



JOLIET
JUNIOR COLLEGE
—1901—

2018

Comprehensive Annual Financial Report



Fiscal year ended June 30, 2018

Community College District No. 525, Joliet, Illinois

**JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
JOLIET, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2018**

Prepared by:
Financial Services

Robert Galick
Vice President, Administrative Services

Jeffrey A. Heap, CPA
Controller

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Assistant Controller

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
Joliet, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2018

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COMMUNITY COLLEGE DISTRICT NO. 525
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COMMUNITY COLLEGE DISTRICT NO. 525
Joliet, Illinois

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INTRODUCTORY SECTION



October 3, 2018

Letter to the Citizens of Joliet Junior College
Community College District No. 525

FORMAL TRANSMITTAL OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Comprehensive Annual Financial Report of Joliet Junior College, Community College District No. 525, Counties of Will, Grundy, Livingston, Cook, Kendall, LaSalle, and Kankakee, and the State of Illinois, for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. 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 results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities in relation to its mission have been included.

Financial Statements

This letter of transmittal should be read in conjunction with the management's discussion and analysis which immediately follows the independent auditors' report and focuses on current activities, accounting changes, and currently known facts.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical, and special reports. The introductory section includes this transmittal letter, a list of principal officials and the District's organizational chart. The financial section includes the report of our independent public accountants, management's discussion and analysis, the basic financial statements, and notes to the financial statements. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis. The special reports section includes grants and enrollment audits required by the Illinois Community College Board (ICCB) together with the related auditor's reports.

The District maintains its accounts and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth by Governmental Accounting Standards Board (GASB), National Association of College and University Business Officers (NACUBO) and the Illinois Community College Board (ICCB). The financial records of the District are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal obligation to pay. The notes to the financial statements expand and explain the financial statements and the accounting principles applied. The financial statements have been audited by our independent auditors, Baker Tilly Virchow Krause, LLP, and their report is included as part of this financial presentation.

Joliet Junior College is subject to the authority of the Illinois Community College Board under the Illinois Board of Higher Education. The District is governed by the Board of Trustees, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The District has the statutory authority to adopt its own budget, to levy taxes, and to issue bonded debt without the approval of another government. It has the right to sue and be sued, and has the right to buy, sell, lease or mortgage property in its own name. Based on these criteria, the District is considered a primary government. In addition, a primary government may also be financially accountable for governmental and non-governmental organizations that are fiscally dependent on it. The District has determined that the Joliet Junior College Foundation and its subsidiary meet these criteria and has been included in the District's reporting entity. This component unit is described in the footnotes to the financial statements.

PROFILE OF THE GOVERNMENT

History

Joliet Junior College is the nation's first public community college. In 1901, Joliet Township High School Superintendent J. Stanley Brown and University of Chicago President William Rainey Harper developed a program in which Joliet area students could complete the first two years of baccalaureate coursework at the local high school and then transfer to the University of Chicago for the final two years of study. That first class consisted of six students; today, the College has grown to more than 35,000 credit and non-credit students.

Joliet Junior College is a comprehensive suburban community college and continues to offer pre-baccalaureate programs for students planning to transfer to four-year colleges and universities. In addition, the college provides career preparation training, workforce development and a lifetime of learning to the diverse community it serves.

Classes are offered during the day, evening and weekends at the Main Campus on Houbolt Road in Joliet, the City Center Campus in downtown Joliet, the Romeoville Campus in Romeoville, the Frankfort Education Center in Frankfort, the Morris Education Center in Morris, the Weitendorf Agricultural Education Center in Joliet and at satellite sites throughout the District's seven counties, which include parts of Will, Grundy, Kankakee, Kendall, LaSalle, Livingston and Cook Counties.

The District has 21 buildings that range in age from new to 43 years and are in remarkable shape due to the District's proactive maintenance program. In the fall of 2017, the District completed an expansion that added a second classroom building at our Romeoville Campus.

The District's mission is determined by the Illinois Community College Act, which establishes the statewide community college system. Simply stated, the mission is to serve the post-secondary educational needs of the residents of Community College District No. 525. To fulfill this mandate, the District, through its strategic planning process, has expanded its mission and vision to be in concert with the educational needs of its constituents.

Mission

Joliet Junior College is an innovative and accessible institution, dedicated to student learning, community prosperity, cultural enrichment, and inclusion. Joliet Junior College delivers quality lifelong learning opportunities empowering diverse students and the community through academic excellence, workforce training, and comprehensive support services.

Vision

Joliet Junior College will be the first choice.

Strategic Goals

1. Provide education pathways that promote completion.
2. Improve data accessibility and integrity.
3. Collaborate with employers and the community.
4. Improve community awareness and strategic marketing.
5. Improve internal communications.

INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC CONDITION

Economic Condition and Outlook

The District encompasses not only the far southwest suburban region of Chicago, but it also includes significant rural and unincorporated areas of Northern Illinois. The largest part of the 1,442-square-mile District resides in Will and Grundy Counties. Will County has the distinction of being one of the fastest growing counties in Illinois. Its growth over the last 10 years is due primarily to low unemployment, good transportation availability and its proximity to the Chicago metropolitan area. As the economy continues to improve slowly, the assessed value increased by \$770 million in Will County of which \$291 million was from new construction that occurred within the County.

Grundy County is the second largest county in the District and is mostly rural. As Chicagoland continues to expand southwest, Grundy County has also experienced growth. In this year alone, \$10 million in new construction occurred in Grundy County and the assessed value increased by \$47 million. In addition, CPV Three Rivers, LLC has announced plans to develop a 1,100 megawatt natural gas-powered electric generating facility valued at \$1 billion within the county.

In developing the District's budget for the year ending June 30, 2019, new assessed value growth was estimated at \$300 million, or only a 1.5% increase. Property tax revenue is expected to increase 3.6% in total. The total tuition and fee rate was increased by \$2 to \$146 per credit hour and is earmarked for improvements to the District's ERP system. Credit hour enrollment is projected to not increase from last year due to the economy continuing to slowly recover. State revenues are budgeted to decrease 10% from the actual FY18 allocation. The District was being conservative based on the State's financial uncertainty and inconsistencies is adopting budgets over the past few years. Subsequent to the District approving the FY19 budget, the State finally adopted a complete FY19 budget that funded community colleges at 102% of the previous year's budget. The budget is balanced and all major revenue sources are expected to meet or exceed budget. While the State's budget includes more funding than what the District budgeted, timeliness of these payments remains a concern and the District has identified contingency items that range from not filling vacant positions to restricting travel to deferring capital projects. These items will not be released until State disbursements are known.

Major Initiatives

In 2018 the college updated its master plan. Unlike the previous two master plans, this plan does not consider large-scale new construction projects. Instead, the master plan focuses on recapturing existing spaces that have been vacated during the last nine years of construction. Projects identified include the remodeling of spaces occupied by campus police, fine arts, technical department, conference center and academic excellence and support, a new bridge to improve navigation on campus between buildings and the purchase of land in the eastern portion of our district for the future sight of a satellite campus. Any construction costs arising from this master plan will be funded with existing reserves or future operating fund surpluses.

In addition, to better serve the needs of our community and students, new academic programs and services are being evaluated for possible implementation. A needs/cost analysis will be performed during FY19 on Diesel Technology, Occupational Therapy, Medical Assistant and Early College programs to determine their viability along with the development of an Adult Re-entry Center to improve the services to our adult student population.

Three-Year Financial Plan: As a part of its planning activities, the District developed a *Three-Year Financial Plan* that is consistent with the strategic goals. This financial plan, which is updated annually, is presented to the Board of Trustees in January of each year. The plan identifies major areas of concern that must be addressed if the college is to continue to fulfill its mission, vision, and strategic planning initiatives:

- Addressing potential impact of the state's fiscal crisis on the District's budget
- Reallocate existing resources to fund new requests
- Realistic projections in property tax revenues
- Minimal or no enrollment growth
- Emphasis on student success
- Responsible reserves
- Implement action plans from the strategic plan

Financial Information

Internal Control. Management of the District is responsible for establishing and maintaining internal controls designed 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 of America. 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 require estimates and judgments by management.

Budgetary Controls. The District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's Board of Trustees. The following activities are included in the annual budget:

- Current Unrestricted
 - Educational Accounts
 - Operations and Maintenance Accounts
 - Capital Projects Fund (Operations and Maintenance – Restricted)
 - Auxiliary Enterprises
 - Audit
 - Liability, Protection and Settlement
 - Working Cash
 - Self-Insurance
- Current Restricted
 - Restricted Purpose
 - General Obligation Bond

The level of budgetary control (that is, the level at which expenditures cannot exceed the budget amount) is established for each individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Awards. The Association of School Business Officials International awarded a Certificate of Excellence in Financial Reporting to Joliet Junior College for its June 30, 2017 Comprehensive Annual Financial Report. The Certificate of Excellence in Financial Reporting Program is a prestigious national award, recognizing conformance with the highest standards of financial reporting. Fiscal 2017 was the eighteenth year the District received this award for financial reporting.

In addition, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Joliet Junior College for its comprehensive annual financial report for the fiscal year ended June 30, 2017. Fiscal 2017 was the sixteenth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

These certificates are valid for a period of one year only. The administration believes the current comprehensive financial report continues to conform to these high standards of financial reporting and will be submitted for review.

