of $1,411,308 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 480,232	$ 866,548
Changes in assumption	-	5,708,907
Changes in proportionate share and differences between District contributions and proportionate share of contributions	305,451	1,471,620
Contributions made after the measurement date	208,438	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,810
TOTAL	$ 994,121	$ 8,048,885

$208,438 reported as deferred outflows or resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement period ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2021	$ (1,830,304)
2022	(1,830,304)
2023	(1,830,199)
2024	(1,136,994)
2025	(635,401)
Thereafter	-
TOTAL	$ (7,263,202)

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2020 (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions	
Inflation	2.25%
Salary increases	3.25% to 12.25%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% to 9.00% trending to 4.50%
Asset valuation method	Market value

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates were 3.62% as of June 30, 2018, and 3.13% as of June 30, 2019.

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2020 (Continued)

Rate Sensitivity

The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the District calculated using the discount rate of 3.13% as well as what the District's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.13%) or 1 percentage point higher (4.13%) than the current rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
OPEB liability	$ 47,029,588	$ 40,975,965	$ 35,837,931

The table below presents the District's OPEB liability, calculated using the healthcare cost trend rates as well as what the District's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8% in 2020 decreasing to an ultimate trend rate of 4.90% in 2027 for non-Medicare coverage, and 9% in 2020 decreasing to an ultimate trend rate of 4.50% in 2029 for Medicare coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	$ 34,007,555	$ 40,975,965	$ 50,184,314

OPEB Plan Fiduciary Net Position

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

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2019

At June 30, 2018, the District reported a liability of $41,480,897 for its proportionate share of the total OPEB liability that reflected a reduction for State OPEB support of $41,480,897 resulting in a total OPEB liability associated with the District of $82,961,794. The OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2017 rolled forward to June 30, 2018. The District's proportion of the net OPEB liability was based on the District's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the State, statutorily determined.

At June 30, 2019 and 2018, the District's proportions were 2.200284% and 2.264336%, respectively.

For the year ended June 30, 2019, the District recognized OPEB expense of $2,454,500 and revenue of $2,454,500 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 609,668	$ 90,850
Changes in assumption	-	5,192,185
Changes in proportionate share and differences between District contributions and proportionate share of contributions	397,938	1,058,240
Contributions made after the measurement date	196,501	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,355
TOTAL	$ 1,204,107	$ 6,342,630

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2019 (Continued)

$196,501 reported as deferred outflows or resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement period ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2020	$ (1,207,641)
2021	(1,207,641)
2022	(1,207,641)
2023	(1,207,536)
2024	(504,565)
Thereafter	-
TOTAL	$ (5,335,024)

Actuarial Assumptions

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

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

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2019 (Continued)

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

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates were 3.56% as of June 30, 2017, and 3.62% as of June 30, 2018.

Rate Sensitivity

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

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
OPEB liability	$ 48,075,277	$ 41,480,893	$ 35,992,403

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2019 (Continued)

The table below presents the District's OPEB liability, calculated using the healthcare cost trend rates as well as what the District's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026 for non-Medicare coverage, and 9% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	$ 34,387,386	$ 41,480,893	$ 50,817,022

OPEB Plan Fiduciary Net Position

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

9. VOLUNTARY RETIREMENT BENEFITS

In addition to the retirement benefits provided by the District described above, the District previously provided voluntary retirement benefits, considered early retirement incentives. These include employer paid voluntary retirement incentives (deferred compensation) as well as employer paid health care coverage to retirees for five years. The voluntary retirement benefits were available to employees who attained age 55 with at least eight years of continuous employment and who gave an irrevocable pledge to take the incentive prior to June 30, 2008. The benefits provided were a percentage of their final year's salary over three years, depending upon the age at retirement and health insurance coverage for five years. There were 35 and 39 employees and former employees either receiving benefits or who had given irrevocable notice and are eligible to receive benefits in the future as of June 30, 2020 and 2019, respectively.

9. VOLUNTARY RETIREMENT BENEFITS (Continued)

The District has recorded a liability for the early retirement incentives when the irrevocable pledge is received from the employee. The assumptions used calculating the liability were a health care trend rate of 7% and projected salary increases of 3.75% along with an investment rate of return of 4%. An additional assumption was made related to the increased compensation related to the deferred compensation provision over the final three years of employment. This will result in larger than 6% annual salary increases which will result in the District being responsible for the additional SURS benefit costs over the retirement life of the employee, in accordance with ILCS. The present value of this future annuity is recorded as an additional portion of this liability. The liability of $1,847,312 and $1,965,843 at June 30, 2020 and 2019, respectively, is recorded as a liability in the District’s financial statements as accrued salary and benefits payable and accrued health care liability payable.

10. WETLAND MITIGATION

The District has been identified, by the United States Environmental Protection Agency (USEPA) as a responsible party under Section 309(a) of the Clean Water Act (CWA), 33 U.S.C. Section 1319(a). An Administrative Consent Order requires the District to establish a Wetland Mitigation Plan that must include, among other things, wetland creation, enhancement or restoration at the site that totals 16.95 acres and a five-year monitoring and maintenance plan. The District has estimated the future costs of complying with the consent order to be approximately $14,100 and $52,500, which is recorded as a liability at June 30, 2020 and 2019, respectively.

11. CHANGE IN ACCOUNTING PRINCIPLE

The Foundation adopted the provisions of Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, as amended by ASU 2015-14, and ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* during the year ended June 30, 2020. The adoption of these ASUs did not result in a change to the accounting of any of the Foundation’s revenue streams; as such, no cumulative effect adjustment was recorded. Our opinion has not been modified with respect to these matters.

The Foundation has adopted ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, for the year ended June 30, 2019 financial statements. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures.

For the fiscal year ended June 30, 2020, the District implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of this guidance resulted in a restatement of beginning net position of the District’s student activity subfund and student life and athletics subfund (data was not available to restate the fiscal year ended June 30, 2019).

11. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

The beginning net position balance of the College has been restated to reflect the new guidance as follows:

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	$ 113,204,842
Record net position of student activity and student life and athletics subfunds	934,659
BEGINNING NET POSITION, AS RESTATED	$ 114,139,501

REQUIRED SUPPLEMENTARY INFORMATION

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

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

Last Six Fiscal Years

MEASUREMENT DATE JUNE 30,	**2020**	**2019**	**2018**
(a) Proportion percentage of the collective net pension liability	0.00%	0.00%	0.00%
(b) Proportion amount of the collective net pension	$ -	$ -	$ -
(c) Portion of non-employer contributing entities' total proportion of collective net pension liability associated with employer	339,184,041	325,315,595	313,774,339
TOTAL (b) + (c)	$ 339,184,041	$ 325,315,595	$ 313,774,339
Employer covered payroll	$ 42,707,878	$ 42,322,759	$ 43,536,271
Proportion of collective net pension liability associated with employer as a percentage of covered payroll	794.20%	768.65%	720.72%
SURS plan net position as a percentage of total pension liability	40.71%	41.27%	42.04%
ELGIN COMMUNITY COLLEGE - DISTRICT NUMBER 509			
Federal, trust, grant and other contribution	278,049	234,392	187,448
Contribution in relation to required contribution	278,049	234,392	187,448
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -
Employer covered payroll	$ 42,707,878	$ 42,322,759	$ 43,536,271
Contributions as a percentage of covered payroll	0.65%	0.55%	0.43%

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

Notes to Required Supplementary Information

Changes of Benefit Terms - There were no benefit changes recognized in the total pension liability as of June 30, 2019.

Changes of Assumptions - In accordance with ILCS, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- Salary increase. Decrease in the overall assumed salary increase rates, ranging from 3.25% to 12.25% based on years of service, with underlying wage inflation of 2.25%.
- Investment return. Decrease in investment return assumption to 6.75%. This reflects maintaining an assumed real rate of return of 4.50% and decreasing the underlying assumed price inflation to 2.25%.
- Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75%. (effective July 2, 2019)
- Normal retirement rates. A slight increase in the retirement rate at age 50. No change to the rates for ages 60-61, 67-74, and 80+, but a slight decrease in rates at all other ages. A rate of 50% if the member has 40 or more years of service and is younger than age 80.
- Early retirement rates. Decrease in rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover rates. Change to produce lower expected turnover for members with less than ten years of service and higher turnover for members with more than ten years of service.
- Mortality rates. Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.
- Disability rates. Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

2017	2016	2015
0.00%	0.00%	0.00%
$ -	$ -	$ -
321,283,731	283,916,422	256,747,050
$ 321,283,731	$ 283,916,422	$ 256,747,050
$ 44,783,792	$ 43,699,564	$ 42,948,297
717.41%	649.70%	597.80%
39.57%	42.37%	44.39%
202,288	183,047	165,555
202,288	183,047	165,555
$ -	$ -	$ -
$ 44,783,792	$ 43,699,564	$ 42,948,297
0.45%	0.42%	0.39%

(See independent auditor's report.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY AND SCHEDULE OF CONTRIBUTIONS
COLLEGE INSURANCE PLAN

June 30, 2020

MEASUREMENT DATE JUNE 30,	**2019**	**2018**	**2017**
College's proportion of the net OPEB liability	2.169716%	2.200284%	2.264336%
College's proportionate share of the net OPEB liability	$ 40,975,965	$ 41,480,897	$ 41,293,273
Portion of State's' total proportion of net OPEB liability associated with the College	40,975,965	41,480,893	40,749,410
Total	$ 81,951,930	$ 82,961,790	$ 82,042,683
College covered payroll	$ 41,838,731	$ 43,295,280	$ 42,874,121
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	195.88%	191.62%	191.36%
CIP plan net position as a percentage of total OPEB liability	(4.13%)	(3.54%)	(2.87%)

FISCAL YEAR ENDED JUNE 30,	**2020**	**2019**	**2018**
Statutorily required contribution	$ 208,438	$ 196,501	$ 187,933
Contribution in relation to the statutorily required contribution	208,438	196,501	187,933
CONTRIBUTION EXCESS (DEFICIENCY)	$ -	$ -	$ -
Employer covered payroll	$ 41,838,731	$ 43,295,280	$ 42,874,121
Contributions as a percentage of covered payroll	0.50%	0.45%	0.44%

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

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no benefit changes recognized in the total OPEB liability as of June 30, 2017, 2018 and 2019.

Changes in Assumptions

The discount rate changed from 3.62% at June 30, 2018 to 3.13% at June 30, 2019.
The discount rate changed from 3.56% at June 30, 2017 to 3.62% at June 30, 2018.
The discount rate changed from 2.85% at June 30, 2016 to 3.56% at June 30, 2017.

