

30607
APPROVED – BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
OCTOBER 7, 2010

Finance Committee Report
September 2010 Board Meeting
Thursday, September 8, 2010

Good morning. I would like to start my remarks this morning discussing the Treasurer's monthly report contained in your orange board folder. The Treasurer prepares monthly revisions to the annual cash flow projections to help plan the financial activities of the District. The revisions will include receipts of money from grants applied for and disbursements of cash for capital projects and expenses related to new grants which are not in the initial projections. Highlights of changes in the months report:

TREASURY – The Treasury status report for this month's meeting includes the following:

Comparative schedule of Cash flow projections reported in the month of September of the prior and current fiscal years:

Cash-In - The District's incoming cash is projected to be \$433.5 million as of June 30, 2011 compared to \$360.3 million as of June 30, 2010. Detail sources as follows:

Source	FY 2010	FY 2011	CHANGE
Property Taxes	\$103,781,769	\$119,906,264	\$16,124,495
Tuition and Fees	61,374,878	82,123,769	20,748,891
Personal Property Replacement Tax	12,414,480	11,832,715	-581,765
State grants	88,627,575	97,896,422	9,268,847
Federal Draws	79,340,151	102,427,580	23,087,429
Interest Income	2,397,987	1,527,204	-870,783
Other Grants/Miscellaneous Funds	12,382,643	17,803,236	5,420,593
TOTAL CASH-IN	360,319,483	\$433,517,190	\$72,197,707

Cash Out - The District's outgoing cash forecasts are projected to be \$398.4 million as of June 30, 2011, compared to \$397.5 million as of June 30, 2010. Detail uses as follows:

Uses	FY 2010	FY 2011	CHANGE
Faculty and Staff Payroll	\$141,971,083	\$138,412,118	\$-3,558,965
Tuition Refunds	42,879,107	\$52,045,380	9,166,273
Accounts Payable/Misc	212,658,754	207,927,025	-4,731,729
Total Projected Cash Out	\$397,508,944	\$398,384,524	\$875,580

Cash Balance – The current investment policy requires a minimum cash balance of no less than three months' of expenditures or approximately \$87 million of non-scholarship operating expenses. The cash balance as of July 31, 2010 is \$132 million, down \$27 million from July's \$159 million end of month balance. The cash balance includes the depository and savings accounts, the Prime Funds and other short-term operating investments account balances.

Investing Activities – The following is the market value and the performance of investment portfolio as of July 31, 2010:

PFM Asset Management Portfolio	Market Value as of 7/31/10	Duration CCC/ Benchmark	July 2010 Periodic Return CCC/Benchmark
Working Cash Portfolio - Merrill Lynch 1-Year U.S. Treasury Index	\$62,400,545.96	0.86/ 0.91	0.141%/ 0.110%
Short-Term Operating portfolio - Merrill Lynch 3-Month U.S. Treasury Index	\$103,458,921.22	0.35/ 0.16	0.056%/ 0.018%

Truman Parking Project - NO Benchmark	\$16,405,432.97	0.35	0.037%
OPEB Portfolio - Merrill Lynch 3-Month U.S. Treasury Index	\$18,039,407.07	1.53/ 1.81	0.238%/ 0.260%
Capital Improvement Projects -Merrill Lynch 1-Year U.S. Treasury Index	\$21,004,824.25	0.56/ 0.91	0.034%/ 0.110%
Total PFM-Managed Investment Portfolios	\$221,309,131.47		

Overall, the portfolios are better or in line with the respective benchmarks. We continue to work with our investment advisor PFM and hold at least a monthly meetings to ensure that funds are invested in accordance with the investment policy and looking to gain competitive rates of returns with the primary goals of safety and liquidity.

Other Treasury Activities:

The Office of Finance is moving forward with the implementation of (1) the Chase Single Use Account Card that will allow transactions to settle on a one-time single use P-Card for non PO and PO transactions, after receipt, routing and approval of an invoice; (2) direct data transmissions for Positive Pay reconciliation purposes; (3) remove Chase ATM machines and installation of the U S Bank machines by the end of September; and (4) the Chase IDD check image scanner at Wright and Truman Colleges (Daley College is scheduled for implementation on August 31 and Kennedy King College on September 9th).