During the 2013-14 academic year, the District received recognition by the ICCB for the next five years. Recognition is a statutory term describing the status of a community college district that meets instructional, administrative, financial, facility, and equipment standards as established by the ICCB. Community colleges are recognized on a five-year cycle. The District's current recognition lasts until the 2018-19 academic year.

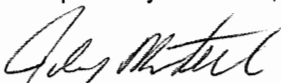
In January, 2015, the Higher Learning Commission announced the District had received reaffirmation of accreditation through the Academic Quality Improvement Program (AQIP). Reaffirmation of accreditation involves a focused visit from an accreditation team, the completion of an institutional Systems Portfolio and several action projects, and several other compliance reports and activities. The District's next reaffirmation of accreditation will be during the 2022-23 academic year.

Independent audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Baker Tilly Virchow Krause, LLP was selected by the District's Board of Trustees. The auditors' report on the financial statements and schedules is unmodified and is included in the financial section of this report.

Acknowledgments. We wish to thank the members of the Board of Trustees for their interest and support in conducting the financial operations of the District to the degree of excellence necessary for continuance of operation of the District in a responsible manner.

The timely preparation of the comprehensive annual financial report was made possible by the continued dedicated service of Joliet Junior College's Financial Services staff.

Respectively submitted,


Judy L. Mitchell, Ed.D.
President


Robert Galick
Vice President, Administrative Services

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

Principal Officials
Year Ended June 30, 2018

BOARD OF TRUSTEES		
Name	Position	Term Expires
Robert Wunderlich	Chair	2021
Maureen Broderick	Vice Chair	2021
Michael O'Connell	Secretary	2019
Patricia Deiters	Trustee	2019
John (Jake) Mahalik	Trustee	2019
Alicia Morales	Trustee	2023
Daniel O'Connell	Trustee	2023
Alonso Rodriquez	Student Trustee	2019

OFFICERS OF THE COLLEGE	
Name	Title
Judy L. Mitchell, Ed.D	President
Yolanda Farmer, Ed.D.	Vice President, Student Development
Randall Fletcher, Ed.D.	Vice President, Academic Affairs
Robert Galick	Vice President, Administrative Services

OFFICIALS ISSUING REPORT:

Jeffrey A. Heap, CPA, Controller
Jennifer Steffes, CPA, Assistant Controller

DIVISION ISSUING REPORT:

Financial Services

ORGANIZATIONAL CHART DIVISIONS AND DEPARTMENTAL CODES

B O A R D O F T R U S T E E S	P R E S I D E N T	Vice President Academic Affairs <i>01-18101, 05-10519</i>	Dean Arts & Sciences <i>01-18110</i>	Dept Chair English / World Languages <i>01-10005, 05-10505</i>	
				Dept Chair Fine Arts <i>01-10002, 05-10002, 05-10502</i>	
				Dept Chair Math <i>01-10008, 05-10508</i>	
				Dept Chair Natural Science/Physical Education <i>01-10009, 05-10009, 05-10509</i>	
				Dept Chair Social/Behavioral Science <i>01-10014, 05-10514</i>	
				Extended Campus Frankfort <i>01-14525</i>	
			Dean Academic Excellence & Support <i>01-18102, 01-18108, 01-18113, 01-19006, 05-18108</i>	Director iCampus <i>01-14501, 01-23105, 05-23105</i>	
				Director Institutional Effectiveness <i>01-25205, 01-94114</i>	
				Dept Chair Library <i>01-21102, 05-21102, 05-69122</i>	
				Dual Credit	
		Dean Career & Technical Education <i>01-18115 06-14949</i>	Dept Chair Agriculture / Horticulture <i>01-10001, 01-10018, 01-14522, 05-10501, 05-10518, 05-69090, 05-69095, 05-69101</i>		
			Dept Chair Business Education <i>01-10003, 05-10503</i>		
			Dept Chair Computer Information & Office Systems <i>01-10004, 05-10504</i>		
			Dept Chair Technical Education <i>01-10015, 05-10515, 05-69070</i>		
		Dean Applied Arts, Workforce Education and Training <i>01-18120, 01-19900, 05-17911-15, 05-41104, 05-49323</i>	Dept Chair Culinary Arts <i>01-10016, 05-10016, 05-10516, 05-49784, 05-61174</i>		
			Director Workforce Education <i>01-14514, 01-19943, 05-17943, 05-17952, 06-16513, 06-16516-19, 06-42503, 06-42505, 06-42616, 06-42631</i>		
			Extended Campus City Center <i>01-14515</i>		
			Extended Campus Morris <i>01-14520</i>		
		Dean Nursing, Health & Public Services <i>01-18125</i>	Dept Chair Nursing <i>01-10017, 05-10517</i>		
			Dept Chair Health & Public Services <i>01-10025, 01-19906, 05-10525</i>	Health Care/Continuing Ed <i>05-17933</i>	
Vice President Administrative Services <i>01-82111</i>	Director Business & Auxiliary Services <i>01-82113</i>	Manager Bookstore <i>05-62022</i>			
		Manager Early Childhood Center <i>05-69069</i>			
		Manager Food Service <i>05-61021, 05-61022</i>			
		Manager Purchasing <i>01-82113</i>			
		Mail Center & Central Stores <i>01-93112</i>			
		Print Services <i>01-88118</i>			
	Facility Rentals <i>05-67205</i>				
	Director Campus Safety & Police Chief <i>02-74204 05-93204</i>	Commanders	Sworn Police Officers & Sergeants		
			Campus Safety Officers		
			Communications Staff		
Records Staff					
Director Facility Services <i>76206, 02-78208, 02-92209, Fund 03</i>	Assistant Director Roads & Grounds <i>02-73203</i>				
	Superintendent Custodial Services <i>02-72202</i>				
	Superintendent Maintenance <i>02-71201</i>				
	Receiving <i>02-93113</i>				
Director Financial Services & Controller <i>01-42602 01-82112, 12-82112</i>	Assistant Controller				
	Manager Budget & Risk				
	Manager Accounting				
	Manager Payroll				
	Bursar, Student Accounts				
Manager Environmental Health & Safety <i>02-79109</i>	PT EHS Specialist				
<i>01-91111</i>	<i>01-81111</i>				

ORGANIZATIONAL CHART DIVISIONS AND DEPARTMENTAL CODES

B O A R D O F T R U S T E E S	P R E S I D E N T	Vice President Student Development 01-38308	Dean Enrollment Management 01-31303	Director Admissions & Recruitment 01-31301, 05-31301
				Director Financial Aid/Veteran's Affairs 01-34304
				Registrar 01-31300, 05-31300
			Dean Students 01-32301, 05-32301, 05-63016, 05-63017, 05-69120	Director Student Activities & Campus Life 01-33303, 01-36306, 05-36306, 05-65400 Holistic Wellness
			Dean College & Career Readiness 01-32315	Extended Campuses Romeoville 05-14512
				Developmental Education
				College Transfer
			Transfer Advising Specialist	
			First Year Experience 01-39311, 05-39311	
		Dean Student Success 01-32303	Director Academic Intervention & Accomodation 01-23101, 01-23104, 01-38309, 05-23104	
			Director Career Services 01-35305, 05-35306	
			Director Multicultural Student Affairs 01-39310	
			Director Project Achieve 06-19559, 06-41409	
			Dept Chair Counseling 01-32302, 01-32307	
			GSD / NSO Coordinator 01-39311, 05-39311	
		Director Athletics 05-64088	Coordinator Women's Athletics	
			Student-Athlete Retention Specialist	
			Athletics 05-64564	
		Coordinator International Student Services 01-36310		
		Executive Director Information Technology 01-95115 02-93114 05-95116	Director Technology Support Services	Technology Support 01-29109
			Director Enterprise Applications	
			Director Project Management & Enterprise Architecture	Manager Network Services
			Chief Information Security Officer	
			Manager Media Services 01-22103	
		Executive Director Human Resources 01-84114 Prof. Development 01-92113	Assistant Director Human Resources	Manager Human Resources & Labor Relations
			Manager Human Resources - Compensation & Benefits	
		Executive Director Institutional Advancement 01-86116 06-96963	Assistant Director Institutional Advancement	Manager Alumni Relations and Annual Fund
			Director Grants Development, Compliance, Performance 01-86118	
Manager Finance & Scholarship				
Executive Director Communications & Marketing 01-83116, 05-63006	Director, Marketing & Creative Services 01-83113	Project Coordinator, Marketing Content Specialist, Web Content Specialist, 2 Designers		
		Communications and Media Coordinator		
		Communications Specialist		
		Assistant Communication and External Relations		
01-91111	01-81111			



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

**Joliet Junior College
Illinois Community College District No. 525**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink that reads 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director



Government Finance Officers Association

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

Presented to

Joliet Junior College

Community College District No. 525

Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Joliet Junior College - Community College District No. 525
Joliet, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Joliet Junior College - Community College District No. 525, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Joliet Junior College - Community College District No. 525's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Joliet Junior College Foundation and subsidiaries (the "Foundation") which represents Joliet Junior College - Community College District No. 525's entire discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

To the Board of Trustees
Joliet Junior College - Community College District No. 525

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 over financial reporting relevant to Joliet Junior College - Community College District No. 525'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 Joliet Junior College - Community College District No. 525's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Joliet Junior College - Community College District No. 525 as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12, Joliet Junior College - Community College District No. 525 adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. Our opinions are 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, the Schedule of District's Proportionate Share of Net Pension Liability, the Schedule of District Contributions, and the Schedule of District's Proportionate Share of the Net OPEB Liability and District Contributions as 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.