SUPPLEMENTARY INFORMATION

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

COMBINING SCHEDULE OF NET POSITION ACCOUNTS, BY SUBFUND

June 30, 2020

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
CURRENT ASSETS					
Cash and cash equivalents	$ 44,420,681	$ 3,447,618	$ 2,692,159	$ 169,324	$ 2,484,101
Investments	38,850,593	12,535,723	435,097	2,189	2,303,829
Property tax receivable	21,825,915	6,408,083	-	60,974	278,264
Accrued interest receivable	737,697	-	-	-	-
Student tuition receivable	5,847,696	-	-	-	-
Other accounts receivable	955,474	18,388	110,388	-	-
Due from other funds	10,041,601	69,520	485	-	-
Inventory	-	-	-	-	-
Prepaid assets	984,564	7,199	-	-	-
Total current assets	123,664,221	22,486,531	3,238,129	232,487	5,066,194
NONCURRENT ASSETS					
Capital assets	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Total assets	123,664,221	22,486,531	3,238,129	232,487	5,066,194
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	-	-	-	-	-
OPEB expense	-	-	-	-	-
SURS expense	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	123,664,221	22,486,531	3,238,129	232,487	5,066,194

Federal Financial Aid	Federal Grants	Bond and Interest	Operations and Maintenance Restricted	Building Bond Proceeds	Food Services	Book Store	Early Childood Lab School
$ 1,807,786	$ 1,504,386	$ 1,190,127	$ 2,189,987	$ -	$ 2,100	$ 4,555,029	$ -
708,486	106,969	2,911,605	23,342,274	-	-	1,318,172	-
-	-	6,942,396	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
126,345	1,478,982	-	683,402	-	20,761	494,405	-
-	-	-	6,250,000	-	69,307	-	25,716
-	-	-	-	-	28,973	428,843	-
-	1,495	-	122,840	-	-	-	-
2,642,617	3,091,832	11,044,128	32,588,503	-	121,141	6,796,449	25,716
-	-	-	-	-	42,356	118,226	-
-	-	-	-	-	(42,356)	(118,226)	-
-	-	-	-	-	-	-	-
2,642,617	3,091,832	11,044,128	32,588,503	-	121,141	6,796,449	25,716
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,642,617	3,091,832	11,044,128	32,588,503	-	121,141	6,796,449	25,716

(This schedule is continued on the following pages.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

COMBINING SCHEDULE OF NET POSITION ACCOUNTS, BY SUBFUND (Continued)

June 30, 2020

	Visual Performing Arts Center	Production Services	Student Life and Athletics	Corporate Training and Continuing Education
CURRENT ASSETS				
Cash and cash equivalents	$ 300	$ -	$ -	$ -
Investments	-	-	-	-
Property tax receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Student tuition receivable	-	-	-	-
Other accounts receivable	12,206	-	-	119
Due from other funds	1,466,123	22,605	526,902	37,364
Inventory	-	-	-	-
Prepaid assets	-	-	-	-
Total current assets	1,478,629	22,605	526,902	37,483
NONCURRENT ASSETS				
Capital assets	45,191	173,926	25,060	9,075
Less accumulated depreciation	(23,026)	(111,659)	(4,324)	(9,075)
Total noncurrent assets	22,165	62,267	20,736	-
Total assets	1,500,794	84,872	547,638	37,483
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	-	-	-	-
OPEB expense	-	-	-	-
SURS expense	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	1,500,794	84,872	547,638	37,483

Employee Benefits	Working Cash	Activity	Long-Term Obligations	Capital Assets	Eliminations	Adjustments	Total
$ 5,186,661	$ 86,942	$ 460,292	$ -	$ -	$ -	$ -	$ 70,197,493
-	4,552,446	186,838	-	-	-	-	87,254,221
-	-	-	-	-	-	-	35,515,632
-	-	-	-	-	-	-	737,697
-	-	-	-	-	-	-	5,847,696
-	-	496	-	-	-	-	3,900,966
20,157,951	-	-	-	-	(38,667,574)	-	-
-	-	-	-	-	-	-	457,816
-	-	-	-	-	-	-	1,116,098
25,344,612	4,639,388	647,626	-	-	(38,667,574)	-	205,027,619
-	-	-	-	304,639,865	-	-	305,053,699
-	-	-	-	(119,989,344)	-	-	(120,298,010)
-	-	-	-	184,650,521	-	-	184,755,689
25,344,612	4,639,388	647,626	-	184,650,521	(38,667,574)	-	389,783,308
-	-	-	521,639	-	-	-	521,639
994,121	-	-	-	-	-	-	994,121
-	-	-	278,049	-	-	-	278,049
994,121	-	-	799,688	-	-	-	1,793,809
26,338,733	4,639,388	647,626	799,688	184,650,521	(38,667,574)	-	391,577,117

(This schedule is continued on the following pages.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

COMBINING SCHEDULE OF NET POSITION ACCOUNTS, BY SUBFUND (Continued)

June 30, 2020

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
CURRENT LIABILITIES					
Accounts payable	$ 1,818,333	$ 3,933	$ 102	$ -	$ 2,453
Accrued salaries and benefits payable	2,046,860	380,987	2,546	-	53,716
Accrued health care liability	-	-	-	-	-
Due to other funds	26,408,436	-	-	-	-
Unearned tuition revenue	7,885,839	-	-	-	-
Claims payable	663,535	-	-	-	-
Interest payable	-	-	-	-	-
Current portion of general obligation bonds	-	-	-	-	-
Current portion of other postemployment benefit liability	-	-	-	-	-
Other current liabilities	(4,907)	5,442	891,573	-	14,100
Total current liabilities	38,818,096	390,362	894,221	-	70,269
NONCURRENT LIABILITIES					
General obligation bonds	-	-	-	-	-
Other postemployment benefit liability	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Discount on general obligation bonds	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	38,818,096	390,362	894,221	-	70,269
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	19,498,831	5,724,852	-	54,473	248,595
OPEB expense	-	-	-	-	-
Total deferred inflows of resources	19,498,831	5,724,852	-	54,473	248,595
Total liabilities and deferred inflows of resources	58,316,927	6,115,214	894,221	54,473	318,864
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted for					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Grant purposes	-	-	2,343,908	-	-
Audit purposes	-	-	-	178,014	-
Liability insurance	-	-	-	-	4,747,330
Pension contributions	-	-	-	-	-
Working cash	-	-	-	-	-
Unrestricted (deficit)	65,347,294	16,371,317	-	-	-
TOTAL NET POSITION (DEFICIT)	$ 65,347,294	$ 16,371,317	$ 2,343,908	$ 178,014	$ 4,747,330

Federal Financial Aid	Federal Grants	Bond and Interest	Operations and Maintenance Restricted	Building Bond Proceeds	Food Services	Book Store	Early Childood Lab School
$ 21,047	$ 60,282	$ -	$ 599	$ -	$ -	$ 82,900	$ -
-	24,444	-	-	-	26,025	34,122	19,051
-	-	-	-	-	-	-	-
2,616,850	2,992,657	-	-	-	-	6,649,630	-
-	-	-	-	-	-	-	(476)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,720	14,449	-	-	-	3,007	-	-
2,642,617	3,091,832	-	599	-	29,032	6,766,652	18,575
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,642,617	3,091,832	-	599	-	29,032	6,766,652	18,575
-	-	6,202,197	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	6,202,197	-	-	-	-	-
2,642,617	3,091,832	6,202,197	599	-	29,032	6,766,652	18,575
-	-	-	-	-	-	-	-
-	-	-	22,908,872	-	-	-	-
-	-	4,841,931	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	9,679,032	-	92,109	29,797	7,141
$ -	$ -	$ 4,841,931	$ 32,587,904	$ -	$ 92,109	$ 29,797	$ 7,141

(This schedule is continued on the following pages.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

COMBINING SCHEDULE OF NET POSITION ACCOUNTS, BY SUBFUND (Continued)

June 30, 2020

	Visual Performing Arts Center	Production Services	Student Life and Athletics	Corporate Training and Continuing Education
CURRENT LIABILITIES				
Accounts payable	$ -	$ 1,200	$ -	$ -
Accrued salaries and benefits payable	17,493	10,980	93,317	34,084
Accrued health care liability	-	-	-	-
Due to other funds	-	-	-	-
Unearned tuition revenue	84,849	-	-	3,399
Claims payable	-	-	-	-
Interest payable	-	-	-	-
Current portion of general obligation bonds	-	-	-	-
Current portion of other postemployment benefit obligation	-	-	-	-
Other current liabilities	-	-	-	-
Total current liabilities	102,342	12,180	93,317	37,483
NONCURRENT LIABILITIES				
General obligation bonds	-	-	-	-
Other postemployment benefit obligation	-	-	-	-
Premium on general obligation bonds	-	-	-	-
Discount on general obligation bonds	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	102,342	12,180	93,317	37,483
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	-	-	-	-
OPEB expense	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	102,342	12,180	93,317	37,483
NET POSITION				
Net investment in capital assets	22,165	62,267	20,736	-
Restricted for				
Capital projects	-	-	-	-
Debt service	-	-	-	-
Grant purposes	-	-	-	-
Audit purposes	-	-	-	-
Liability insurance	-	-	-	-
Pension contributions	-	-	-	-
Working cash	-	-	-	-
Unrestricted (deficit)	1,376,287	10,425	433,585	-
TOTAL NET POSITION (DEFICIT)	$ 1,398,452	$ 72,692	$ 454,321	$ -

Employee Benefits	Working Cash	Trust and Agency	Long-Term Obligations	Capital Assets	Eliminations	Adjustments	Total
$ 3,393	$ -	$ 12,662	$ -	$ -	$ -	$ -	$ 2,006,904
1,170,869	-	-	-	-	-	-	3,914,494
676,955	-	-	-	-	-	-	676,955
-	-	1	-	-	(38,667,574)	-	-
-	-	-	-	-	-	-	7,973,611
400,000	-	-	-	-	-	-	1,063,535
-	-	-	287,568	-	-	-	287,568
-	-	-	5,575,000	-	-	-	5,575,000
208,438	-	-	-	-	-	-	208,438
-	-	-	-	-	-	-	928,384
2,459,655	-	12,663	5,862,568	-	(38,667,574)	-	22,634,889
-	-	-	156,847,380	-	-	-	156,847,380
40,767,527	-	-	-	-	-	-	40,767,527
-	-	-	3,316,842	-	-	-	3,316,842
-	-	-	(155,000)	-	-	-	(155,000)
40,767,527	-	-	160,009,222	-	-	-	200,776,749
43,227,182	-	12,663	165,871,790	-	(38,667,574)	-	223,411,638
-	-	-	-	-	-	-	31,728,948
8,048,885	-	-	-	-	-	-	8,048,885
8,048,885	-	-	-	-	-	-	39,777,833
51,276,067	-	12,663	165,871,790	-	(38,667,574)	-	263,189,471
-	-	-	(165,062,634)	184,650,521	-	-	19,693,055
-	-	-	-	-	-	-	22,908,872
-	-	-	-	-	-	-	4,841,931
-	-	-	-	-	-	-	2,343,908
-	-	-	-	-	-	-	178,014
-	-	-	-	-	-	-	4,747,330
-	-	-	278,049	-	-	-	278,049
-	4,014,363	-	-	-	-	-	4,014,363
(24,937,334)	625,025	634,963	(287,517)	-	-	-	69,382,124
$ (24,937,334)	$ 4,639,388	$ 634,963	$ (165,072,102)	$ 184,650,521	$ -	$ -	$ 128,387,646

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

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

For the Year Ended June 30, 2020

	Education	Operations and Maintenance	Restricted Purposes	Audit	Liability Protection and Settlement
OPERATING REVENUES					
Student tuition and fees	$ 25,371,421	$ -	$ -	$ -	$ -
Chargeback revenue	-	-	-	-	-
Auxiliary enterprises revenue	-	-	-	-	-
Other operating revenue	367,662	215,326	21,619	-	-
Total operating revenues	25,739,083	215,326	21,619	-	-
OPERATING EXPENSES					
Instruction	30,097,878	-	829,437	-	-
Academic support	8,334,188	-	11,618	-	-
Student services	5,100,053	-	16,762	-	-
Public services	440,045	-	22,297	-	-
Auxiliary services	-	-	-	-	-
Scholarships and student grants	-	-	45,413	-	-
Operation and maintenance of plant	-	9,819,385	161,815	-	613,107
Institutional support	14,108,035	1,006,071	22,919	109,505	1,140,577
Depreciation	-	-	-	-	-
Total operating expenses	58,080,199	10,825,456	1,110,261	109,505	1,753,684
OPERATING INCOME (LOSS)	(32,341,116)	(10,610,130)	(1,088,642)	(109,505)	(1,753,684)
NON-OPERATING REVENUES (EXPENSES)					
State grants and contracts					
Other state grants and contracts	5,936,265	-	1,085,762	-	-
State Universities Retirement System pension	-	-	-	-	-
Community College Health Insurance Security Fund OPEB	-	-	-	-	-
Property taxes	38,243,285	11,522,882	-	117,952	1,174,172
Personal property replacement tax	677,470	-	-	-	-
Federal grants and contracts	-	-	1,300	-	-
Local grants and contracts	481,334	-	1,580	-	6,957
Other non-operating revenues	-	-	-	-	-
Debt service	-	-	-	-	-
Proceeds from issuance of bonds	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(18,453,827)	-	-	-	-
Investment income	2,453,082	-	-	-	-
Total non-operating revenues (expenses)	29,337,609	11,522,882	1,088,642	117,952	1,181,129
CHANGES IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	(3,003,507)	912,752	-	8,447	(572,555)
Capital contributions	-	-	-	-	-
CHANGE IN NET POSITION	(3,003,507)	912,752	-	8,447	(572,555)
NET POSITION (DEFICIT), JULY 1	68,350,801	15,458,565	2,343,908	169,567	5,319,885
Change in accounting principle	-	-	-	-	-
NET POSITION (DEFICIT), JULY 1, RESTATED	68,350,801	15,458,565	2,343,908	169,567	5,319,885
NET POSITION (DEFICIT), JUNE 30	$ 65,347,294	$ 16,371,317	$ 2,343,908	$ 178,014	$ 4,747,330