Status of the FY 2010 State Receivables:

As of August 31, 2010, there is \$8.6 million of grants receivables from the state of which \$8.6 million is more than 30 days overdue. This is down from \$13.8 million reported last month. The major outstanding account receivables include the following:

<u>State Program</u>	<u>August 2010</u>	<u>July 2010</u>
• Truants Alternative	\$ 643,572	\$ 643,572
• Adult Ed	\$ 2,781,570	\$ 2,781,570
• Additional Grant (Equalization)	\$ 3,750,000	\$ 7,500,000
• Alternative School Network	\$ 376,507	\$ 406,969
• WIA	\$ 331,334	\$ 421,354
• CYATC	\$ 69,381	\$ 138,762
• DHS	\$ 308,000	\$ 526,000
• Instituto	\$ 102,708	\$ 128,841
• State Pre-K	\$ 201,501	\$ 57,000
• Upward Mobility	\$ -0-	\$ 19,727
• Youth Connection	\$ 72,695	\$ -0-

CONTROLLER'S OFFICE - The Controller's report for this month's meeting includes the following:

General Accounting: Status of FY 2010 posting of transactions: student financial transactions, manual wire transfer journals, and zero balance account journals have been posted through June 2010; 99% of investment journals for the fiscal year have been posted

Status of FY 2010 General Ledger Account Reconciliations: Staff is reconciling accounts through June 30, 2010 as part of the year-end close process

Items in progress: Standardized accounting policies and procedures are being developed and documented; and PeopleSoft projects are proceeding, including: design and

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implementation of automatic bank reconciliations with Chase; restructuring of the commodity code table to align more closely with the District's purchasing behavior; redesign and reimplementation of the asset management module to improve the accuracy and efficiency of fixed assets tracking and management

Financial Reporting: Status of FY 2010 year-end close and audit: Compiled, analyzed and distributed weekly trial balances & preliminary financial statements thru June 30th for the Foundation, WYCC, and the District; Continued data collection for FY 2010 CAFR; Completed long-term liability calculations, including vacation and sick day accruals; reclassified investments from short to long-term; submitted data to actuary for calculation of OPEB and workers compensation liabilities; The final trial balance is due to the auditors October 18th

Status of WYCC audit: The executive director of WYCC is working on an analysis of expense variances between FY 2009 and FY 2010. This is the fourth consecutive year for this request.

Status of Foundation audit: The final trial balance for the Foundation will be passed to the auditors September 13th; The Foundation tax organizer should be complete by October 25th, and the IRS 990 tax forms completed and mailed in time to meet the November 15th state and federal filing deadlines

Status of ICCB reports: Prepared calculations and reviewed preliminary reports for the Unit Cost submission due to ICCB on September 1st. Submitted UFRS report on time

Items in progress: Gathering items in response to auditor requests on PBC (Prepared By Client) list. At the end of August, this is 34% complete, and should be 75% complete by September 13th; Analyzing accounts for fiscal year-end close and collecting data for CAFR (50% complete). Overall draft is 50% complete.

Grant Accounting: Prepared and submitted \$348,000 of billing and requested \$452,000 in funding from Federal Government for federally funded grant programs for activity in July 2010.

Items in progress: Working with Colleges to close all fiscal year grants by August 31, 2010; Colleges are in process of entering FY11 budgets into PeopleSoft for recurring fiscal year grants from ICCB.

Completed:

- o Submitted final closeout report to DCEO for MXC Digital Divide Program.
- o Submitted final Expenditure Report to ISBE for TAOEP (Truants) program.
- o Reviewed and approved grant reconciliations for the period of April thru May. CCC has over 125 active grants district-wide.
- o Provided State and Federal guidelines to MXC for disposal of equipment.
- o Provided Deloitte audit team analysis of grants that are ARRA funded.
- o Received letter from City of Chicago's Office of Compliance noting CCC is in full compliance from a July 22 review of vouchers submitted for the Headstart Program

STUDENT FINANCIAL The Student Financial report for this month's meeting includes the following: Issued approximately 1,350 refund transactions during the month. Of which, 368 or (27%) were direct deposit via ACH and 982 (73%) were paper checks. Total amount refunded to students for the month of August 2010 was approximately \$522,300.

Electronic Student Refund - City Colleges has contracted with U.S. Bank to provide City Colleges' with electronic student refund services. This service will offer students with the option of having their refund deposited on a U.S. Bank Prepaid Visa Debit Card. In an attempt to go paperless, students will now select their refund option online. These new initiatives will be made available to students on or before September 30, 2010.

Federal Direct Loan Program - Continue to implement President Obama's Health Care and Ed. Reconciliation Act of 2010; specifically Title IV Direct Loan Program. This program began July 1, 2010. During first

Finance Committee Report-continued

month, approximately ten students received direct loans, totaling \$11,000 as of the Summer 2010 term. Subsequently, over 500 students have applied for a loan for the fall semester.