To the Board of Trustees
Joliet Junior College - Community College District No. 525

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Joliet Junior College - Community College District No. 525's basic financial statements. The Introductory Section, Statistical Section, Supplementary Information, Uniform Financial Statements, and Certification of Chargeback Reimbursement as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Uniform Financial Statements and Certification of Chargeback Reimbursement are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Uniform Financial Statements and the Certification of Chargeback Reimbursement are fairly stated, in all material respects, in relation to the financial statements as a whole.

The Introductory Section, Statistical Section, and Supplementary Information have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2018 on our consideration of Joliet Junior College - Community College District No. 525'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 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 Joliet Junior College - Community College District No. 525's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 3, 2018

JOLIET JUNIOR COLLEGE
 COMMUNITY COLLEGE DISTRICT NO. 525
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 Year Ended June 30, 2018

This section of Joliet Junior College Community College District No. 525's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2018. Please read it in conjunction with the transmittal letter found in the introductory section and the District's financial statements.

The management's discussion and analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999 and Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, issued in November 1999.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: management's discussion and analysis (this section) and the basic financial statements.

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

FIGURE A-1

Organization of Joliet Junior College - Community College District No. 525 Annual Financial Report

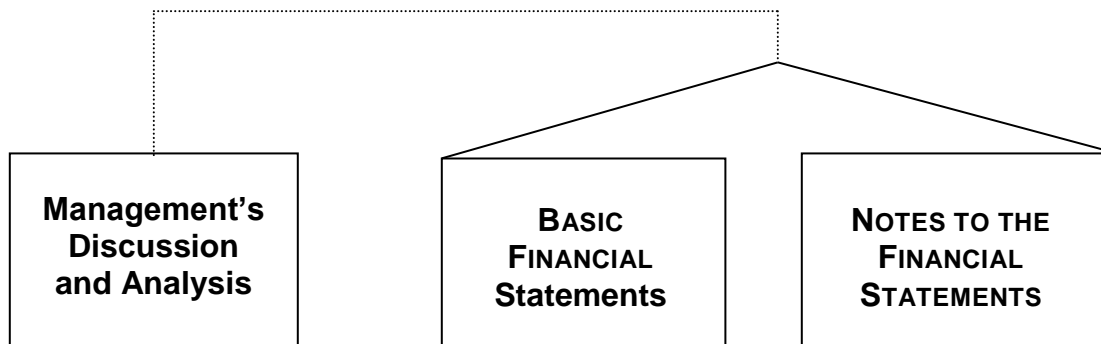


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

FIGURE A-2

MAJOR FEATURES OF THE DISTRICT FINANCIAL STATEMENTS

Scope	Entire District (except fiduciary funds)
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2018

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses and changes in net position regardless of when cash is received or paid.

The statements report the District's net position and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base and the condition of college buildings and other facilities are considered.

FINANCIAL HIGHLIGHTS

The financial highlights of the District are as follows:

- The District's financial status continues to be strong despite the State of Illinois' ongoing fiscal uncertainty. When the State finally adopted a budget for FY18, it reduced community college funding by 10%.
- Overall revenues were \$177.7 million, \$9.0 million more than expenses.
- Net tuition revenue decreased by 1.4% due to a 27.3% increase in scholarships and tuition allowances that was offset by a net \$7 per credit hour increase in the tuition and fee rate. (Tuition rate increase was \$19, but \$12 was given back to students since the State adopted a budget with funding better than anticipated)
- The District received a \$10 million construction reimbursement grant from the State of Illinois.
- Total costs increased by approximately 7.6% or \$11.9 million due to budgeted increases in personnel line items, benefit costs, depreciation and the recording of \$5.5 million net OPEB expense due to the implementation of GASB Statement No. 75. (See Note 8 to the financial statements)
- The implementation of GASB Statement No. 75 resulted in the District recording a Net OPEB obligation of \$52.6 million. (See Note 8 to the financial statements)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position: Changes in net position over time serve as a useful indicator of a government's financial position. The District's combined net position increased 10.3% percent to \$96.0 million during fiscal 2018. (See Figure A-3). Net invested in capital assets totaled \$83.5 million. This reflects the District's investment in capital assets (land, buildings, furniture and equipment), less related debt outstanding that was issued to acquire those items and any unspent proceeds. The District uses these capital assets to provide services to residents of the District; consequently, these assets are not available for future spending. Restricted net position represents resources that are subject to restriction on how they may be spent. Restricted net position totaled \$16.2 million and is committed for debt service, capital projects and specific instructional programs. The remaining balance represents unrestricted net position and is a deficit of \$3.7 million. This is comprised of a \$52.6 million Net OPEB liability offset by \$48.9 million surplus from operations that is available for spending at the District's discretion.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2018

Figure A-3
Condensed Statement of Net Position (in millions of dollars)

	2018	2017	Increase (Decrease)	Percent Change
Current assets	\$ 83.7	\$ 87.3	\$ (3.6)	-4.1%
Capital assets	244.6	252.5	(7.9)	-3.1%
Noncurrent assets/deferred outflows of resources	20.4	34.9	(14.5)	-41.5%
Total assets/deferred outflows of resources	348.7	374.7	(26.0)	-6.9%
Current liabilities	36.1	37.3	(1.2)	-3.2%
Long-term liabilities/deferred inflows of resources	216.6	250.4	(33.8)	-13.5%
Total liabilities/deferred inflows of resources	252.7	287.7	(35.0)	-12.2%
Net position:				
Net investment in capital assets	83.5	70.5	13.0	18.4%
Restricted	16.2	16.9	(0.7)	-4.1%
Unrestricted (restated for 2017)	(3.7)	(0.4)	(3.3)	825.0%
Total net position	\$ 96.0	\$ 87.0	\$ 9.0	10.3%

Changes in net position: The District's total revenues were \$177.7 million. (See Figure A-4.) State and federal sources account for the largest share of the District's revenue, contributing approximately 43.5% of every dollar raised and includes the State's \$35.5 million on-behalf pension payment (See Figure A-5.). 33.4% came from real estate taxes, 16.0% came from net tuition and fees and the remainder from sales and service fees and miscellaneous sources.

The total cost of all programs and services was \$168.7 million. The District's program-related expenses are predominantly instructional cost, academic support, student services, and public services which were \$97.1 million or 57.6% of total expenses. Operation and maintenance of the District's facility were \$17.4 million or 10.3% of total expenditures. Independent operations represent auxiliary operations, such as the bookstore and foodservice, which were \$9.4 million or 5.6% of total expenses, which by their nature are intended to be self-supporting. The District's administrative/business activities and institutional support accounted for \$21.3 million or 12.6% of total expenses.

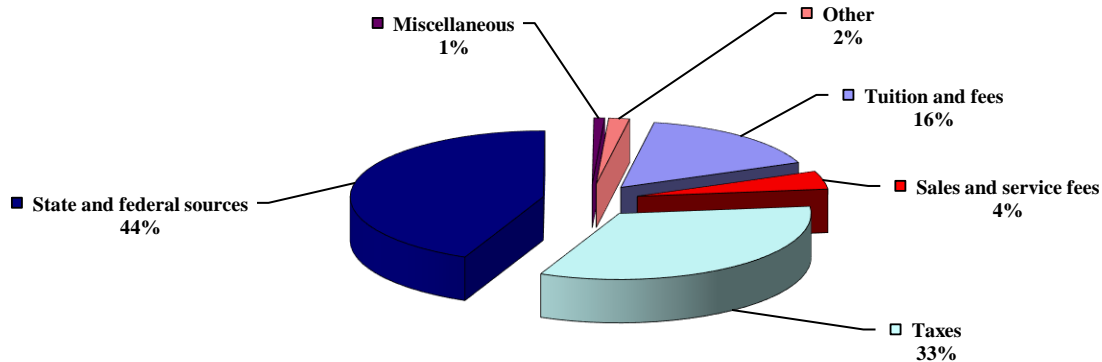
JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2018

Figure A-4
Changes in Net Position from Operating Results (in millions of dollars)

	2018	2017	Increase (Decrease)	Percent Change
Revenues				
Operating revenues:				
Tuition and fees	\$ 42.5	\$ 39.9	\$ 2.6	6.5%
Less scholarships and allowances	(14.0)	(11.0)	(3.0)	27.3%
Net tuition and fees	28.5	28.9	(0.4)	-1.4%
Sales and service fees	7.9	8.0	(0.1)	-1.3%
Miscellaneous	1.6	0.9	0.7	77.8%
Non-operating revenues:				
Taxes	59.3	58.4	0.9	1.5%
State and federal sources	77.3	63.0	14.3	22.7%
Other	3.1	2.8	0.3	10.7%
Total revenues	177.7	162.0	15.7	9.7%
Expenses				
Instruction	69.6	66.3	3.3	5.0%
Academic support	5.8	5.4	0.4	7.4%
Student services	17.9	14.1	3.8	27.0%
Public services	3.8	3.1	0.7	22.6%
Operations and maintenance of plant	17.4	18.5	(1.1)	-5.9%
Independent operations	9.4	9.0	0.4	4.4%
General administration	8.0	7.2	0.8	11.1%
Institutional support	13.3	13.6	(0.3)	-2.2%
Depreciation	12.7	10.2	2.5	24.5%
Interest	10.8	9.4	1.4	14.9%
Total expenses	168.7	156.8	11.9	7.6%
Increase in net position	9.0	5.2	\$ 3.8	
Net position:				
Beginning of year	87.0	128.7		
Restatement for OPEB liability	-	(46.9)		
End of year	\$ 96.0	\$ 87.0		