Federal Financial Aid	Federal Grants	Bond and Interest	Operations and Maintenance Restricted	Building Bond Proceeds	Food Services	Book Store	Early Childood Lab School
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	806,072	2,714,743	297,374
-	-	-	-	-	-	-	-
-	-	-	-	-	806,072	2,714,743	297,374
-	3,705,930	-	-	-	-	-	-
-	-	-	-	-	-	-	-
192,207	541,005	-	-	-	-	-	-
-	12,981	-	-	-	-	-	-
-	-	-	-	-	834,258	2,577,413	554,939
14,518,673	63,019	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	354,782	920,968	1,251,753	-	-	-
-	-	-	-	-	-	-	-
14,710,880	4,322,935	354,782	920,968	1,251,753	834,258	2,577,413	554,939
(14,710,880)	(4,322,935)	(354,782)	(920,968)	(1,251,753)	(28,186)	137,330	(257,565)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	12,947,670	-	-	-	-	-
-	-	-	-	-	-	-	-
14,710,880	4,322,935	198,755	1,373,639	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(12,844,934)	-	-	-	-	-
-	-	40,600,226	-	-	-	-	-
-	-	(40,274,444)	-	-	-	-	-
-	-	-	10,600,000	-	-	-	257,565
-	-	-	-	-	-	(135,737)	-
-	-	-	-	13,845	-	-	-
14,710,880	4,322,935	627,273	11,973,639	13,845	-	(135,737)	257,565
-	-	272,491	11,052,671	(1,237,908)	(28,186)	1,593	-
-	-	-	-	-	-	-	-
-	-	272,491	11,052,671	(1,237,908)	(28,186)	1,593	-
-	-	4,569,440	21,535,233	1,237,908	120,295	28,204	7,141
-	-	-	-	-	-	-	-
-	-	4,569,440	21,535,233	1,237,908	120,295	28,204	7,141
$ -	$ -	$ 4,841,931	$ 32,587,904	$ -	$ 92,109	$ 29,797	$ 7,141

(This schedule is continued on the following pages.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION, BY SUBFUND (Continued)

For the Year Ended June 30, 2020

	Visual Performing Arts Center	Production Services	Student Life and Athletics	Corporate Training and Continuing Education	Employee Benefits
OPERATING REVENUES					
Student tuition and fees	$ -	$ -	$ -	$ 197,964	$ -
Chargeback revenue	-	-	-	-	-
Auxiliary enterprises revenue	410,945	333,913	40,688	-	-
Other operating revenue	-	-	-	-	-
Total operating revenues	410,945	333,913	40,688	197,964	-
OPERATING EXPENSES					
Instruction	-	-	-	-	20,097,399
Academic support	-	-	-	-	4,664,775
Student services	-	-	1,275,254	-	3,385,700
Public services	-	-	-	-	490,782
Auxiliary services	663,157	430,778	-	412,668	(30,309)
Scholarships and student grants	-	-	-	-	128,603
Operation and maintenance of plant	-	-	-	-	3,607,887
Institutional support	-	-	-	-	6,334,773
Depreciation	5,649	19,880	1,941	-	-
Total operating expenses	668,806	450,658	1,277,195	412,668	38,679,610
OPERATING INCOME (LOSS)	(257,861)	(116,745)	(1,236,507)	(214,704)	(38,679,610)
NON-OPERATING REVENUES (EXPENSES)					
State grants and contracts					
Other state grants and contracts	-	-	-	-	-
State Universities Retirement System pension	-	-	-	-	36,548,008
Community College Health Insurance Security Fund OPEB	-	-	-	-	1,411,308
Property taxes	-	-	-	-	-
Personal property replacement tax	-	-	-	-	-
Federal grants and contracts	-	-	-	-	-
Local grants and contracts	-	-	-	-	-
Other non-operating revenues	-	-	-	-	-
Debt service	-	-	-	-	-
Proceeds from issuance of bonds	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Transfers in	-	-	1,381,572	214,704	6,221,584
Transfers (out)	-	-	(85,861)	-	-
Investment income	-	-	-	-	-
Total non-operating revenues (expenses)	-	-	1,295,711	214,704	44,180,900
CHANGES IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	(257,861)	(116,745)	59,204	-	5,501,290
Capital contributions	-	-	-	-	-
CHANGE IN NET POSITION	(257,861)	(116,745)	59,204	-	5,501,290
NET POSITION (DEFICIT), JULY 1	1,656,313	189,437	48,065	-	(30,438,624)
Change in accounting principle	-	-	347,052	-	-
NET POSITION (DEFICIT), JULY 1, RESTATED	1,656,313	189,437	395,117	-	(30,438,624)
NET POSITION (DEFICIT), JUNE 30	$ 1,398,452	$ 72,692	$ 454,321	$ -	$ (24,937,334)

Working Cash	Activity	Long-Term Obligations	Capital Assets	Eliminations	Adjustments	Total
$ -	$ -	$ -	$ -	$ (5,320,483)	$ -	$ 20,248,902
-	-	-	-	-	-	-
-	-	-	-	(914,345)	-	3,689,390
-	-	-	-	-	-	604,607
-	-	-	-	(6,234,828)	-	24,542,899
-	-	-	(495,134)	-	-	54,235,510
-	-	-	-	-	-	13,010,581
-	495,047	-	(39,500)	-	-	10,966,528
-	-	-	-	-	-	966,105
-	-	-	-	-	-	5,442,904
-	480,670	-	(5,049)	(5,995,206)	-	9,236,123
-	-	-	(168,331)	-	-	14,033,863
-	-	(43,657)	(2,294,405)	(239,622)	-	22,671,699
-	-	-	8,832,029	-	-	8,859,499
-	975,717	(43,657)	5,829,610	(6,234,828)	-	139,422,812
-	(975,717)	43,657	(5,829,610)	-	-	(114,879,913)
-	-	-	-	-	-	7,022,027
-	-	-	-	-	-	36,548,008
-	-	-	-	-	-	1,411,308
-	-	-	-	-	-	64,005,961
-	-	-	-	-	-	677,470
-	-	-	-	-	-	20,607,509
-	-	-	-	-	-	489,871
-	1,027,620	-	-	-	-	1,027,620
-	-	5,879,317	-	-	-	(6,965,617)
-	-	(40,600,226)	-	-	-	-
-	-	40,274,444	-	-	-	-
-	-	-	-	(18,675,425)	-	-
-	-	-	-	18,675,425	-	-
96,974	-	-	-	-	-	2,563,901
96,974	1,027,620	5,553,535	-	-	-	127,388,058
96,974	51,903	5,597,192	(5,829,610)	-	-	12,508,145
-	-	-	1,740,000	-	-	1,740,000
96,974	51,903	5,597,192	(4,089,610)	-	-	14,248,145
4,542,414	(4,547)	(170,669,294)	188,740,131	-	-	113,204,842
-	587,607	-	-	-	-	934,659
4,542,414	583,060	(170,669,294)	188,740,131	-	-	114,139,501
$ 4,639,388	$ 634,963	$ (165,072,102)	$ 184,650,521	$ -	$ -	$ 128,387,646

STATISTICAL SECTION

This part of the Elgin Community College District Number 509's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the District's overall financial health.

<u>Contents</u> <u>Page(s)</u>

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

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

FINANCIAL TRENDS
NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2020	2019	2018	2017
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 19,693,055	$ 18,904,009	$ 22,528,437	$ 27,119,754
Restricted				
Capital projects	22,908,872	22,773,141	19,825,069	18,455,427
Debt service	4,841,931	4,569,440	5,014,363	3,746,425
Specific purposes	7,547,301	8,067,752	7,144,909	6,966,647
Working cash	4,014,363	4,014,363	4,014,363	4,014,363
Unrestricted	69,382,124	54,876,137	44,365,796	76,846,908
TOTAL BUSINESS-TYPE ACTIVITIES	$ 128,387,646	$ 113,204,842	$ 102,892,937	$ 137,149,524

Note: The District implemented GASB Statement No. 75 in 2018 which accounted for the reduction in unrestricted net position.

Data Source

Audited Financial Statements

	2016	2015	2014	2013	2012	2011
	$ 32,216,404	$ 35,206,436	$ 34,543,852	$ 32,352,291	$ 33,909,175	$ 34,777,999
	16,241,168	13,832,563	11,960,223	10,999,277	9,783,970	10,469,259
	3,549,757	4,435,843	4,610,459	5,419,398	4,303,754	5,090,051
	6,508,712	6,216,059	6,831,512	6,728,355	6,514,932	6,492,477
	4,014,363	4,014,363	4,014,363	4,353,938	4,346,941	4,339,812
	64,908,275	63,825,688	58,909,689	54,972,930	50,477,632	41,435,573
	$ 127,438,679	$ 127,530,952	$ 120,870,098	$ 114,826,189	$ 109,336,404	$ 102,605,171

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

FINANCIAL TRENDS
CHANGES IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	**2020**	**2019**	**2018**	**2017**
OPERATING REVENUES				
Student tuition and fees	$ 20,248,902	$ 19,968,429	$ 19,818,103	$ 19,674,745
Chargeback revenue	-	-	1,420	23,662
Auxiliary enterprises revenue	3,689,390	5,001,003	4,812,253	5,190,530
Other operating revenue	604,607	639,385	704,257	563,841
Total operating revenues	24,542,899	25,608,817	25,336,033	25,452,778
OPERATING EXPENSES				
Instruction	54,235,510	51,875,346	52,233,711	46,731,411
Academic support	13,010,581	12,424,020	12,131,779	11,540,322
Student services	10,966,528	10,164,362	9,719,822	10,199,159
Public services	966,105	822,876	621,995	727,052
Auxiliary services	5,442,904	5,789,556	6,061,316	6,317,873
Scholarships and student grants	9,236,123	6,545,678	7,006,531	6,697,769
Operation and maintenance of plant	14,033,863	13,068,621	12,559,033	11,948,992
Institutional support	22,671,699	22,254,771	22,589,462	21,355,749
Depreciation	8,859,499	9,349,793	9,594,246	9,540,919
Total operating expenses	139,422,812	132,295,023	132,517,895	125,059,246
OPERATING INCOME (LOSS)	(114,879,913)	(106,686,206)	(107,181,862)	(99,606,468)
NON-OPERATING REVENUES (EXPENSES)				
State grants and contracts	44,981,343	41,307,032	40,894,199	38,659,380
Property taxes	64,005,961	61,757,426	59,812,614	59,700,764
Personal property replacement tax	677,470	554,744	512,789	612,836
Federal grants and contracts	20,607,509	18,283,797	18,533,740	17,265,623
Local grants and contracts	489,871	722,378	777,324	1,000,822
Interest expense and fiscal charges	(6,965,617)	(8,251,199)	(8,397,740)	(8,529,389)
Gain (loss) on disposal of capital assets	-	-	-	-
Other non-operating revenues	1,027,620	-	-	-
Investment income	2,563,901	2,541,433	1,178,885	607,277
Total non-operating revenues (expenses)	127,388,058	116,915,611	113,311,811	109,317,313
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEMS	12,508,145	10,229,405	6,129,949	9,710,845
Capital contributions	1,740,000	82,500	29,995	-
Special item	-	-	-	-
CHANGE IN NET POSITION	$ 14,248,145	$ 10,311,905	$ 6,159,944	$ 9,710,845

Note: The District is subject to two property tax caps in Illinois whereby the increase in the levy from year-to-year is limited to the lesser of 5% or the consumer price index for the State as determined by the Illinois Department of Revenue and individual rates are limited by maximum rates established by Illinois Compiled Statutes.