State Aid Programs - Received notice from ISAC on the reduction of program funding for FY2011. The good news is currently, there is no reduction to the Monetary Award Program (MAP). However, funding of the Illinois Veterans Grant (IVG) has been eliminated. Therefore, by State Statute, if program funds are insufficient to pay such claims, the institution must waive tuition and fees. Below is the estimated expense, in which CCC is expected to "Waive".

2010-2011	DA	HW	KK	MX	OH	TR	WR	Total
Estimated IVG Mandated Waiver	139,097	216,442	172,574	156,797	264,879	136,693	225,024	\$1,311,505

The Fall 2010 term will be reimbursed at 100% by the Illinois National Guard (ING). However, Spring 2011 term claims will be prorated at an amount to be determined after Fall 2010 payments have been processed.

We've finalized the 2009-2010 ISAC annual reconciliation for both Monetary Award Program (MAP) and Illinois Incentive for Access (IIA). During the reconciliation process the institution is required to perform an evaluation of specific student's eligibility. Upon completion of the evaluation, we determined that several students were ineligible for such awards and therefore applicable funds are required to be returned to ISAC. The amount of funding CCC is required to return is approximately \$165,000 or 1.3% of the total \$12.6M received from ISAC.

BUSINESS SERVICES - The Business Services status report for this month's meeting includes the following:

Accounts Payable:

- **Processed** a total of **1,824 vouchers** for vendor payment during August 2010.
- Currently working to implement the workflow process for the A/P voucher centralization pilot with Olive-Harvey College.
- There were no **FOIA requests** completed for this month.

SYSTEM FINANCIALS - The System Financials report for this month's meeting includes the following:

Current Projects:

- Working with Chase and OIT on the Single Use AP payment card. This is a more controlled and secured process. CCC will receive a rebate for these transactions and initially Chase will assist with soliciting 50 vendors.
- Working with Controller's Office on sub ledger data reconciliation for FY2010.
- Resolving sub ledger (receivables, payables and student data) transaction posting errors as a part of FY 2010 year end cleanup.
- Working on the Student Financial Aid Data Reconciliation for FY2010 Audit.
- Reviewing the Oracle Health Check Recommendations to help prioritize the development of tasks for the Office of finance.

Completed Projects:

- Completed the Adult Education Data Analysis by working with the Adult Education, General Accounting Departments, as follows:
 - Performed the salary allocation by term, class, instructor, and funding source
 - Identified the remaining budgets in the non-instructional budget lines
 - Calculated the instructional salaries and benefits by applying various fringe benefit rates
 - Posted the Salaries in to various Adult Education Grants as per the allocation procedures
- Completed the Salary Redistribution as per the Data Files received from the Campuses, as follows:
 - Cleared all FY2010 payroll suspense
- Created the Overtime Salary Report for the Internal Audit and for the Data Analysis

Finance Committee Report-continued

- Prepared Data analysis Reports for the following:
 - Identify the Membership Dues Payments
 - City Clerk Payments
 - Salary by Earning Code
 - Commodity Code Usage Report
 - Backup Budget Data

BUDGET OFFICE - The Budget Office's status report for this month's meeting includes the following:

August 2010 Budget Activities:

- For the month of July the FY11 budget was not approved until the August Board Meeting. FY11 Budget book approved by the Board
- Loaded the final budget file into the PeopleSoft General Accounting System
- Began District Office Reorganization Process
- Continued to monitor state budget activities.
- Managed position control file and started updating the position control procedures
- Began managing budget control file transaction process
- Started creating new budget transfer process
- Started creating Nursing program reorganization worksheets with input from colleges and district office personnel

July Budget Transfer Summary:

- Request approval of transfers totaling \$247,000.
- No major transfers over \$100,000 were initiated.

Education Fund Transfer Summary:

Account	Transfers Out	Transfers In	Net Change
Services	\$ 4,500.00	\$64,427.75	\$ 59,927.75
Supplies	\$35,233.89	\$ 4,550.00	\$ (30,683.89)
Travel	\$ -	\$7,456.14	\$ 7,456.14
Other	\$50,000.00	\$ -	\$ (50,000.00)

O&M Fund Transfer Summary:

Account	Transfers Out	Transfers In	Net Change
Services	\$89,048.89	\$ -	\$(89,048.89)
Supplies	\$ -	\$10,704.89	\$ 10,704.89
Fixed Charges	\$ 2,300.00	\$81,180.00	\$ 78,890.00

Enterprise Fund Transfer Summary:

Account	Transfers Out	Transfers In	Net Change
Services			\$ -
Supplies	\$1,500.00		\$(1,500.00)
Travel		\$1,500.00	\$ 1,500.00

Administrative Services & Procurement – Diane Minor, Vice Chancellor

Board Reports

Agreements

4.03 Maintenance Service for Sterilizers/Steamers District Wide

Approval of a 2 year District Wide service contract and a separate time and material contract for Daley College with Eagle technical services, Inc., beginning September 1, 2010 through September 1, 2012, for a total amount not to exceed \$60,000 to provide routine and preventive maintenance services and time and material necessary to ensure that the Primus Sterilizer machinery is functioning properly.