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2018

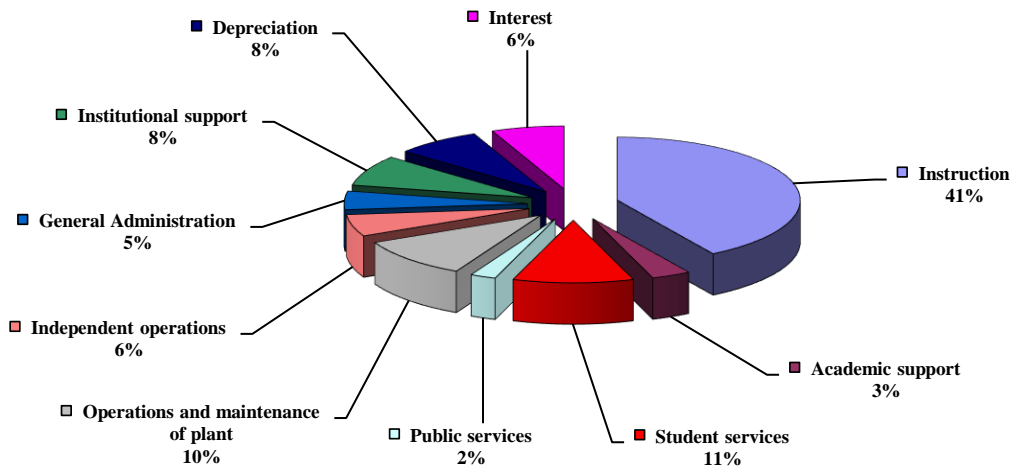
Figure A-5 Revenue for Fiscal Year 2018



Operating revenues, which consist of tuition, sales and service fees, and miscellaneous charges to students, increased \$0.2 million or 0.5%. Net tuition and fee revenue decreased \$0.4 million or 1.42% due to an increase in scholarships and tuition allowances that was partially offset by a \$19 per credit hour increase in the tuition and fee charged to students. The tuition and fee increase was further offset by a \$12 per credit hour incentive payment to District students since funding from the State of Illinois exceeded the District's expectations. Sales and service fees decreased slightly due to a decline in enrollment. Non-operating revenues, which consist of property taxes, state and federal sources, and other miscellaneous revenues increased \$15.5 million or 12.5%. Property tax revenues increased 1.5% from new construction in the District. The District's boundaries are predominantly in Will County, which is one of the fastest growing counties in the State of Illinois. State and federal sources of revenue increased \$14.3 million or 22.7% due to a \$10 million construction reimbursement grant from the State of Illinois, a \$0.6 million increase in the pension contribution the state of Illinois makes on-behalf of the District and a \$4 million increase in student financial aid from the Department of Education and State of Illinois. Other revenues, which are comprised of investment earnings, corporate personal property taxes and capital contributions increased by \$0.3 million or 10.7% due to investment earnings from higher interest rates.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2018

Figure A-6 Expenses for Fiscal Year 2018



Instruction expenses increased by 5.0% due to budgeted increases in salary and benefit expenses, offset by cost savings resulting from lower enrollment. Academic support expenses increased 7.4% due to vacant open positions in the previous year and budgeted increases in salary and benefits. Student services increased 27.0% as a result of an increase in student financial aid passed through the District to the students and budgeted salary and benefit increases. Operations and maintenance of plant decreased 5.9% as a result of fewer repair and maintenance projects this year. Independent operations increased 4.4% due to budgeted salary and benefit expenses. General administration expenses increased 11.1% due to vacant open positions in the previous year and budgeted salary and benefit increases. Institutional support decreased 2.2% due to vacant open positions offset by budgeted salary and benefit increases. Depreciation increased 24.5% due to an increase in depreciable assets and a full year's depreciation on three buildings opened in 2017. Interest expense increased 14.9% due to a decrease in the amount of interest capitalized on construction projects, offset by lower principal outstanding.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: By the end of 2018, the District has invested \$244.6 million in a broad range of capital assets, including three campuses and three centers, computer and audio-visual equipment, and furniture and equipment. (See Figure A-7.) (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total depreciation expense for the year was net \$12.7 million, while building improvements and additions to equipment and furniture amounted to \$5.1 million.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2018

Figure A-7
Capital Assets (net of depreciation, in millions of dollars)

	2018	2017	Increase (Decrease)	Percent Change
Land	\$ 4.5	\$ 4.5	\$ -	0.0%
Land improvements	20.6	20.4	0.2	1.0%
Buildings and improvements	267.7	266.0	1.7	0.6%
Furniture and equipment	31.8	26.6	5.2	19.5%
Construction in process	1.5	6.1	(4.6)	-75.4%
	326.1	323.6	2.5	0.8%
Less accumulated depreciation	(81.5)	(71.1)	(10.4)	-14.6%
Capital assets, net	\$ 244.6	\$ 252.5	\$ (7.9)	-3.1%

Long-Term Debt: At year-end, the District had \$219.6 million in general obligation bonds and other long-term debt outstanding – as shown in Figure A-8. The District refunded the 2008 Series Bonds (\$35.7 million) by issuing \$20.4 million in 2018 Series Bonds along with a college contribution of \$15 million. This transaction reduced future bond payments over the next 14 years by \$21.7 million and resulted in an economic gain of \$4.5 million. In addition, the District implemented GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions as of the beginning of the year and caused beginning net position of the District to decrease by \$46.9 million. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

Figure A-8
Outstanding Long-Term Debt (in millions of dollars)

	2018	2017	Increase/ (Decrease)	Percent Change
General obligation bonds & note (financed with tuition and fees)	\$ 165.1	\$ 209.5	\$ (44.4)	-21.2%
OPEB & other long-term debt	54.5	48.9	5.6	11.5%
Total debt	\$ 219.6	\$ 258.4	\$ (38.8)	-15.0%

Debt service requirements over the next five years average \$15.5 million per year.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2018

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District's management believes it will continue its strong financial position into the future. Standard & Poor's upgraded the District's credit rating to AA from AA- in 2008 and affirmed the rating in 2009, 2012, 2013 and 2017. Moody's Investors Service gave a credit rating of Aa1 to the District in 2013, but in 2016 downgraded the credit rating to Aa2 due to the impact of the State of Illinois' fiscal and budget challenges. In 2017 and 2018, Moody's Investors Service affirmed the rating of Aa2. Compensation and benefits comprise the largest portion of the District's expenses. There are seven bargaining units representing employees of the District, which expire at various times through fiscal year 2020. As long as property tax and tuition revenue increases stay in line with salary increases and there is not a large reduction in state funding, the District projects balanced budgets for the foreseeable future.

COMPONENT UNIT

The District had one component unit. Joliet Junior College Foundation and Subsidiary is a discretely presented component unit because its resources directly benefit the District and its students even though it has a board of directors that are independent of the District. Complete financial statements can be obtained from the Joliet Junior College Foundation, 1215 Houbolt Road, Joliet, Illinois 60431.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Vice President of Administrative Services, 1215 Houbolt Road, Joliet, Illinois 60431.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
STATEMENT OF NET POSITION
June 30, 2018

	<u>Primary Institution Business-type Activities</u>	<u>Component Unit Foundation</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 33,978,928	\$ 467,969
Investments	2,000,000	4,935,461
Restricted cash and cash equivalents	1,446,346	-
Restricted investments	351,739	5,119,748
Receivables		
Property taxes, less allowance of \$1,086,628	31,053,474	-
Government claims and grants	2,117,872	-
Student tuition and fees, less allowance of \$3,238,805	10,764,180	-
Accrued interest	69,789	-
Other, less allowance of \$80,000	7,321	57,725
Prepaid items	935,876	-
Inventories	1,006,870	-
Total Current Assets	<u>83,732,395</u>	<u>10,580,903</u>
Noncurrent Assets		
Investments	13,176,244	-
Restricted cash and cash equivalents	2,487,416	-
Restricted investments	-	12,015,503
Capital assets, net of accumulated depreciation		
Land	4,534,357	1,835,932
Construction in progress	1,560,412	-
Depreciable buildings, property and equipment, net	<u>238,511,529</u>	<u>5,411,243</u>
Total Noncurrent Assets	<u>260,269,958</u>	<u>19,262,678</u>
Total Assets	<u>344,002,353</u>	<u>29,843,581</u>
Deferred Outflows of Resources		
Deferred outflows related to other post-employment benefits	<u>4,714,600</u>	<u>-</u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
STATEMENT OF NET POSITION
June 30, 2018