Data Source

Audited Financial Statements

	2016	2015	2014	2013	2012	2011
	$ 18,679,471	$ 17,854,603	$ 17,601,837	$ 17,796,951	$ 17,392,850	$ 17,281,365
	29,341	20,193	4,080	19,240	9,481	32,185
	5,447,158	5,842,478	6,058,778	6,190,318	6,228,893	6,459,463
	585,537	572,867	587,439	484,396	591,736	710,734
	24,741,507	24,290,141	24,252,134	24,490,905	24,222,960	24,483,747
	43,549,796	41,133,232	40,342,156	38,138,301	35,603,159	33,364,067
	10,678,304	10,541,916	9,729,192	9,390,437	8,784,072	8,537,599
	10,266,124	9,840,585	9,858,311	9,603,280	9,662,520	9,754,645
	648,532	637,014	585,054	548,452	659,724	695,987
	6,980,338	7,640,448	8,033,825	8,132,120	8,568,546	8,603,717
	7,584,922	8,465,310	9,529,773	10,842,872	11,748,883	13,047,275
	11,289,345	11,020,170	11,088,637	10,495,422	10,134,567	10,053,689
	22,461,019	20,478,735	18,053,287	19,733,213	16,486,280	18,459,040
	9,281,794	7,849,474	7,141,073	6,614,370	5,915,072	4,687,560
	122,740,174	117,606,884	114,361,308	113,498,467	107,562,823	107,203,579
	(97,998,667)	(93,316,743)	(90,109,174)	(89,007,562)	(83,339,863)	(82,719,832)
	26,422,147	26,494,242	23,680,818	22,465,643	17,899,680	15,855,838
	59,783,305	60,113,167	59,334,287	57,315,417	56,483,841	55,000,588
	481,466	599,265	572,570	546,332	516,189	585,266
	18,520,444	19,884,290	21,279,900	22,578,078	24,316,611	24,549,217
	933,534	914,404	91,305	125,511	109,896	4,540,393
	(8,713,135)	(8,977,871)	(9,296,498)	(8,247,538)	(8,760,298)	(7,796,814)
	-	-	-	(413,297)	-	-
	-	-	-	-	-	-
	478,633	334,156	164,601	127,201	595,085	964,702
	97,906,394	99,361,653	95,826,983	94,497,347	91,161,004	93,699,190
	(92,273)	6,044,910	5,717,809	5,489,785	7,821,141	10,979,358
	-	615,944	326,100	-	-	-
	-	-	-	-	-	1,694,637
	$ (92,273)	$ 6,660,854	$ 6,043,909	$ 5,489,785	$ 7,821,141	$ 12,673,995

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

REVENUE CAPACITY
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railroad Property	Total Taxable Assessed Value	Total (3) Direct Tax Rate	Estimated Actual Value	Percent of Actual Value
2019	$ 9,927,263,651	$ 1,694,599,582	$ 880,088,232	$ 151,408,955	$ 16,224,301	$ 12,669,584,721	0.4865	$ 38,008,754,163	33.333%
2018	9,540,339,190	1,637,567,297	839,396,392	144,287,451	16,687,751	12,229,482,842	0.5075	36,534,834,243	33.333%
2017	9,284,702,097	1,548,816,162	787,406,847	139,716,886	16,687,179	11,777,329,171	0.4999	35,331,987,513	33.333%
2016	8,856,835,760	1,482,909,707	733,208,614	131,345,674	16,804,186	11,221,103,941	0.5296	33,663,311,823	33.333%
2015	8,021,583,140	1,375,433,234	786,896,718	126,856,214	15,203,323	10,325,972,629	0.5609	30,977,917,887	33.333%
2014	7,817,399,738	1,344,366,737	725,146,492	125,264,126	14,263,453	10,026,440,546	0.6076	30,079,321,638	33.333%
2013	7,901,834,539	1,405,460,072	738,683,961	126,425,315	12,769,290	10,185,173,177	0.5709	30,555,519,531	33.333%
2012	8,738,910,381	1,510,917,164	748,948,364	131,613,809	12,821,928	11,143,211,646	0.5215	33,429,634,938	33.333%
2011	9,836,129,935	1,624,365,385	857,790,627	138,766,141	11,259,792	12,468,311,880	0.4454	37,404,935,640	33.333%
2010	10,786,831,708	1,679,684,175	829,083,264	144,750,820	10,883,734	13,451,233,701	0.4407	40,353,701,103	33.333%

(1) Property in the District is reassessed each year.
(2) Property is assessed at 33% of actual value.
(3) The tax rate fluctuates from year to year primarily due to the debt service requirements for General Obligation bonds and the Public Building Commission Rental Funds.

Data Sources

Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

REVENUE CAPACITY
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	**Legal Limit 2015**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
TAX RATES (1)											
District Rates											
Education	0.750	0.2995	0.2939	0.2963	0.3028	0.3192	0.3304	0.3119	0.2868	0.2539	0.2379
Operations and maintenance	0.100	0.0882	0.0903	0.0907	0.0947	0.0976	0.0980	0.1018	0.0953	0.0850	0.0796
Liability insurance	None	0.0038	0.0110	0.0137	0.0145	0.0168	0.0167	0.0151	0.0151	0.0129	0.0126
Audit	0.005	0.0008	0.0009	0.0011	0.0012	0.0013	0.0014	0.0012	0.0011	0.0009	0.0006
Debt Service Fund	None	0.0946	0.1049	0.0914	0.1091	0.1172	0.1444	0.1426	0.1123	0.1018	0.0973
Bond and Interest Fund	None	0.0000	0.0059	0.0068	0.0073	0.0078	0.0081	0.0071	0.0071	0.0053	0.0046
Prior period adjustment		-0.0004	0.0006	-0.0001	0.0000	0.0009	0.0086	-0.0088	0.0038	-0.0144	0.0081
Total district rates (1)		0.4865	0.5075	0.4999	0.5296	0.5609	0.6076	0.5709	0.5215	0.4454	0.4407
Others											
Kane County		0.3739	0.4146	0.4025	0.4201	0.4479	0.4684	0.4623	0.4336	0.3990	0.3730
Kane County Forest Preserve		0.1549	0.1607	0.1658	0.2253	0.2944	0.3126	0.3039	0.2710	0.2609	0.2201
Elgin Township and Road Funds		0.1843	0.1908	0.1950	0.1805	0.1950	0.2053	0.1972	0.1758	0.1550	0.1364
Gail Borden Library District		0.4445	0.4360	0.4729	0.5227	0.5294	0.5796	0.5087	0.4791	0.4084	0.3650
Fox River Water Reclamation		0.0278	0.0291	0.0000	0.0325	0.0339	0.0409	0.0370	0.0344	0.0299	0.0273
City of Elgin		1.8788	2.0240	2.1494	2.2396	2.4110	2.3218	2.1668	1.9344	1.9836	1.9214
School District No. 46		5.7890	6.1236	6.3696	6.5487	7.1238	8.0229	5.9395	6.3706	5.5589	5.2661
Total rates		8.8532	9.8863	10.2551	10.6990	11.5963	12.5591	10.1863	10.2204	9.2411	8.7500

(1) Property tax rates are per $100 of assessed valuation.

Data Sources

Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

REVENUE CAPACITY
PRINCIPAL PROPERTY TAXPAYERS

Current Levy Year and Ten Years Ago

		2019 Levy Year			2010 Levy Year		
Taxpayer	**Type of Business**	**Assessed Value**	**Rank**	**Percentage of Total District Assessed Valuation**	**Assessed Value (000s)**	**Rank**	**Percentage of Total District Assessed Valuation**
Target	Retail	$ 29,996,761	1	0.24%	$ 28,267,496	4	0.20%
Wal-Mart	Retail	25,830,739	2	0.20%	19,338,692	9	0.16%
Legia St. Charles Associates LLC	Real Property	24,407,546	3	0.19%	-		-
Arboretum Mall LLC	Mall	21,538,101	4	0.17%	-		-
John B. Sanfilippo and Son, Inc.	Snack Food	19,914,675	5	0.16%	-		-
Paul Hastings LLP	Real Property	19,820,291	6	0.16%	-		-
Poplar Creek Crossing	Real Property	19,273,200	7	0.15%	-		-
Prairie Winds II LLC & Prairie Winds TIC LLC	Real Property	18,030,793	8	0.14%	-		-
Q Center LLC	Conference Center	17,407,870	9	0.14%	-		-
Canterfield Apartment Owner LLC	Real Property	17,070,293	10	0.13%	-		-
Sears	Department Store	-		-	198,666,987	1	0.24%
Individual	Real Property	-		-	32,546,562	2	0.22%
Bradley Operation Limited	Real Property	-		-	30,521,108	3	0.20%
Springhill Mall, LLC	Commercial Shopping Center	-		-	26,896,121	5	0.20%
In Retail Fund Algonquin Commons LLC	Real Property	-		-	25,528,173	6	0.20%
Marvin F. Poer & Co.	Real Property	-		-	21,109,474	7	0.17%
MDKTSTP Ent Fin Dept.	Real Property	-		-	20,945,694	8	0.14%
Arboretum S. Barrington	Real Property	-		-	18,808,282	10	0.14%
		$ 213,290,269		1.68%	$ 422,628,589		3.14%

Note: Excludes $5,224,196 of EAV (Frozen TIF Value for Sears Roebuck National Headquarters). The actual 2019 value of the Sears property in the TIF district is $42,966035.

Data Sources

Cook, DuPage and Kane Counties

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

REVENUE CAPACITY
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Assessed Valuation	Direct Tax Rate (1)(2)	Taxes Extended (3)	Total Collected Through June 30, 2019	Collected During Year Ended June 30, 2020 (6)	Total Collected Through June 30, 2020 (4)	Percent of Taxes Extended Collected Through June 30, 2020	Tax Cap Limit (5)
2019	$ 12,669,584,721	0.4865	$ 64,907,511	$ -	$ 28,667,071	$ 28,667,071	44.17%	1.90%
2018	12,229,482,842	0.5075	64,186,969	28,894,175	34,939,993	63,834,168	99.45%	2.10%
2017	11,777,329,171	0.4999	60,359,170	60,085,792	(44,064)	60,041,728	99.47%	2.10%
2016	11,221,103,941	0.5296	60,314,611	59,994,956	(62,654)	59,932,302	99.37%	0.70%
2015	10,325,972,629	0.5609	59,544,514	59,364,127	(50,136)	59,313,991	99.61%	0.80%
2014	10,026,440,546	0.6076	60,820,489	60,338,356	(16,418)	60,321,938	99.18%	1.50%
2013	10,185,173,177	0.5709	60,245,707	59,855,122	(9,114)	59,846,008	99.34%	1.70%
2012	11,143,211,646	0.5215	58,907,754	58,453,655	(1,692)	58,451,963	99.23%	3.00%
2011	12,468,311,880	0.4454	55,920,678	55,643,363	(310)	55,643,053	99.50%	1.50%
2010	13,451,233,701	0.4407	57,158,288	56,632,812	-	56,632,812	99.08%	2.70%

(1) The direct tax rates reported for the District are blended rates based on the total taxes and the total assessed valuations for all counties combined.
(2) The tax rate fluctuates from year-to-year primarily due to the debt service requirements for General Obligation Bonds and the Public Building Commission Rental Funds.
(3) Due to differences in the computational methods followed by the five counties, portions of each of which are within the District's boundaries, there may be slight differences between the final levy amounts extended by the counties and those used for financial statement purposes.
(4) Taxes are generally due on June 1st and September 1st of the calendar year subsequent to the levy year.
(5) The District is subject to two property tax caps in Illinois whereby the increase in the levy from year-to-year is limited to the lesser of 5% or the consumer price index (CPI) for the state as determined by the Illinois Department of Revenue, and individual rates are limited by maximum rates established by ILCS.
(6) Tax adjustments are due to tax objections and changes in assessments.