4.04 Elevator Modernization at District Office

Enter into an agreement with Schindler Elevator Corporation to provide elevator modernization for the District Office building in the amount of \$2,609,313 plus a 10% contingency of \$260,931.30 for the total not-to-exceed amount of \$2,870,244.30 with work to commence 10 days after execution of the contract and to be completed within twenty-four (24) months in accordance with Sealed Bid# SH1001 dated July 12, 2010. Work will be done in phases to minimize disruption to the building operations. Minority and women owned business have been identified to meet the goals of the district.

4.10 Architectural Engineering services for the first, second, and third floors of the District Office building.

Enter into an agreement with Wight & Company, Chicago, Illinois to provide Architectural engineering services for the renovation of the first, second and third floors at the District Office for an amount not to exceed \$538,000.00 In order to update the front entranceway, re-design the lobby to provide a more secure system for admittance into the building, expand a Commercial space for Washburne and French Pastry programs for student involvement as well as update the infrastructure and room configurations on the second and third floors for optimum usage by the District Office. Wight & Co. have met full M/WBE compliance.

4.11 Architectural and Engineering Services Upgrade for the District Office HVAC and Sprinkler Systems

Enter into an agreement with HOH Architects/Engineers, to provide architectural Engineering services for upgrading the HVAC system and fire sprinkler system at the District office for an amount not to exceed \$89,592.00. Full M/WBE compliance has been accepted.

Purchases

7.02 Emergency Plumbing Repair District Office (Ratification)

Approve payment of \$165,000.00 to Member Mechanical Inc. for work performed to replace the existing piping and repair related issues, on an emergency basis, at City Colleges of Chicago District Office.

7.03 Emergency Rooftop Unit Replacement Dawson Technical Institute (Ratification)

Issue an emergency purchase order to Anchor Mechanical Inc., the Board approved Cost Plus HVAC Contractor for \$88,000.00 to replace the existing rooftop HVAC units compressors and related components at Dawson Technical Institute. The total price includes a 10% contingency for hidden conditions and unknown variables.

PROJECT UPDATES

College Book Stores

With the start of the Fall, 2010 Semester, Follett's and Becks implemented a textbook rental program in order to provide a method of obtaining books at a lower price. As of 9/1/10, \$84,755 was expended by students at Wright, Daley, Olive Harvey, Kennedy-King and Malcolm X. Follett's indicated no rentals at their locations as of the first. Administrative Services will follow with Student Services to investigate the reasons for lack of activity since the program was strongly requested by students at Harold Washington and Truman.

FY 2010 Minority and Women Owned Business Participation

At the end of the twelve months, of the \$39 million in expenditures, approximately 59% was spent with Minority-owned firms and 4% was with Women Owned Businesses. The construction projects for FY 2010, which include the

Administrative Services & Procurement – Diane Minor, Vice Chancellor-continued

Truman Student Services & Parking Facility, have 30% MBE and 9% WBE participation. City Businesses received 45% of the dollars expended.

Old Kennedy-King Demolition

Old Kennedy-King Demolition-the building is totally demolished and site remediation and restoration continuing. Wentworth Avenue TIF Development is continuing in conjunction with the City's Department of Community Development and the Aldermen of the 6th and 7th Wards. The first community hearing is scheduled for September 14th in the development community.

Larry McKeon Truman Student Services & Parking Facility has not been able to reduce the time delay caused by the labor strikes of this summer. With accelerated scheduling as well as competitively awarding the furniture, fixtures and equipment bid packages thru the District, Administrative Services is working to ensure the opening of the facility for January, 2011.

The Capital Development Board has assured the District that it will meet the contracted date for substantial completion, but will require a time extension for the Intergovernmental Agreement to perform punch list items. We will bring the extension to the Board next month.

Work is continuing at Olive Harvey, Daley, Malcolm X, Wright, Truman and Harold Washington for the renovation of various science, technology and nursing labs. Olive Harvey is undergoing the transformation of its lobby, auditorium, classrooms, front driveway, parking lots, and sidewalks. Daley is scheduled this month for the last phase of their gym renovation with bleacher installation.