	Primary <u>Institution</u> Business-type <u>Activities</u>	Component Unit <u>Foundation</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 5,161,539	\$ 125,195
Accrued salaries and related costs	3,657,504	-
Accrued interest	280,172	12,440,682
Other liabilities	267,108	22,434
Unearned revenue		
Tuition and fees	16,805,117	-
Government claims and grants	48,246	-
Claims payable	2,403,676	-
Current portion of note payable to primary government	-	314,495
Current portion of long-term obligations	7,517,979	14,435,000
Total Current Liabilities	<u>36,141,341</u>	<u>27,337,806</u>
Noncurrent Liabilities		
Note payable to primary government	-	825,993
Long-term obligations, including unamortized premium	212,089,980	-
Total Noncurrent Liabilities	<u>212,089,980</u>	<u>825,993</u>
Total Liabilities	<u>248,231,321</u>	<u>28,163,799</u>
Deferred Inflows of Resources		
Deferred inflows related to other post-employment benefits	<u>4,534,883</u>	<u>-</u>
Net Position		
Net investment in capital assets	83,456,298	(8,328,313)
Restricted for		
Nonexpendable, scholarships	-	12,015,503
Expendable		
Scholarships	-	5,119,748
Capital projects	11,736,688	-
Debt service	1,859,453	-
Instructional	2,575,825	-
Unrestricted (deficit)		
Other post-employment benefits (deficit)	(52,465,833)	-
Operating	<u>48,788,318</u>	<u>(7,127,156)</u>
Total Net Position	<u>\$ 95,950,749</u>	<u>\$ 1,679,782</u>

See accompanying notes to financial statements.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year ended June 30, 2018

	Primary Institution Business-type Activities	Component Unit Foundation
Operating Revenues		
Tuition and fees	\$ 42,453,631	\$ -
Less scholarships and allowances	(14,052,232)	-
Sales and service fees	7,871,539	706,156
Contributions and special events	-	1,780,959
Miscellaneous	1,623,003	68,767
Total Operating Revenues	<u>37,895,941</u>	<u>2,555,882</u>
Operating Expenses		
Instruction	69,595,361	-
Academic support	5,776,864	-
Student services	17,880,743	2,047,676
Public services	3,794,004	-
Operations and maintenance of plant	17,422,567	-
Independent operations	9,362,445	693,281
General administration	8,033,797	-
Institutional support	12,999,406	-
Depreciation	12,717,948	381,955
Total Operating Expenses	<u>157,583,135</u>	<u>3,122,912</u>
Operating Loss	<u>(119,687,194)</u>	<u>(567,030)</u>
Non-Operating Revenues (Expenses)		
Property taxes	59,252,679	-
Corporate personal property replacement taxes	1,997,609	-
State and federal sources	77,319,533	-
Investment income	1,129,007	1,540,604
Interest expense	(10,796,251)	(1,131,175)
Loss on sale of capital assets	(303,576)	-
Total Non-Operating Revenues (Expenses)	<u>128,599,001</u>	<u>409,429</u>
Income/Loss Before Capital Contributions	<u>8,911,807</u>	<u>(157,601)</u>
Capital Contributions		
Capital contributions - donated property	41,555	-
Total Capital Contributions	<u>41,555</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>8,953,362</u>	<u>(157,601)</u>
Net Position:		
July 1, 2017, as restated	<u>86,997,387</u>	<u>1,837,383</u>
June 30, 2018	<u>\$ 95,950,749</u>	<u>\$ 1,679,782</u>

See accompanying notes to financial statements.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
STATEMENT OF CASH FLOWS
Year ended June 30, 2018

	Primary Institution
	Business-type Activities
Cash Flows from Operating Activities	
Tuition and fees	\$ 29,301,119
Payments to suppliers	(40,315,986)
Payments to employees	(60,922,555)
Sales and service fees	7,871,539
Other miscellaneous receipts	1,786,356
Net Cash Used in Operating Activities	(62,279,527)
Cash Flows From Noncapital Financing Activities	
Property taxes	59,998,306
Corporate personal property replacement taxes	1,997,609
State and federal sources	47,085,329
Net Cash Provided by Noncapital Financing Activities	109,081,244
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(8,734,122)
Proceeds from issuance of long-term obligations	21,134,114
Principal paid on long-term obligations	(64,490,000)
Interest paid on long-term obligations	(12,079,043)
Net Cash Used in Capital and Related Financing Activities	(64,169,051)
Cash Flows from Investing Activities	
Proceeds from maturities of investments	52,960,403
Purchase of investments	(40,034,155)
Interest received	1,475,408
Net Cash Provided by Investing Activities	14,401,656
Net Decrease in Cash and Cash Equivalents	(2,965,678)
Cash and cash equivalents	
July 1, 2017	40,878,368
June 30, 2018	\$ 37,912,690

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
STATEMENT OF CASH FLOWS
Year ended June 30, 2018

	Primary Institution
	Business-type Activities
Reconciliation of Operating Loss to Net Cash Used In Operating Activities	
Operating loss	\$ (119,687,194)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	12,717,948
On-behalf payments for the State Universities Retirement System of Illinois	35,479,548
Net OPEB expense	5,542,783
Change in assets and liabilities:	
(Increase) decrease in:	
Receivables	708,676
Prepaid items	(99,082)
Inventories	22,549
Increase (decrease) in:	
Accounts payable	1,609,797
Accrued salaries and related costs	375,199
Other liabilities	31,522
Unearned revenue	389,897
Claims payable	628,830
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (62,279,527)</u>
Noncash Investing, Capital and Financing Activities	
On-behalf payments for the State Universities Retirement System of Illinois	\$ 35,479,548
Net OPEB expense	5,542,783
Decrease in fair value of investments	361,744
Value of donated capital assets	41,555
Construction in progress included in accounts payable	1,523,182

See accompanying notes to financial statements.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

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JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Joliet Junior College (the District) is subject to the authority of the Illinois Community College Board under the Illinois Board of Higher Education. Initially created in 1901, Joliet Junior College is the nation's oldest post-graduate high school program. In 1967, the voters of 12 high school districts in Will, Grundy, Kendall, and portions of LaSalle and Kankakee counties approved the establishment of Community College District No. 525, the nation's first public community college. Joliet Junior College is governed by a seven member Board of Trustees who are elected to six-year staggered terms through district-wide voting. The Board has three officers (chairman, vice chairman, and secretary) elected on a bi-annual basis.

Financial Reporting Entity: Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These financial statements present Joliet Junior College (the primary government) and its component unit. The component unit discussed below is included in the District's reporting entity because of its operational significance or financial relationships with the District based on criteria provided in Government Accounting Standards Board Statement No. 61.

Discretely Presented Component Unit: The Joliet Junior College Foundation and Subsidiary (Foundation), which is a separate not-for-profit entity, is a discretely presented component unit of the District. The Foundation is governed by a board of directors that is independent of the District; however, the Foundation's resources directly benefit the District and its students. The District is also entitled to the resources of the Foundation. The Foundation is the sole member of a limited liability company that benefits the College. Foundation Housing, LLC has been consolidated in the Foundation's financial statements. Foundation Housing was created specifically for the purpose of owning and managing a 284-bed student housing facility adjacent to the campus of Joliet Junior College. Complete financial statements of the Foundation can be obtained from:

Joliet Junior College Foundation
c/o Executive Director
1215 Houbolt Road
Joliet, Illinois 60431

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Measurement Focus, Basis of Accounting, and Basis of Presentation: The District is a special-purpose government engaged only in business-type activities. Therefore, the District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash and Cash Equivalents: For purposes of reporting cash flows, all highly liquid investments with a maturity of twelve months or less when purchased are considered to be cash equivalents.

Investments: Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

Receivables: All receivables are expected to be received within one year.

Inventories: Inventories consist primarily of supplies and items held for resale by the bookstore. Inventories of supplies are reported at cost and inventories held for resale are valued at the lower of cost or market, on a first-in, first-out basis. The cost is recorded as an expense at the time individual inventory items are utilized or sold.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are accounted for under the purchases method.

Noncurrent Restricted Cash and Cash Equivalents and Restricted Investments: Noncurrent restricted assets include (a) cash and claims to cash that are restricted as to withdrawal or use for other than current operations, (b) resources that are designated for expenditure in the acquisition or construction of noncurrent assets, or (c) resources that are segregated for the liquidation of long-term debts.

Capital Assets: Capital assets include buildings, property, equipment and infrastructure assets, such as roads. Capital assets are defined by the District as assets with an initial unit cost of \$2,500 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their acquisition value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Interest incurred during the construction of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	15 – 50 years
Furniture and equipment	4 – 10 years
Improvements other than buildings	20 years

Compensated Absences: Vacation leave can be accumulated up to 240 hours. Sick leave does not vest and is accumulated at a rate of twenty (20) days per year, with a maximum of 420 days. All vacation leave which is earned during the year is reported as an expense and as a liability.

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS or the System) and additions to/deductions from SURS' plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

Unearned Revenue: Unearned tuition revenue represents that portion of tuition and other fees received before June 30, 2018, but applicable to sessions occurring after June 30, 2018. Unearned government claims and grants represent monies received before all eligibility requirements imposed by the provider have been met.

Property Taxes: Property taxes are levied each year on the basis of the equalized assessed property values in the District as of January 1 of that year. Assessed values are established by each of the respective counties. Property taxes are billed and collected by the various counties included within the District's boundaries. These taxes are assessed in December and become an enforceable lien on the property as of the preceding January 1. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amount to be collected.