Data Sources

District property tax records
Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

REVENUE CAPACITY
ENROLLMENT, TUITION AND FEE RATES, CREDIT HOURS CLAIMED AND TUITION AND FEE REVENUE

Last Ten Fiscal Years

	Fall Term 10th Day Enrollment		Tuition and Fee Rates				
Fiscal Year	FTE Credit Courses	Headcount Credit Courses	In District Tuition and Fees per Semester Hour	Out of District Tuition and Fees per Semester Hour	Out of State Tuition and Fees per Semester Hour	Total Credit Hours Claimed	Net Tuition and Fee Revenue Education Fund (1)
2020	5,732	9,917	$ 132.00	$ 434.49	$ 497.79	173,961	$ 25,177,420
2019	5,577	9,567	132.00	434.49	497.79	172,354	24,873,283
2018	5,679	9,599	129.00	434.49	497.79	176,626	24,753,564
2017	5,773	9,918	125.00	434.49	497.79	179,420	24,493,158
2016	6,052	10,336	119.00	434.49	497.79	189,445	23,971,324
2015	6,396	10,937	114.00	381.10	497.79	195,829	23,837,806
2014	6,675	11,285	109.00	354.81	480.93	197,308	24,949,044
2013	6,757	11,554	105.00	361.53	472.54	207,401	23,610,849
2012	6,862	11,811	99.00	336.02	445.27	214,909	22,523,433
2011	7,009	12,214	91.00	343.43	436.49	216,117	21,121,716

(1) Net Tuition and Fee Revenue for the Education Fund is net of bad debt expense and tuition waivers.

Data Source

District records

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

DEBT CAPACITY
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	General Obligation Bonds (1)	Capital Lease Obligations	Due to Other Governments	Total Outstanding Debt (2)	District Estimated Actual Taxable Property Value	Percentage of Total Outstanding Debt to Estimated Actual Taxable Property Value	Population (Estimated)	Total Outstanding Debt Per Capita	Total Outstanding Debt as a Percentage of Personal Income
2020	$ 165,584,222	$ -	$ -	$ 165,584,222	$ 12,669,584,721	1.31%	487,838	339.42	0.91%
2019	170,648,453	-	-	170,648,453	12,229,482,842	1.40%	478,272	356.80	0.96%
2018	175,826,341	-	-	175,826,341	11,777,329,171	1.49%	468,894	374.98	1.02%
2017	180,481,188	-	-	180,481,188	10,924,750,362	1.65%	459,700	392.61	1.08%
2016	185,049,198	-	-	185,049,198	10,325,972,629	1.79%	450,687	410.59	1.14%
2015	191,609,968	-	-	191,609,968	10,026,440,546	1.89%	441,850	433.65	1.20%
2014	198,547,590	-	-	198,547,590	10,185,173,177	1.92%	433,186	458.34	1.28%
2013	204,489,519	-	-	204,489,519	11,143,211,646	1.81%	429,981	475.58	1.36%
2012	159,504,345	-	-	159,504,345	12,468,311,880	1.28%	426,733	373.78	1.11%
2011	176,039,262	-	-	176,039,262	13,451,233,701	1.31%	423,097	416.07	1.26%

(1) Balances include current and noncurrent portions of bond principal outstanding net of bond premiums and discounts
(2) Details of the District's outstanding debt can be found in the notes to financial statements

Data Sources

District records and Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

DEBT CAPACITY
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Restricted for Debt Service (2)	Net General Bonded Debt	District Estimated Actual Taxable Property Value	Percentage of Net General Bonded Debt to Estimated Actual Taxable Property Value	Population (Estimated)	Net General Bonded Debt Per Capita
2020	$ 165,584,222	$ 4,841,931	160,742,291	$ 12,669,584,721	1.31%	487,838	$ 339.42
2019	170,648,453	4,569,441	166,079,012	12,229,482,842	1.40%	478,272	356.80
2018	175,826,341	5,014,363	170,811,978	11,777,329,171	1.49%	468,894	374.98
2017	180,481,188	3,746,425	176,734,763	11,221,103,941	1.65%	459,700	392.61
2016	185,049,198	3,549,757	181,499,441	10,325,972,629	1.76%	450,687	410.59
2015	191,609,968	4,435,843	187,174,125	10,026,440,546	1.89%	441,850	433.65
2014	198,547,590	4,610,459	193,937,131	10,185,173,177	1.88%	433,186	458.34
2013	204,489,519	5,419,398	199,070,121	11,143,211,646	1.76%	429,981	475.58
2012	159,504,345	4,303,754	155,200,591	12,468,311,880	1.24%	426,733	373.78
2011	176,039,262	15,069,660	160,969,602	13,451,233,701	1.20%	423,097	416.07

(1) Balances include current and noncurrent portions of bond principal outstanding
(2) Amounts equal net position restricted for debt service per the District's Bond and Interest Fund
(3) Details of the District's outstanding debt can be found in the notes to financial statements

Data Sources

District records and Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

DEBT CAPACITY
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

June 30,2020

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Government	Government's Share of Debt
Elgin Community College	$ 165,584,222	100.00%	$ 165,584,222
SCHOOLS			
School District Number 54	-	2.63%	-
High School District Number 211	-	1.61%	-
Unit School District Number 46	218,313,638	100.00%	218,313,638
Unit School District Number 158	84,640,516	0.03%	27,675
Unit School District Number 300	239,274,339	77.84%	186,252,992
Unit School District Number 301	42,818,323	100.00%	42,818,323
Unit School District Number 303	33,730,000	99.64%	33,606,918
Unit School District Number 427	61,481,961	0.40%	243,380
Total schools			481,262,926
OTHERS			
Counties and large units			
Kane County	22,100,000	55.43%	12,249,872
Kane County Forest Preserve District	133,215,000	55.43%	73,840,123
Cook County	2,803,851,750	1.44%	40,349,421
Cook County Forest Preserve District	131,815,000	1.44%	1,896,912
Metropolitan Water Reclamation District	2,274,859,669	1.18%	26,842,408
DuPage County	127,985,000	3.23%	4,130,912
DuPage County Forest Preserve District	93,615,000	3.23%	3,021,568
DuPage Water Commission	-	1.14%	-
Total counties and large units			162,331,216
Cities and Villages			
Village of Algonquin	3,885,000	27.51%	1,068,880
Village of Bartlett	40,555,000	100.00%	40,555,000
Village of Burlington	-	99.52%	-
Village of Campton Hills	-	6.05%	-
Campton Township	26,635,000	91.67%	24,415,544
Village of Carpentersville	35,164,000	86.83%	30,531,390
Village of East Dundee	1,159,500	100.00%	11,595,000
City of Elgin	69,755,000	100.00%	69,755,000
Village of Gilberts	440,000	98.75%	434,502
Village of Hampshire	1,840,000	100.00%	1,840,000
Village of Hanover Park	13,884,000	37.34%	5,184,148
Village of Hoffman Estates	93,510,000	17.50%	16,366,934
City of St. Charles	101,630,000	98.46%	100,068,990
Village of Schaumburg	286,055,000	3.34%	9,547,871
Village of South Elgin	24,340,000	100.00%	24,340,000
Village of South Barrington	-	6.93%	-
Village of Streamwood	19,360,000	99.81%	19,322,600
City of West Chicago	-	17.70%	-
Village of West Dundee	6,655,000	98.14%	6,531,005
Total cities and villages			361,556,864

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

DEBT CAPACITY
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT (Continued)

June 30,2020

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Government	Government's Share of Debt
OTHERS (Continued)			
Library Districts			
Algonquin Public Library District	$ -	2.79%	$ -
Barrington Public Library District	-	1.85%	-
Bartlett Public Library District	-	100.00%	-
Gail Borden Public Library	5,015,000	100.00%	5,015,000
Huntley Public Library District	12,245,000	2.68%	363,049
Poplar Creek Library District	12,065,000	82.08%	9,684,284
Schaumburg Public Library District	-	2.33%	-
Town and Country Public Library District	-	24.72%	-
West Chicago Public Library District	-	7.12%	-
Park Districts			
Bartlett Park District	20,260,000	100.00%	20,260,000
Carol Stream Park District	44,876,970	7.28%	3,390,678
Dundee Township Park District	15,581,000	95.74%	14,917,210
Hampshire Park District	2,030,000	100.00%	2,030,000
Hanover Park Park District	13,884,000	41.29%	5,631,149
Hoffman Estates Park District	64,800,000	18.61%	12,218,141
Huntley Park District	2,405,000	1.75%	48,398
Schaumburg Park District	2,425,000	3.07%	81,635
South Barrington Park District	5,830,000	4.22%	273,094
St. Charles Park District	20,600,000	99.84%	20,565,970
Streamwood Park District	1,595,000	95.10%	1,520,971
West Chicago Park District	24,650,000	15.06%	3,651,812
West Chicago Fire Protection District	6,315,000	19.80%	1,229,705
Special Service Areas			
Carpentersville Special Service Area Numbers 6, 7, 10, 11 and 17	-	100.00%	-
Gilberts Special Service Area Number 10	13,161,000	100.00%	13,161,000
Gilberts Special Service Area Number 19	-	100.00%	-
Hanover Park Special Service Area Number 2	-	100.00%	-
Hampshire Special Service Area Number 9	460,000	100.00%	460,000
Pingree Grove Special Service Area Number 1	-	100.00%	-
St. Charles TIF 2	-	100.00%	-
Streamwood Special Service Area Number 3	-	100.00%	-
West Chicago Special Service Area Number 2	-	28.27%	-
Total others			114,502,096
Total schools, counties, cities and villages			1,005,151,006
TOTAL DIRECT AND OVERLAPPING DEBT			$ 1,119,653,102

Data Sources

District records and Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties
Overlapping debt percentages based on 2019 EAV for Kane, Cook and DuPage Counties, the latest information available.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

DEBT CAPACITY
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 (1)	Legal Debt Margin	Net Debt Applicable to Debt Limit as a Percentage of Debt Limit
2020	$ 12,669,584,721	2.875%	$ 364,250,561	$ 165,584,222	$ 198,666,339	45.46%
2019	12,229,482,842	2.875%	351,597,632	170,648,453	180,949,179	48.54%
2018	11,777,329,171	2.875%	338,598,214	175,826,341	162,771,873	51.93%
2017	11,221,103,941	2.875%	322,606,738	180,481,188	142,125,550	55.94%
2016	10,325,972,629	2.875%	296,871,713	185,049,198	111,822,515	62.33%
2015	10,026,440,546	2.875%	288,260,166	191,609,968	98,979,311	65.66%
2014	10,185,173,177	2.875%	292,823,729	198,547,590	96,850,318	66.93%
2013	11,143,211,646	2.875%	320,367,335	204,489,519	118,604,024	62.98%
2012	12,468,311,880	2.875%	358,463,967	159,504,345	198,959,622	44.50%
2011	13,451,233,701	2.875%	386,689,821	176,039,262	210,650,559	45.52%

Data Sources

District records and Offices of the County Clerks for Kane, McHenry, DuPage, Cook and DeKalb Counties

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION
PERSONAL INCOME PER CAPITA

Last Ten Fiscal Years

Fiscal Year	Population (Estimate)	Personal Income (1)	Per Capita Personal Income	Unemployment Rate (2)(3)
2020	487,838	$ 18,223,536,635	$ 37,356	6.1%
2019	478,272	17,692,754,015	36,993	3.8%
2018	468,894	17,177,431,082	36,634	4.6%
2017	459,700	16,677,117,556	36,278	4.8%
2016	450,687	16,191,376,268	35,926	5.2%
2015	441,850	15,719,782,784	32,236	5.5%
2014	433,186	15,261,925,033	31,923	6.6%
2013	429,981	14,817,402,945	31,614	9.8%
2012	426,733	14,385,828,102	31,307	8.7%
2011	423,097	13,966,823,400	31,003	10.2%

(1) Personal income level is based on the 2010 Census for 2010 and estimated going forward.