Office of Information Technology - Report to the Board of Trustees –Craig Lynch, Vice Chancellor

IT Consolidation

Strategically, Information Technology is working to consolidate the IT functions at the colleges to include purchasing and technology deployments. This will allow us to realize lower costs and implement technology solutions that benefit all students, staff and faculty.

E-Mail

We are also evaluating new email solutions for students, faculty and staff. My staff has reviewed offerings from Google and Microsoft on their no cost license fee email products that are becoming widely used in higher education. We will adopt the Microsoft email solution as it gives our students robust email features and the common Office software they are likely to find in the workplace today with extended features such as calendaring, document sharing, instant messaging, video chat and mobile e-mail in addition to more storage to students. We are confident that this solution will greatly enhance the ability for staff and faculty and students to communicate and collaborate more effectively.

This concludes the report for OIT.

**City Colleges of Chicago
Monthly Micro City Purchases
August 2010**

THIS REPORT WAS PREPARED BY MICRO CITY REGARDING SHIPPED AND INVOICED PRODUCTS. THIS REPORT IS FOR INFORMATIONAL PURPOSES ONLY.

EQUIPMENT LOCATION	COMPUTERS	PRINTERS	SOFTWARE	RELATED EQUIPMENT	MAINTENANCE TRAINING	TOTAL PER LOCATION
Richard J. Daley College	\$729.00	\$0.00	\$69.00	\$12,604.00	\$0.00	\$13,402.00
West Side Technical Institute	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Harold Washington College	\$0.00	\$0.00	\$124.00	\$15,343.00	\$0.00	\$15,467.00
Kennedy-King College	\$0.00	\$0.00	\$0.00	\$357.00	\$0.00	\$357.00
Dawson Technical Institute	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Malcolm X College	\$0.00	\$1,630.00	\$100.00	\$7,342.00	\$0.00	\$9,072.00
West Side Learning Center	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Olive-Harvey College	\$0.00	\$0.00	\$0.00	\$39,881.00	\$0.00	\$39,881.00
South Chicago Learning	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Harry S. Truman College	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Harry S. Truman Technical	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lakeview Learning Center	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wilbur Wright College North	\$2,145.00	\$0.00	\$2,235.00	\$3,687.00	\$0.00	\$8,067.00
Wilbur Wright College South	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Humboldt Park Vocational	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
District Office(exclusive of OIT)	\$7,015.00	\$1,782.00	\$1,904.00	\$674.00	\$0.00	\$11,375.00
Office of Information Technology	\$7,921.00	\$0.00	\$0.00	\$869.00	\$0.00	\$8,790.00
TOTAL	\$17,810.00	\$3,412.00	\$4,432.00	\$80,757.00	\$0.00	\$106,411.00

**City Colleges of Chicago
Fiscal 2011 Year to Date (7/1/10 - 06/30/11)**

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EQUIPMENT LOCATION	COMPUTERS	PRINTERS	SOFTWARE	RELATED EQUIPMENT	MAINTENANCE/ TRAINING	TOTAL PER LOCATION
Richard J. Daley College	\$729.00	\$0.00	\$69.00	\$12,604.00	\$0.00	\$13,402.00
West Side Technical Institute	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Harold Washington College	\$0.00	\$0.00	\$124.00	\$33,742.00	\$0.00	\$33,866.00
Kennedy-King College	\$0.00	\$0.00	\$0.00	\$357.00	\$0.00	\$357.00
Dawson Technical Institute	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Malcolm X College	\$0.00	\$2,490.00	\$100.00	\$9,106.00	\$0.00	\$11,696.00
West Side Learning Center	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Olive-Harvey College	\$926.00	\$0.00	\$0.00	\$42,824.00	\$0.00	\$43,750.00
South Chicago Learning Center	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Harry S. Truman College	\$0.00	\$0.00	\$396.00	\$0.00	\$0.00	\$396.00
Harry S. Truman Technical Center	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lakeview Learning Center	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wilbur Wright College North Campus	\$2,145.00	\$227.00	\$2,235.00	\$7,269.00	\$0.00	\$11,876.00
Wilbur Wright College South Campus	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Humboldt Park Vocational Educational Center	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
District Office(exclusive of OIT)	\$8,584.00	\$1,782.00	\$2,051.00	\$2,637.00	\$0.00	\$15,054.00
Office of Information Technology	\$20,759.00	\$0.00	\$0.00	\$27,434.00	\$0.00	\$48,193.00
TOTAL	\$33,143.00	\$4,499.00	\$4,975.00	\$135,973.00	\$0.00	\$178,590.00