Property taxes are recognized as revenue on the accrual basis of accounting. The property tax levy passed in December 2017 was recognized as a receivable and revenue for the year ended June 30, 2018.

Long-Term Obligations: Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the applicable bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time of issuance.

Net Position: Net positions are classified as follows:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, less any unspent debt proceeds.

Restricted Net Position – Consists of net position that has constraints placed on their use either by 1) external groups such as creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Unrestricted Net Position – All other net positions that do not meet the definition of “restricted” or “net invested in capital assets.”

When both restricted and unrestricted resources are available for use, the District uses restricted resources first and then unrestricted resources as they are needed.

Classification of Revenues and Expenses: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees and (2) sales and service fees. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as local property taxes, state appropriations, most federal, state and local grants and interest.

Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

Use of Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Comparative Data: Comparative data has not been presented in the statements since their inclusion would make the statements unduly complex and difficult to read.

Deferred Outflows of Resources: A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Deferred Inflows of Resources: A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Changes in Accounting Principles: In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agency Employers and Agent Multiple-Employer Plans*, for OPEB. This standard was implemented July 1, 2017.

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 2 – CASH AND INVESTMENTS

The District has adopted an investment policy that follows the State statute for allowable investments. That policy limits investments to securities issued to the United States of America and its agencies, interest bearing accounts of any bank as defined by the Illinois Banking Act, collateralized repurchase agreements which conform with paragraph 2(g) and 2(h) of the Public Funds Investment Act of the State of Illinois, Municipal Bonds rated at the time of purchase within the four highest general classifications established by a nationally recognized rating service, and the following investment pools: Illinois School District Liquid Asset Fund, Illinois Funds and Illinois Institutional Investors Trust Fund. Investment products that are considered as derivatives are excluded from approved investments.

Cash, cash equivalents and investments as shown on the District's Statement of Net Position are as follows:

	<u>Fair Value</u>	Investment Maturities (in Years)	
		<u>Less Than 1</u>	<u>1 to 5</u>
Current			
Cash and Cash Equivalents			
Non-interest bearing demand deposits and cash on hand	\$ 581,311	\$ 581,311	\$ -
Interest bearing demand deposits	25,277,171	25,277,171	-
Illinois School District Liquid Asset Fund	27,916	27,916	-
Illinois Funds	<u>8,092,530</u>	<u>8,092,530</u>	-
Total Cash and Cash Equivalents	<u>33,978,928</u>	<u>33,978,928</u>	-
Restricted Cash and Cash Equivalents			
Non-interest bearing demand deposits and cash on hand	<u>1,446,346</u>	<u>1,446,346</u>	-
Investments			
Certificates of deposit	<u>2,000,000</u>	<u>2,000,000</u>	-
Restricted Investments			
Certificates of deposit	<u>351,739</u>	<u>351,739</u>	-
Noncurrent			
Investments			
Certificates of deposit	<u>13,176,244</u>	-	<u>13,176,244</u>
Restricted Cash and Cash Equivalents			
Illinois School District Liquid Asset Fund	<u>2,487,416</u>	<u>2,487,416</u>	-
 Total Cash and Investments	 <u>\$ 53,440,673</u>	 <u>\$ 40,264,429</u>	 <u>\$ 13,176,244</u>

The Illinois Funds and Illinois School District Liquid Asset Funds are shown as maturing in less than one year because the weighted average maturities of the pool's investments are less than one year.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 2 - CASH AND INVESTMENTS (Continued)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and noninterest bearing accounts. With the exception of the District's investment in municipal bonds, all deposits in excess of \$250,000 were covered by collateral held by the District's agent in the District's name as of June 30, 2018.

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

Illinois School District Liquid Asset Fund Plus is a not-for-profit investment trust fund formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. Illinois School District Liquid Asset Fund Plus is not registered with the SEC as an investment company. Investments in Illinois School District Liquid Asset Fund Plus are valued at Illinois School District Liquid Asset Fund Plus' share price, which is the price the investment could be sold for.

Custodial Credit Risk: This is the risk that in the event of a financial institution failure, the District's deposits may not be returned to it. The District's policy for investments and deposits requires collateralization on all investments except U.S. Government securities, the approved investment pools and time deposits at in-district financial institutions that are no more than 50% of the capital stock and surplus of that institution. The State and Municipal Bonds are insured or registered or are held by the District or its agent in the District's name. All collateral exposed to custodial risk is held by the District's agent in the District's name.

Concentration of Credit Risk: The District's investment policy does not set a limit on the maximum deposits at a financial institution or in a type of financial instrument.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's policy on investments is to structure the portfolio in a manner as to provide sufficient liquidity to pay obligations as they come due.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy minimizes credit risk by limiting investments to the safest type of securities and diversifying the investment portfolio.

As of June 30, 2018, the District's investments were rated as follows:

Investment Type	Type	Standard & Poor's	Moody's
Illinois Funds	Investment Pool	AAAm	N/A
Illinois School District Liquid Asset Fund	Investment Pool	AAAm	N/A
Investment	Negotiable Certificates of Deposit	N/A	P-1
Investment	Negotiable Certificates of Deposit	N/A	P-2

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 2 - CASH AND INVESTMENTS (Continued)

Fair Value: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs. The District measures negotiable certificates of deposit based on matrix pricing based on the securities' relationship to benchmark quoted prices. The District measures state and municipal bonds at quoted prices for similar securities in active markets.

Investment Type	June 30, 2018			
	Level 1	Level 2	Level 3	Total
Negotiable Certificates of Deposit	<u>\$ -</u>	<u>\$ 836,971</u>	<u>\$ -</u>	<u>\$ 836,971</u>

NOTE 3 - CAPITAL ASSETS

A summary of the changes in capital assets for the District for the year ended June 30, 2018, is as follows:

	Balance June 30, 2017	Additions	Deletions/ Transfers	Balance June 30, 2018
Nondepreciated Assets:				
Land	\$ 4,534,357	\$ -	\$ -	\$ 4,534,357
Construction in progress	<u>6,098,046</u>	<u>3,175,576</u>	<u>7,713,210</u>	<u>1,560,412</u>
Total Nondepreciated Assets	<u>10,632,403</u>	<u>3,175,576</u>	<u>7,713,210</u>	<u>6,094,769</u>
Depreciated Assets:				
Land improvements	20,406,258	162,527	-	20,568,785
Buildings and improvements	265,985,236	2,581,616	888,969	267,677,883
Furniture and equipment	<u>26,574,368</u>	<u>6,874,537</u>	<u>1,646,962</u>	<u>31,801,943</u>
Total Depreciated Capital Assets	<u>312,965,862</u>	<u>9,618,680</u>	<u>2,535,931</u>	<u>320,048,611</u>
Less accumulated depreciation:				
Land improvements	6,404,322	964,240	-	7,368,562
Buildings and improvements	50,151,368	8,488,138	608,292	58,031,214
Furniture and equipment	<u>14,495,799</u>	<u>3,265,570</u>	<u>1,624,063</u>	<u>16,137,306</u>
Total Accumulated Depreciation	<u>71,051,489</u>	<u>12,717,948</u>	<u>2,232,355</u>	<u>81,537,082</u>
Depreciable Capital Assets, Net	<u>241,914,373</u>	<u>(3,099,268)</u>	<u>303,576</u>	<u>238,511,529</u>
Capital Assets, Net	<u>\$ 252,546,776</u>	<u>\$ 76,308</u>	<u>\$ 8,016,786</u>	<u>\$ 244,606,298</u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 3 - CAPITAL ASSETS (Continued)

Capitalized Interest: The District issued General Obligation Bonds to fund various projects on campus such as building, equipping, altering and repairing buildings of the District. A portion of the interest cost incurred on this borrowing can be capitalized as part of the historical cost of the assets, and depreciated over the useful life of the assets. For year ended June 30, 2018, the portion of interest cost recognized on the bonds and capitalized as construction in progress was \$30,366. The total amount of interest expense was \$10,796,251.