(2) Population estimate is based on the American Community Survey data.

(3) The unemployment rate is based on Kane County in the Current Monthly Unemployment Rates for the State, Metro Areas, Counties and Cities table. Kane County represents the majority county in District 509.

Data Sources

Illinois Department of Employment Security
Census Bureau

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION
PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

2020

Employer	Rank	Estimated Employees
Northwest Community Hospital	1	4,000
Transform Holdco, LLC	2	3,200
Allied Building Products, Corp.	3	3,000
Zurich North American Commercial	4	2,500
Advocate Sherman Hospital	5	2,200
St. Alexius Medical Center	6	2,045
Nation Pizza Products LP	7	2,000
North Grumman Corp.	8	1,900
Motorola Solutions, Inc.	9	1,600
HSBC Finance Corp.	10	1,500
Amita Health St. Joseph Hospital	11	1,300
John B. Sanfilippo & Son, Inc.	12	1,200
Clearbrook	13	1,000
Arthur J. Gallagher & Co.	14	825
OptumRx, Inc.	15	800
Paylocity Corporation	16	800
LSI	17	700
American NTN Bearing Mfg. Corp.	18	675
Gallagher-Bassett Services, Inc.	19	675
Capsonic Group, LLC	20	600
CDK Global	21	600
Experian Information Solutions, Inc.	22	600

2010

Employer	Rank	Estimated Employees
Sears Holding Corp	1	4,800
Unit School District Number 46	2	4,170
Northwest Community Healthcare	3	4,000
AT&T Services, Inc.	4	3,000
Zurich North America Commercial	5	2,690
Chase	6	2,500
Motorola, Inc.	7	2,145
St Alexius Medical Center	8	2,045
Level3 Communications, Inc.	9	2,000
Sherman Hospital	10	2,000
Northrop Grumman Corporation	11	2,000
Experian Information Solutions, Inc.	12	1,500
Elgin Mental Health Center	13	1,300
Provena St. Joseph Hospital	14	1,300
Elgin Riverboat Resort	15	1,200
John B. Sanfilippo & Son, Inc.	16	1,100
Paddock Publications, Inc.	17	850

Data Source

2020 Illinois Manufacturers Directory, 2020 Illinois Services Directory and a selected telephone survey.

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION
STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Baccalaureate	Business Occupational	Technical Occupational	Health Occupational	Remedial Development	Adult Basic Secondary Education	Total Claimed Credit Hours
2020	108,830	9,100	14,954	10,858	11,536	18,683	173,961
2019	105,209	8,863	14,850	10,943	12,297	20,192	172,354
2018	108,356	8,524	14,912	10,761	12,972	21,101	176,626
2017	108,930	8,913	14,237	10,657	14,709	21,974	179,420
2016	111,979	11,333	16,132	11,945	15,481	22,575	189,445
2015	112,957	12,203	17,198	12,040	16,826	24,605	195,829
2014	115,845	12,900	18,953	12,196	17,271	20,143	197,308
2013	117,315	13,074	19,588	12,698	18,573	26,153	207,401
2012	119,163	14,877	21,055	13,468	20,142	26,204	214,909
2011	118,824	15,722	21,573	15,158	20,480	24,360	216,117

Data Source

District records

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

OPERATING INFORMATION
FULL-TIME EQUIVALENT EMPLOYEES AND EMPLOYEE HEADCOUNT BY EMPLOYEE GROUP

Last Ten Fiscal Years

Employee Group	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Faculty										
Full-time FTE	129	122	136	133	135	133	132	130	132	134
Part-time FTE	184	182	181	173	195	205	219	209	200	198
Total FTE	313	304	317	306	330	338	351	339	332	332
Headcount	539	524	510	530	577	601	615	598	620	608
Administrators										
Full-time FTE	54	48	46	47	45	44	43	43	40	33
Part-time FTE	0	0	0	0	0	0	0	0	0	0
Total FTE	54	48	46	47	45	44	43	43	40	33
Headcount	54	48	46	47	45	44	43	43	40	33
Nonteaching Professional Staff										
Full-time FTE	178	181	182	191	194	189	166	171	180	193
Part-time FTE	30	26	30	41	48	48	51	49	51	76
Total FTE	208	207	212	232	242	237	217	220	231	269
Headcount	264	255	252	281	289	285	267	269	282	345
Classified Staff										
Full-time FTE	106	103	108	101	107	102	112	107	111	110
Part-time FTE	62	58	65	62	63	69	75	69	66	65
Total FTE	168	161	173	163	170	171	187	176	177	175
Headcount	228	223	228	206	233	239	261	244	242	239

Notes
The above statistics reflect employment numbers for the fall semester of the year listed as reported to the ICCB in our annual salary submission.
The District reclassified its tutors in 2012. Tutors are now considered contingent employees and are no longer included in this report.

Data Source

ICCB C1/C2 submissions

ELGIN COMMUNITY COLLEGE
COLLEGE DISTRICT 509
ELGIN, ILLINOIS

OPERATING INFORMATION
DEGREES AND CERTIFICATES AWARDED

Last Ten Fiscal Years

Degrees and Certificates Awarded	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
General studies degrees										
Associate degrees										
Arts	581	592	612	543	522	529	466	524	496	393
Sciences	167	149	153	182	256	231	196	197	145	136
Engineering science	27	20	26	29	26	19	14	14	15	2
Fine arts	4	4	2	2	5	9	11	7	3	1
Liberal studies and general education	23	14	17	20	23	42	41	43	75	62
Occupational degrees										
Associate degree in applied science	297	324	326	360	384	369	359	387	411	344
Occupational certificates										
One year or more	126	146	177	178	321	299	286	292	329	307
Less than one year	917	953	863	739	819	1,087	880	1,019	1,028	977
General Education core Curriculum Credential	794	-	-	-	-	-	-	-	-	-
TOTAL DEGREES AND CERTIFICATES AWARDED	2,936	2,202	2,176	2,053	2,356	2,585	2,253	2,483	2,502	2,222

Data Source

District records

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

OPERATING INFORMATION
CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Main Campus										
Size of campus in acres	211.5	211.5	211.5	211.5	211.5	211.5	211.5	168.5	181.5	174.4
Number of buildings	18	18	18	18	18	18	18	18	18	18
Gross square footage	1,121,671	1,121,671	1,121,671	1,121,671	1,121,671	1,121,671	1,121,671	1,122,508	1093083	1090908
Number of parking lots	18	18	18	18	18	18	18	18	16	18
Number of parking spaces	4,350	4,350	4,350	4,349	4,349	4,337	4,337	4,326	4,000	4,085
Burlington Facility										
Size of facility in acres	119.7	119.7	119.7	119.7	119.7	0	0	0	0	0
Number of buildings	4	4	4	4	4	0	0	0	0	0
Number of rooms	80	80	80	80	80	0	0	0	0	0
Gross square footage	37,622	37,622	37,622	37,622	37,622	0	0	0	0	0
Number of parking lots	3	3	3	3	3	0	0	0	0	0
Number of parking spaces	233	233	233	233	233	0	0	0	0	0
Fountain Square Campus										
Size of campus	0	0	0	0	0	0	0	0	0	0
Number of buildings	0	0	0	0	0	0	0	0	0	0
Number of rooms	0	0	0	0	0	0	0	0	0	0
Gross square footage	0	0	0	0	0	0	0	0	0	0
Number of parking lots	0	0	0	0	0	0	0	0	0	0
Number of parking spaces	0	0	0	0	0	0	0	0	0	0
Hanover Park Education and Work Center										
Number of buildings	1	1	1	1	1	1	1	0	0	0
Number of rooms	16	16	16	16	16	16	16	0	0	0
Gross square footage	10,848	10,848	10,848	10,848	10,848	9,274	9,274	0	0	0
Municipal parking lots	1	1	1	1	1	0	0	0	0	0
Streamwood Village Hall Campus										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Number of rooms	3	3	3	3	3	3	3	3	3	3
Gross square footage	3,224	3,224	3,224	3,224	3,224	3,224	3,224	3,224	3,234	3,234
Municipal parking lots	2	2	2	2	2	2	2	2	2	2

Data Source

District records

SPECIAL REPORTS

SUPPLEMENTAL FINANCIAL INFORMATION

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

CERTIFICATE OF CHARGEBACK REIMBURSEMENT

For the Fiscal Year Ended June 30, 2020

ALL NONCAPITAL AUDITED OPERATING EXPENDITURES FOR FISCAL YEAR 2020 FROM ALL REVENUE SOURCES		
Education fund	$	55,970,595
Operations and maintenance fund		10,657,125
Bond and interest fund		-
Restricted purposes fund		1,110,261
Federal financial aid fund		14,710,880
Federal grants fund		4,310,685
Audit fund		109,505
Liability, protection and settlement fund		1,753,684
Auxiliary enterprises fund (subsidy only)		1,632,243
Total noncapital audited operating expenditures		90,254,978
Plus depreciation on capital outlay expenditures (equipment, buildings and fixed equipment) paid from sources other than state and federal funds		8,731,667
Equals total costs included	$	98,986,645
TOTAL CERTIFIED SEMESTER CREDIT HOURS		173,961.0
PER CAPITA COST	$	569.02

(This schedule is continued on the following page.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

CERTIFICATE OF CHARGEBACK REIMBURSEMENT (Continued)

For the Fiscal Year Ended June 30, 2020

All fiscal year 2020 state and federal operating grants for noncapital expenditures, except ICCB grants	$ 17,817,837
Fiscal year 2020 state and federal grants per semester credit hour	102.42
District's average ICCB grant rate for fiscal year 2021	34.86
District's student tuition and fee rate per semester credit hour for fiscal year 2021	132.00
EQUALS CHARGEBACK REIMBURSEMENT PER SEMESTER CREDIT HOUR	$ 299.74

(See independent auditor's report.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT

June 30, 2020

CSFA Number	**Program Name**	**State**	**Federal**	**Other**	**Total**
420-30-0082	Apprenticeship Expansion Program	$ -	$ -	$ -	$ -
420-35-0083	Small Business Development Centers	-	9,320	6,479	15,799
601-00-1591	Nurse Educator Fellowship Program	10,000	-	-	10,000
684-00-0465	Career and Technical Education - Basic Grants to States	-	433,508	-	433,508
684-00-2333	Transitional Instruction Math and English Pilot Grant	8,399	-	-	8,399
684-01-1625	Adult Education - Basic Grants to States - Federal and State Funding Combined	703,393	636,330	-	1,339,723
	Other grant programs and activities	-	17,983,783	422,543	18,406,326
	All other costs not allocated	-	-	126,174,674	126,174,674
	TOTALS	$ 721,792	$ 19,062,941	$ 126,603,696	$ 146,388,429

UNIFORM FINANCIAL STATEMENTS

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
FISCAL YEAR ENDED JUNE 30, 2020

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprise Funds	Restricted Purposes Fund	Federal Financial Aid Fund	Working Cash Fund
FUND BALANCES, JULY 1, 2019	$ 68,350,801	$ 15,458,565	$ 21,535,233	$ 4,569,440	$ 12,027,362	$ 2,343,908	$ -	$ 4,542,414
REVENUES								
Local tax revenue	38,920,754	11,522,882	-	12,947,670	-	-	-	-
All other local revenue	-	-	-	-	-	1,580	-	-
ICCB grants	5,936,265	-	-	-	-	711,793	-	-
All other state revenue	-	-	-	-	-	37,959,316	-	-
Federal revenue	-	-	1,373,639	198,755	-	1,300	14,710,880	-
Student tuition and fees	25,371,421	-	-	-	197,964	-	-	-
All other revenue	3,302,079	215,326	-	325,782	4,603,735	395,588	-	96,974
Total revenues	73,530,519	11,738,208	1,373,639	13,472,207	4,801,699	39,069,577	14,710,880	96,974
EXPENDITURES								
Instruction	30,097,878	-	-	-	-	20,552,582	-	-
Academic support	8,334,188	-	-	-	-	4,589,525	-	-
Student services	5,100,053	-	-	-	1,275,254	3,339,413	192,207	-
Public service/continuing education	440,045	-	-	-	-	503,940	-	-
Auxiliary services	-	-	-	-	6,220,977	(29,745)	-	-
Operations and maintenance	-	9,819,385	-	-	-	3,702,516	-	-
Institutional support	14,108,035	1,006,071	920,968	13,199,716	-	6,239,725	-	-
Scholarships, grants and waivers	-	-	-	-	-	171,621	14,518,673	-
Total expenditures	58,080,199	10,825,456	920,968	13,199,716	7,496,231	39,069,577	14,710,880	-
NET TRANSFERS	(18,453,827)	-	10,600,000	-	7,853,827	-	-	-
FUND BALANCES, JUNE 30, 2020	$ 65,347,294	$ 16,371,317	$ 32,587,904	$ 4,841,931	$ 17,186,657	$ 2,343,908	$ -	$ 4,639,388

(This statement is continued on the following page.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1 (Continued)
FISCAL YEAR ENDED JUNE 30, 2020

	Audit Fund	Liability, Protection Settlement Fund	Building Bond Proceeds Fund	Federal Grants Fund	Total
FUND BALANCES, JULY 1, 2019	$ 169,567	$ 5,319,885	$ 1,237,908	$ -	$ 135,555,083
REVENUES					
Local tax revenue	117,952	1,174,172	-	-	64,683,430
All other local revenue	-	6,957	-	-	8,537
ICCB grants	-	-	-	-	6,648,058
All other state revenue	-	-	-	-	37,959,316
Federal revenue	-	-	-	4,322,935	20,607,509
Student tuition and fees	-	-	-	-	25,569,385
All other revenue	-	-	13,845	-	8,953,329
Total revenues	117,952	1,181,129	13,845	4,322,935	164,429,564
EXPENDITURES					
Instruction	-	-	-	3,705,930	54,356,390
Academic support	-	-	-	-	12,923,713
Student services	-	-	-	541,005	10,447,932
Public service/continuing education	-	-	-	12,981	956,966
Auxiliary services	-	-	-	-	6,191,232
Operations and maintenance	-	613,107	-	-	14,135,008
Institutional support	109,505	1,140,577	1,251,753	-	37,976,350
Scholarships, grants, waivers	-	-	-	63,019	14,753,313
Total expenditures	109,505	1,753,684	1,251,753	4,322,935	151,740,904
NET TRANSFERS	-	-	-	-	-
FUND BALANCES, JUNE 30, 2020	$ 178,014	$ 4,747,330	$ -	$ -	$ 148,243,743

(See independent auditor's report.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

SUMMARY OF CAPITAL ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2
FISCAL YEAR ENDED JUNE 30, 2020

	Fixed Asset/Debt Account Groups June 30, 2019	Additions	Deletions	Fixed Asset/Debt Account Groups June 30, 2020
CAPITAL ASSETS				
Sites and improvements	$ 44,356,428	$ 38,585	$ -	$ 44,395,013
Buildings, additions and improvements	241,998,291	3,393,291	(1,300,401)	244,091,181
Equipment	14,784,033	2,437,740	(1,351,345)	15,870,428
Other capital assets	283,243	-	-	283,243
Accumulated depreciation	112,681,864	8,832,029	(1,524,549)	119,989,344
TOTAL CAPITAL ASSETS	$ 188,740,131	$ (2,962,413)	$ (1,127,197)	$ 184,650,521
FIXED LIABILITIES				
Bonds payable	$ 169,220,622	$ 38,621,758	$ (45,420,000)	$ 162,422,380
OPEB Liability	41,480,897	-	(504,932)	40,975,965
Other fixed liabilities	-	-	-	-
TOTAL FIXED LIABILITIES	$ 210,701,519	$ 38,621,758	$ (45,924,932)	$ 203,398,345

	Outstanding July 1, 2019	Issued	Redeemed	Outstanding June 30, 2020
EDUCATION FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
OPERATIONS AND MAINTENANCE FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
BOND AND INTEREST FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
AUDIT FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-
LIABILITY, PROTECTION AND SETTLEMENT FUND				
Tax anticipation warrants	-	-	-	-
Tax anticipation notes	-	-	-	-

(See independent auditor's report.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2020

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local government			
Local taxes	$ 38,243,284	$ 11,522,882	$ 49,766,166
Chargeback revenue	-	-	-
Corporate Personal Property replacement tax	677,470	-	677,470
Other	-	-	-
Total local government	38,920,754	11,522,882	50,443,636
State government			
ICCB base operating grants	5,448,645	-	5,448,645
ICCB equalization grants	50,000	-	50,000
ICCB career & technical education	437,620	-	437,620
ICCB adult education	-	-	-
Other ICCB grants not listed above	-	-	-
Department of Corrections	-	-	-
Dept. of Veteran Affairs	-	-	-
Illinois Student Assistance Commission	-	-	-
Other (include other ICCB grants not above)	-	-	-
Total state government	5,936,265	-	5,936,265
Federal government			
Department of Education	-	-	-
Department of Labor	-	-	-
Department of Health and Human Services	-	-	-
Other	-	-	-
Total federal government	-	-	-
Student tuition and fees			
Tuition	21,471,258	-	21,471,258
Fees	3,900,163	-	3,900,163
Other student assessments	-	-	-
Total student tuition and fees	25,371,421	-	25,371,421
Other sources			
Sales and service fees	-	-	-
Facilities revenue	-	-	-
Investment revenue	2,453,046	-	2,453,046
Nongovernmental grants	-	-	-
Other	849,033	215,326	1,064,359
Total other sources	3,302,079	215,326	3,517,405
Total revenues	73,530,519	11,738,208	85,268,727
Less non-operating items			
Tuition chargeback revenue	-	-	-
Instructional service contracts	-	-	-
ADJUSTED REVENUE	$ 73,530,519	$ 11,738,208	$ 85,268,727

(This statement is continued on the following page.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3 (Continued)
FISCAL YEAR ENDED JUNE 30, 2020

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	$ 30,097,878	$ -	$ 30,097,878
Academic support	8,334,188	-	8,334,188
Student services	5,100,053	-	5,100,053
Public service/continuing education	440,045	-	440,045
Organized research	-	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	9,819,385	9,819,385
Institutional support	14,108,035	1,006,071	15,114,106
Scholarships, student grants, waivers	-	-	-
Total expenditures	58,080,199	10,825,456	68,905,655
Less non-operating items			
Tuition chargeback	-	-	-
Instructional service contracts	-	-	-
Transfers	18,453,827	-	18,453,827
ADJUSTED EXPENDITURES	$ 76,534,026	$ 10,825,456	$ 87,359,482
BY OBJECT			
Salaries	$ 42,640,655	$ 4,833,967	$ 47,474,622
Employee benefits	7,640,930	1,073,395	8,714,325
Contractual services	2,581,693	691,459	3,273,152
General materials and supplies	3,171,604	605,440	3,777,044
Library materials**	2,326	-	2,326
Conference and meeting expenses	471,250	7,390	478,640
Fixed charges	162,313	533,652	695,965
Utilities	1,501	2,433,914	2,435,415
Capital outlay	1,115,652	646,287	1,761,939
Other	294,601	(48)	294,553
Student grants and scholarships**	12,419	-	12,419
Total expenditures	58,080,199	10,825,456	68,905,655
Less non-operating items			
Tuition chargeback	-	-	-
Instructional service contracts	-	-	-
Transfers	18,453,827	-	18,453,827
ADJUSTED EXPENDITURES	$ 76,534,026	$ 10,825,456	$ 87,359,482

**Non add line

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

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
FISCAL YEAR ENDED JUNE 30, 2020

REVENUES BY SOURCE

Total local government	$ 1,580
State government	
ICCB - Student Success Grant	-
ICCB - Retirees Health Insurance Grant	-
ICCB - Special Initiatives Grants	-
ICCB - Program Improvement Grant	-
ICCB - Adult Education	703,394
ICCB - Other	-
Dept. of Corrections	-
Illinois Student Assistance Commission	-
Other (attach itemization)	37,967,715
Total state government	38,671,109
Federal government	
Department of Education	18,430,656
Department of Labor	593,839
Department of Health and Human Services	-
Other	10,620
Total federal government	19,035,115
Other sources	
Tuition and fees	-
Other	395,588
Total other sources	395,588
TOTAL RESTRICTED PURPOSES FUND REVENUES	$ 58,103,392

(This statement is continued on the following page.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4 (Continued)
FISCAL YEAR ENDED JUNE 30, 2020

EXPENDITURES BY PROGRAM	
Instruction	$ 24,258,512
Academic support	4,589,525
Student services	4,072,625
Public service/continuing education	516,921
Organized research	-
Auxiliary services	(29,745)
Operations and maintenance	3,702,516
Institutional support	6,239,725
Scholarships, grants, waivers	14,753,313
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	$ 58,103,392
EXPENDITURES BY OBJECT	
Salaries	$ 3,429,295
Employee benefits	541,409
Contractual services	215,334
Student financial aid	-
General materials and supplies	343,739
*Library materials	-
Travel and conference/meeting expenses	265,666
Fixed charges	118,703
Utilities	25,988
Capital outlay	325,614
SURS/OPEB expense	37,959,316
Other	14,878,328
*Scholarships, grants, waivers	14,753,313
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	$ 58,103,392

* Non add line

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

CURRENT FUNDS - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
FISCAL YEAR ENDED JUNE 30, 2020

INSTRUCTION	
Instructional programs	$ 49,541,969
Other	1,108,491
Total instruction	50,650,460
ACADEMIC SUPPORT	
Library Center	1,829,612
Instructional Materials Center	655,753
Educational Media Services	1,405,742
Academic computing support	-
Academic administration and planning	4,354,353
Other	4,678,253
Total academic support	12,923,713
STUDENT SERVICES SUPPORT	
Admissions and records	1,108,707
Counseling and career guidance	1,452,464
Financial aid administration	730,186
Administration	749,883
Social and cultural development	1,898,513
Other	3,774,967
Total student services support	9,714,720
PUBLIC SERVICE/CONTINUING EDUCATION	
Community education	7,997
Customized training (instructional)	-
Community services	450,845
Other	485,143
Total public service/continuing education	943,985
ORGANIZED RESEARCH	-
AUXILIARY SERVICES	6,191,232

(This statement is continued on the following page.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

CURRENT FUNDS - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5 (Continued)
FISCAL YEAR ENDED JUNE 30, 2020

OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	$ 2,241,791
Custodial services	2,562,485
Grounds	887,660
Campus security	1,661,185
Transportation	-
Utilities	2,603,305
Administration	627,577
Other	3,551,005
Total operations and maintenance of plant	14,135,008
INSTITUTIONAL SUPPORT	
Executive management	1,766,586
Fiscal operations	1,180,305
Community relations	675,841
Administrative support services	6,157,339
Board of trustees	58,585
General institution	3,005,158
Institutional research	333,678
Administrative data processing	2,520,933
Other	6,905,488
Total institutional support	22,603,913
SCHOLARSHIPS, STUDENT GRANTS AND WAIVERS	171,621
TOTAL CURRENT FUNDS EXPENDITURES	$ 117,334,652

(See independent auditor's report.)