NOTE 4 - RELATED PARTY TRANSACTIONS

The District entered into an agreement with Foundation Housing, LLC, a subsidiary of the Foundation whereby the District sold 15.048 acres of land to construct the student housing facility. As consideration for the land, Foundation Housing, LLC has agreed to pay the District \$1,075,932 and interest at 6% per annum. As of June 30, 2018, the balance owed to the District is \$1,140,488 including capitalized interest of \$64,556. The principal and interest shall be payable solely from net cash flows, if any, that exceed 120% of the debt service for the preceding year. The payments are to be made in 30 annual installments of \$78,165 beginning on October 1, 2003. Net cash flow is defined as the excess, if any, of gross revenues less annual expenses. Because the payments are to be made solely from excess cash flow and the property is in foreclosure, the District has set up an allowance for the entire amount of \$1,140,488. However, Foundation Housing, LLC has recorded a payable to the District of \$1,140,488, which has annual debt service requirements as follows:

Year Ended June 30,

2019	\$ 314,495
2020	24,732
2021	26,216
2022	27,789
2023	29,456
2024 to 2028	176,011
2029 to 2033	<u>541,789</u>
Total	<u>\$ 1,140,488</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of debt transactions of the District for the year ended June 30, 2018:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>June 30, 2018</u>	Current <u>Portion</u>	Long-term <u>Portion</u>
General Obligation Bond (Alternate Revenue Source), Series 2008	\$ 61,165,000	\$ -	\$ 61,165,000	\$ -	\$ -	\$ -
Add amounts, for issuance premium	656,788	-	656,788	-	-	-
General Obligation Bond Series 2009B	76,660,000	-	3,225,000	73,435,000	3,650,000	69,785,000
Add amounts, for issuance premium	806,580	-	67,215	739,365	67,215	672,150
General Obligation Refunding Bond (Alternate Revenue Source), Series 2012	8,940,000	-	100,000	8,840,000	100,000	8,740,000
Add amounts, for issuance premium	359,909	-	32,719	327,190	32,719	294,471
General Obligation Refunding Bond (Alternate Revenue Source), Series 2013A	14,115,000	-	-	14,115,000	-	14,115,000
Add amounts, for issuance premium	1,184,910	-	169,273	1,015,637	169,273	846,364
General Obligation Bond (Alternate Revenue Source), Series 2013B	44,365,000	-	-	44,365,000	-	44,365,000
Add amounts, for issuance premium	1,231,734	-	58,654	1,173,080	58,654	1,114,426
General Obligation Refunding Bond (Alternate Revenue Source), Series 2018	-	20,395,000	-	20,395,000	2,470,000	17,925,000
Add amounts, for issuance premium	-	739,114	264	738,850	52,775	686,075
Net OPEB liability	47,173,505	5,785,943	313,898	52,645,550	-	52,645,550
Compensated absences	1,016,513	1,300,046	1,266,287	1,050,272	703,682	346,590
Early retirement benefits	703,655	332,500	268,140	768,015	213,661	554,354
Totals	<u>\$ 258,378,594</u>	<u>\$ 28,552,603</u>	<u>\$ 67,323,238</u>	<u>\$ 219,607,959</u>	<u>\$ 7,517,979</u>	<u>\$ 212,089,980</u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

The outstanding debt consists of:

A general obligation bond issue dated July 31, 2009, for the support of the Master Plan, provides for the retirement of principal of \$3,650,000 in 2019, \$4,110,000 in 2020, \$4,610,000 in 2021, \$5,155,000 in 2022, \$5,745,000 in 2023, \$6,395,000 in 2024, \$7,095,000 in 2025, \$7,860,000 in 2026, \$8,685,000 in 2027, \$9,575,000 in 2028, and \$10,555,000 in 2029. Commencing in 2011, interest is payable on January 1 and June 30 at 4.30% to 7.0%. The original amount of the note was \$82,000,000. These bonds have an "AA" rating from Standard & Poor's. 73,435,000

A general obligation refunding bond (alternate revenue source) issue dated December 17, 2012, for the advance refunding of a portion of the Series 2008 bonds to gain overall savings for the college, provides for the retirement of principal of \$100,000 in years 2019 through 2024, \$1,920,000 in 2025, 2,080,000 in 2026, \$1,240,000 in 2027 and \$3,000,000 in 2028. Interest is payable on December 1 and June 1 at 2.00% to 4.00%. The district has pledged tuition revenues for the repayment of these bonds. The original amount of the note was \$9,445,000. These have an "AA" rating from Standard & Poor's. 8,840,000

A general obligation refunding bond (alternate revenue source), Series 2013A, issue dated September 27, 2013, for the advance refunding of a portion of the Series 2008 bonds to gain overall savings for the college, provides for the retirement of principal of \$2,340,000 in 2020, 2,570,000 in 2021, \$2,975,000 in 2022, \$2,905,000 in 2023 and \$3,325,000 in 2024. Commencing in 2014, interest is payable on December 1 and June 1 at 5.00%. The district has pledged tuition revenues for the repayment of these bonds. The original amount of the note was \$14,465,000. These bonds have an "AA" rating from Standard & Poor's, as well as an "Aa2" rating from Moody's Investors Service. 14,115,000

A general obligation bond issue (alternate revenue source), Series 2013B, dated November 19, 2013, for the support of a new multipurpose facility and for improvements to the Romeoville campus, provides for the retirement of principal of \$1,380,000 in 2029, \$1,545,000 in 2030, \$3,375,000 in 2031, \$3,570,000 in 2032, \$5,040,000 in 2033, \$5,305,000 in 2034, \$5,585,000 in 2035, \$5,880,000 in 2036, \$6,190,000 in 2037, and \$6,495,000 in 2038. Commencing in 2014, interest is payable on December 1 and June 1 at 5.00% to 5.50%. The district has pledged tuition revenues for the repayment of these bonds. The original amount of the note was \$44,365,000. These bonds have an "AA" rating from Standard & Poor's, as well as an "Aa2" rating from Moody's Investors Service. 44,365,000

(continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

A general obligation refunding bond (alternate revenue source), Series 2018, issue dated June 28, 2018, for the refunding of a portion of the Series 2008 bonds to gain overall savings for the college, provides for the retirement of principal of \$2,470,000 in 2019, \$180,000 in 2020, \$105,000 in 2021, \$190,000 in 2023, \$1,730,000 in 2025, \$1,780,000 in 2026, \$2,860,000 in 2027, \$1,290,000 in 2028, \$3,110,000 in 2029, \$3,215,000 in 2030, \$1,670,000 in 2031 and \$1,795,000 in 2032. Interest is payable on December 1 and June 1 at 3.00% to 5.00%. The district has pledged tuition revenues for the repayment of these bonds. The original amount of the note was \$20,395,000. These bonds have an "Aa2" rating from Moody's Investors Service.

	\$ 20,395,000
Issurance premium	3,994,122
Net OPEB liability	52,645,550
Compensated absences	1,050,272
Early retirement benefits	<u>768,015</u>
Total Long-Term Obligations	219,607,959
Less: Current portion	<u>(7,517,979)</u>
Total	<u>\$212,089,980</u>

During the year, the District issued \$20,395,000 in Series 2018 General Obligation Alternate Revenue Refunding Bonds with an average interest rate of 3.92%. The bond proceeds plus \$15,000,000 in contributions from the District were used to current refund \$35,735,000 of outstanding Series 2008 General Obligation Alternate Revenue Bonds with an average interest rate of 5.81%. The net proceeds and District funds were deposited in an irrevocable trust with an escrow agent and the Series 2008 bonds were redeemed on July 18, 2018. As a result, \$35,735,000 of the Series 2008 bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The District refunded the Series 2008 bonds to reduce its debt service payments over the next 14 years by \$21,718,755 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,554,412.

The summary of the future debt service requirements to amortize the outstanding long-term debt of \$161,150,000, excluding issuance premiums of \$3,994,122, net OPEB liability of \$52,645,550, compensated absences of \$1,050,272 and early retirement benefits of \$768,015, as of June 30, 2018 are as follows:

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 6,220,000	\$ 8,639,275	\$ 14,859,275
2020	6,730,000	8,420,600	15,150,600
2021	7,385,000	8,058,483	15,443,483
2022	8,230,000	7,644,986	15,874,986
2023	8,940,000	7,166,815	16,106,815
2024	9,820,000	6,636,951	16,456,951
2025	10,745,000	6,036,295	16,781,295
2026	11,720,000	5,400,263	17,120,263
2027	12,785,000	4,671,428	17,456,428
2028	13,865,000	3,918,013	17,783,013
2029	15,045,000	3,083,150	18,128,150
2030	4,760,000	2,513,425	7,273,425
2031	5,045,000	2,299,850	7,344,850
2032	5,365,000	2,047,425	7,412,425
2033	5,040,000	1,779,275	6,819,275
2034	5,305,000	1,514,675	6,819,675
2035	5,585,000	1,236,162	6,821,162
2036	5,880,000	942,950	6,822,950
2037	6,190,000	634,250	6,824,250
2038	<u>6,495,000</u>	<u>324,750</u>	<u>6,819,750</u>
Totals	<u>\$ 161,150,000</u>	<u>\$ 82,969,021</u>	<u>\$ 244,119,021</u>

A computation of the legal debt margin of the District as of June 30, 2018, is as follows:

Assessed valuation - 2017 tax levy	<u>\$ 19,956,025,602</u>
Debt limit - 2.875% of assessed valuation	\$ 573,735,736
Less applicable debt:	
General obligation bonds, Series 2009B	<u>(73,435,000)</u>
Legal Debt Margin	<u>\$ 500,300,736</u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

Early Retirement Benefits: As provided for in the faculty union agreement, a faculty member is permitted to participate in the "Early Retirement Plan" if they retire prior to reaching the age of 65. To qualify, the faculty must be eligible to retire under the State Universities Retirement System (SURS) and shall have at least fifteen years of full-time service at Joliet Junior College. The College funds this plan on a pay-as-you-go basis. The number of persons currently receiving benefits is 23. For the year ended June 30, 2018, the District's cost under this plan was \$268,140, with the total amount under these agreements due as follows:

<u>Year Ending</u>	<u>Amount</u>
2019	\$ 213,661
2020	147,166
2021	194,688
2022	152,500
2023	<u>60,000</u>
Total	<u>\$ 768,015</u>

Pledged Revenues: Information related to pledged revenue on the District's debt is as follows:

<u>Debt Issue Series</u>	<u>Pledged Revenue Source</u>	<u>Pledged Revenue</u>	<u>Principal and Interest Retired</u>	<u>Pledge Remaining</u>	<u>Commitment End Date</u>	<u>Principal and Interest as a Percentage of Pledged Revenue</u>
Series 2012 and 2013A	Tuition account revenues	\$ 28,401,399	\$ 7,654,488	\$ 28,247,850	6/1/2028	27%
Series 2013B and 2018	Tuition account revenues and Operations and Maintenance property tax revenues	\$ 47,032,150	\$ 2,322,125	\$ 110,460,795	6/1/2038	5%

NOTE 6 - LEASE COMMITMENTS

Equipment Lease: The District leases copier equipment under a month-to-month operating leases. The lease requires minimum monthly payments of \$15,913.