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Elgin Community College
District Number 509
Elgin, Illinois

We have audited the accompanying balance sheet of Elgin Community College District Number 509's (the District) State Adult Education and Family Literacy Grant Program as of June 30, 2020, and the related statements of revenues, expenditures and changes in fund balance for the year then ended and the notes to financial statements - state grants programs.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the District's management. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidelines of the Illinois Community College Board *Fiscal Management Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We also reviewed the compliance with the provisions of the agreement between the District and the Illinois Community College Board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Elgin Community College District Number 509's State Adult Education and Family Literacy Grant Program of Elgin Community College District Number 509 as of June 30, 2020, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying balance sheet and statement of revenues, expenditures, and changes in fund balances were prepared for the purpose of complying with the terms of the ICCB Grants and are not intended to be a complete presentation of the District's revenue and expenditures in conformity with accounting principles generally accepted in the United States of America. Our opinion was not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the balance sheet of the State Adult Education and Family Literacy Grant Program as of June 30, 2020 and the related statement of revenues, expenditures and changes in fund balance for the year then ended. The schedule of expenditure amounts and percentages for ICCB Grant Funds Only is presented for purposes of additional analysis and is not a required part of these financial statements. The schedule of expenditure amounts and percentages for ICCB Grant Funds Only is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare these financial statements. The information has been subjected to the auditing procedures applied in the audit of these financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to these financial statements as a whole.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the terms, covenants, provisions or conditions of the agreements, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced terms, covenants, provisions or conditions of the agreements, insofar as they relate to accounting matters.

Sikich LLP

Naperville, Illinois
November 23, 2020

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

STATE ADULT EDUCATION AND FAMILY
LITERACY RESTRICTED GRANT PROGRAM
BALANCE SHEET

June 30, 2020

	State Basic	State Performance	Total
ASSETS			
Cash and cash equivalents	$ 120,870	$ 179,025	$ 299,895
TOTAL ASSETS	$ 120,870	$ 179,025	$ 299,895
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Deferred revenue	$ 120,870	$ 179,025	$ 299,895
Total liabilities	120,870	179,025	299,895
FUND BALANCES			
None	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 120,870	$ 179,025	$ 299,895

(See independent auditor's report.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

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

For the Year Ended June 30, 2020

	State Basic	State Performance	Total
REVENUES			
State sources	$ 585,941	$ 117,453	$ 703,394
Total revenues	585,941	117,453	703,394
EXPENDITURES			
Instructional and student services			
Instruction	558,039	89,470	647,509
Guidance services	-	-	-
Social work services	-	4,319	4,319
Total instructional and student services	558,039	93,789	651,828
Program support			
Improvement of instructional services	-	20,396	20,396
General administration	-	1,500	1,500
Workforce coordination	-	-	-
Facility charges	27,902	1,768	29,670
Total program support	27,902	23,664	51,566
Total expenditures	585,941	117,453	703,394
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, JULY 1, 2019	-	-	-
FUND BALANCE, JUNE 30, 2020	$ -	$ -	$ -

(See independent auditor's report.)

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

STATE ADULT EDUCATION AND FAMILY
LITERACY RESTRICTED GRANT PROGRAM
SCHEDULE OF EXPENDITURE AMOUNTS AND
PERCENTAGES FOR ICCB GRANT FUNDS ONLY

For the Year Ended June 30, 2020

	Audited Expenditure Amount	Audited Expenditure Percentage
STATE BASIC		
Instruction (45% minimum required)	$ 558,039	95%
General administration (9% maximum allowed)	27,902	5%

(See independent auditor's report.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Elgin Community College District Number 509 (the District) conform to accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board. The following is a summary of the more significant accounting policies:

a. General

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

b. Basis of Accounting

The statements have been prepared on the accrual basis of accounting and the current financial resources measurement focus. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2020. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, if any, are recorded as restricted fund balances.

c. Capital Assets

Capital asset purchases are recorded as expenditures - capital outlay and are capitalized in the basic financial statements.

2. PAYMENTS OF PRIOR YEAR'S ENCUMBRANCES

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

3. BACKGROUND INFORMATION ON STATE GRANT ACTIVITY

a. Unrestricted Grants

Base Operating Grants

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

3. BACKGROUND INFORMATION ON STATE GRANT ACTIVITY (Continued)

b. Restricted Adult Education Grants/State

State Basic

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

Performance

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

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

Members of the Board of Trustees
Elgin Community College
District Number 509
Elgin, Illinois

We have examined management of Elgin Community College District Number 509's (the District) assertion that the District complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of Elgin Community College during the period July 1, 2019 through June 30, 2020. The District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the District's compliance with the specified requirements based on our examination.

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

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

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

Sikich LLP

Naperville, Illinois
November 23, 2020

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

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

For the Year Ended June 30, 2020

	Total Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
CATEGORIES								
Baccalaureate	13,317.0	-	49,629.5	43.0	45,829.5	11.0	108,776.0	54.0
Business occupational	655.0	-	4,594.0	-	3,851.0	-	9,100.0	-
Technical occupational	868.0	-	7,175.0	-	6,911.0	-	14,954.0	-
Health occupational	955.5	-	5,107.5	-	4,795.5	-	10,858.5	-
Remedial developmental	959.0	-	6,213.0	-	4,364.0	-	11,536.0	-
Adult basic education/adult secondary education	-	4,697.0	604.0	6,576.5	524.0	6,281.0	1,128.0	17,554.5
TOTAL CREDIT HOURS VERIFIED	16,754.5	4,697.0	73,323.0	6,619.5	66,275.0	6,292.0	156,352.5	17,608.5

	In-District	Chargeback/ Contractual Agreement	Total
Reimbursable semester credit hours	166,998.5	2,997.0	169,995.5

	Dual Credit	Dual Enrollment	Total
Reimbursable semester credit hours	5,578.0	3,040.0	8,618.0

The District requires that all credit students provide documentation to verify their permanent residence.
This information is used to determine their residency for both tuition calculation and submission of reports for state funding purposes.
In order to prove residency, a student must submit, to either the Office of Admissions or the Registration and Records Office, the following documentation:

- A valid Illinois driver's license or a pre-printed renewal application
- An Illinois state identification card
- Two current bank statements or utility bills addressed to the student
- An in-district high school transcript issued within the last two years

A student must reside within the district for at least 30 days prior to the start of semester classes in order to meet the residency requirements.
A student may also qualify for in-district tuition rates if he/she is employed full-time at a company within the district and utilizing the Business Education Service Contract.

DISTRICT'S 2019 EQUALIZED ASSESSED VALUATION $ 12,669,584,721

ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS

For the Year Ended June 30, 2020

	Total Unrestricted Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	108,776.0	108,776.0	-	54.0	54.0	-
Business occupational	9,100.0	9,100.0	-	-	-	-
Technical occupational	14,954.0	14,954.0	-	-	-	-
Health occupational	10,858.5	10,858.5	-	-	-	-
Remedial developmental	11,536.0	11,536.0	-	-	-	-
Adult basic education/adult secondary education	1,128.0	1,128.0	-	17,554.5	17,554.5	-
TOTAL	156,352.5	156,352.5	-	17,608.5	17,608.5	-

	Total Attending	Total Attending Certified to the ICCB	Difference
In-District Residents	166,998.5	166,998.5	-
Chargeback/Contractual Agreement	2,997.0	2,997.0	-

	Total Reimbursable	Total Reimbursable Certified to the ICCB	Difference
Dual Credit	5,578.0	5,578.0	-
Dual Enrollment	3,040.0	3,040.0	-

(See independent auditor's report.)

APPENDIX B-1

PROPOSED FORM OF OPINION OF BOND COUNSEL

[2021A BONDS]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Community College District No. 509
Counties of Kane, Cook, DuPage, McHenry and
DeKalb and State of Illinois

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Trustees of Community College District No. 509, Counties of Kane, Cook, DuPage, McHenry and DeKalb and State of Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered Taxable General Obligation Refunding Bonds, Series 2021A (the *"Bonds"*), to the amount of $__________, dated ____________, 2020, due serially on December 15 of the years and in the amounts and bearing interest as follows:

2021	$	%
2022		%
2023		%
2024		%
2025		%
2026		%
2027		%
2028		%
2029		%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that under present law, interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their own tax advisors concerning tax consequences of ownership of the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX B-2

PROPOSED FORM OF OPINION OF BOND COUNSEL

[2021B BONDS]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Community College District No. 509
Counties of Kane, Cook, DuPage, McHenry and
DeKalb and State of Illinois

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Trustees of Community College District No. 509, Counties of Kane, Cook, DuPage, McHenry and DeKalb and State of Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation Refunding Bonds, Series 2021B (the *"Bonds"*), to the amount of $__________, dated ____________, 2020, due serially on December 15 of the years and in the amounts and bearing interest as follows:

2021	$	%
2022		%
2023		%
2024		%
2025		%
2026		%
2027		%
2028		%
2029		%
2030		%
2031		%
2032		%
2033		%
2034		%
2035		%

the Bonds due on or after December 15, 20__, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 15, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX C

PROPOSED FORM OF
CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this *"Agreement"*) is executed and delivered by Community College District No. 509, Counties of Kane, Cook, DuPage, McHenry and DeKalb and State of Illinois (the *"District"*), in connection with the issuance of $__________ Taxable General Obligation Refunding Bonds, Series 2021A (the *"2021A Bonds"*), and $________ General Obligation Refunding Bonds, Series 2021B (the *"2021B Bonds"*) (together, the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the District on the 10th day of November, 2020 (as supplemented by a notification of sale, the *"Resolution"*).

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means information of the type contained under the following headings and subheadings of, and in the following appendices to, the Official Statement:

THE DISTRICT

—Tuition

—District Enrollment and Student Body

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

—Direct General Obligation Bonds (Principal Only)

—Selected Financial Information (only as it relates to direct debt)

—Composition of EAV

—Trend of EAV

—Taxes Extended and Collected

—District Tax Rates by Purpose

WORKING CASH FUND—Working Cash Fund Summary

Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit C—General Fund Revenue Sources

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the District prepared pursuant to the principles and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Financial Obligation means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; *provided* that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Official Statement, dated _________, 2021, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The District will include CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the

notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the District has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other

regulatory authority shall approve or require changes to the requirements of the Rule, the District shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the District shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

COMMUNITY COLLEGE DISTRICT NO. 509,
COUNTIES OF KANE, COOK, DUPAGE,
MCHENRY AND DEKALB AND STATE OF
ILLINOIS

By ______________________________
Chair, Board of Trustees

Date: ________________, 2021

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ended June 30, 2020. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

EXHIBIT III
CUSIP NUMBERS

2021A BONDS

MATURITY (DECEMBER 15)	CUSIP NUMBER (483854)
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	

2021B BONDS

MATURITY (DECEMBER 15)	CUSIP NUMBER (483854)
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	