Rent charges on the copier equipment leases were \$187,930 for the year ended June 30, 2018.

NOTE 7 - RETIREMENT COMMITMENTS – STATE UNIVERSITIES RETIREMENT SYSTEM

Pension Plan

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

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2017 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions: The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2017 and 2018 respectively, was 12.53% and 12.46% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15.155(g) (relating to Contributions payable due to earning increases exceeding 6% during the final rate of earnings period). There were no such liabilities for the District at year end.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 7 - RETIREMENT COMMITMENTS – STATE UNIVERSITIES RETIREMENT SYSTEM
(Continued)

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

Net Pension Liability: At June 30, 2017, SURS reported a net pension liability (NPL) of \$25,481,105,995. The net pension liability was measured as of June 30, 2017.

Employer Proportionate Share of Net Pension Liability: 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 \$374,674,183 or 1.4704%. The net pension liability and total pension liability as of June 30, 2017 was determined based on the June 30, 2016 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2017.

Pension Expense: At June 30, 2017 SURS reported a collective net pension expense of \$2,412,918,129.

Employer Proportionate Share of Pension Expense: The employer proportionate share of collective pension expense is recognized as on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2017. As a result, the District recognized on-behalf revenue and pension expense of \$35,479,548 for the fiscal year ended June 30, 2018.

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 139,193,227	\$ 1,170,771
Changes in assumption	205,004,315	259,657,577
Net difference between projected and actual earnings on pension plan investments	<u>94,620,827</u>	<u>-</u>
Total	<u>\$ 438,818,369</u>	<u>\$ 260,828,348</u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 7 - RETIREMENT COMMITMENTS – STATE UNIVERSITIES RETIREMENT SYSTEM
(Continued)

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Year to be recognized in Future Pension Expenses:

Year Ending June 30	Net Deferred Outflows of Resources
2018	\$ 55,589,850
2019	187,754,276
2020	90,475,551
2021	(155,949,656)
Total	<u>\$ 177,870,021</u>

Employer Deferral of Fiscal Year 2018 Pension Expense

The District paid \$172,044 in federal, trust or grant contributions for the fiscal year ended June 30, 2018. These contributions were made subsequent to the pension liability measurement date of June 30, 2017.

Assumptions and Other Inputs

Actuarial assumptions: 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 - 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	2.75 percent
Salary increases	3.75 to 15.00 percent, including inflation
Investment rate of return	7.25 percent beginning with the actuarial valuation as of June 30, 2014

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

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 7 - RETIREMENT COMMITMENTS – STATE UNIVERSITIES RETIREMENT SYSTEM
(Continued)

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, 2017, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	7.34%
Global Equity	8%	6.85%
Fixed Income	19%	1.38%
Treasury-Inflation Protected Securities	4%	1.17%
Emerging Market Debt	3%	4.14%
REITS	4%	5.75%
Direct Real Estate	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	3.95%
Opportunity Fund	<u>1%</u>	<u>6.71%</u>
Total	100%	5.20%
Inflation		<u>2.75%</u>
Expected Geometrical Normal Return		7.95%

Discount Rate: A single discount rate of 7.09% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.56% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 7 - RETIREMENT COMMITMENTS – STATE UNIVERSITIES RETIREMENT SYSTEM
(Continued)

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

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

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

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description: The District participates in the Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program, “CIP”), a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

All members receiving benefits from the State Universities Retirement System (SURS) who have been full-time employees of a community college district or an association of a community college who have paid the required active member CIP contributions prior to retirement are eligible to participate in CIP. Survivors of an annuitant or benefit recipient eligible for CIP coverage are also eligible for coverage under CIP.

The publicly available financial report of the CCHISF Fund may be found on the website of the Illinois Auditor General: [http://www.auditor.illinois.gov/Audit Reports/ABC List.asp](http://www.auditor.illinois.gov/Audit%20Reports/ABC%20List.asp). The current reports are listed under "Central Management Services."

Benefits Provided: CIP health coverage includes provisions for medical, prescription drugs, vision, dental and behavioral health benefits. Eligibility to participate in the CIP is defined in the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3). The Act (5 ILCS 375/6.9) also establishes health benefits for community college benefit recipients and dependent beneficiaries.

On Behalf Contributions to CCHISF: The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to CCHISF from active members. For the year ended June 30, 2018. State of Illinois contributions were \$243,635 and the District recognized revenues and expenditures of this amount during the year.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 8 – OTHER POST–EMPLOYMENT BENEFITS (continued)

Contributions: The District also makes contributions to CCHISF. The District's contribution was 0.5% of covered salary during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$243,160 to CCHISF, which was 100 percent of the required contribution for the year.

CCHISF Fiduciary Net Position: Detailed information about the CCHISF's fiduciary net position as of June 30, 2017 is available in the separately issued CCHISF Annual Financial Report.

Net OPEB Liability: At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collection net OPEB liability	\$ 52,645,550	
State's proportionate share of the collective net OPEB liability associated with the District		51,952,175
Total		\$ 104,597,725

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to CCHISF for the measurement year ended June 30, 2017, relative to the projected contributions of all participating CCHISF employers and the state during that period. At June 30, 2017 and 2016, the District's proportion was 2.886844% and 2.592016%, respectively.

Actuarial Assumptions: The net OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent	
Salary increases	3.75 to 10.00 percent, including inflation	
Investment rate of return	0.00%	
Healthcare Cost Trend Rates Initial	Non Medicare 8.00%; Post Medicare 9.00%	
Healthcare Cost Trend Rates Ultimate	4.50% with additional 0.52% added to non-Medicare costs	
Fiscal Year the Ultimate Rate is Reached	2020	

Mortality rates were based on the RP 2014 White Collar Annuitant Mortality Table. For disabled annuitants, mortality rates were based on the RP Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP 2014 White Collar Table. 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 through June 30, 2014.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Discount Rate: At June 30, 2017, the discount rate used to measure the total OPEB liability was a blended rate of 3.56%, which was a change from the June 30, 2016 rate of 2.85%. Since CCHISF is financed on a pay as you go basis, the discount rate is based on the 20 year general obligation bond index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current discount rate:

1% Decrease 2.56%	Current Single Discount Rate Assumption 3.56%	1% Increase 4.56%
\$ 60,208,681	\$ 52,645,550	\$ 46,125,147

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (initial rate of 7.00% decreasing to an ultimate rate of 4.02%) for non-Medicare coverage and initial rate of 8.00% decreasing to an ultimate rate of 3.50% for Medicare coverage) or 1 percentage point higher (initial rate of 9.00% decreasing to an ultimate rate of 6.02%) for non-Medicare coverage and initial rate of 10.00% decreasing to an ultimate rate of 5.50% for Medicare coverage) than the current healthcare cost trend rate:

1% Decrease	Healthcare Cost Trend Rate	1% Increase
\$ 43,674,823	\$ 52,645,550	\$ 65,627,259

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the District recognized OPEB expense of \$5,785,943 and on-behalf revenue and expenditures of \$243,635 for support provided by the state. At June 30, 2018, the District's deferred outflows of resources and deferred inflows of resources related to OPEB were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 148,998
Changes in assumption	-	4,385,331
Net difference between projected and actual earnings on pension plan investments	-	554
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	4,471,440	
District Contributions Subsequent to the Measurement Date	<u>243,160</u>	<u>-</u>
Total	<u>\$ 4,714,600</u>	<u>\$ 4,534,883</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB \$(63,443) will be recognized in OPEB expense as follows in these reporting years:

Year Ending June 30	<u>Net Deferred Inflows of Resources</u>
2018	\$ (15,861)
2019	(15,861)
2020	(15,861)
2021	<u>(15,860)</u>
Total	<u>\$ (63,443)</u>

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for employee health insurance and workers' compensation.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 9 - RISK MANAGEMENT (continued)

All known claims and estimated claims incurred but not reported, which are based on historical cost information, have been accrued as a current liability as they are expected to be paid within one year. The District has also purchased stop/loss coverage. An analysis of claims activities consists of the following:

	<u>2018</u>	<u>2017</u>
Balance, July 1	\$ 1,774,846	\$ 2,219,618
Claims incurred	11,236,654	10,357,634
Claims paid	<u>(10,607,824)</u>	<u>(10,802,406)</u>
Balance, June 30	<u>\$ 2,403,676</u>	<u>\$ 1,774,846</u>

Stop loss coverage limits for the year ended June 30, 2018, were as follows:

<u>Type</u>	<u>Stop Loss Coverage Limits</u>	
	<u>Per Occurrence</u>	<u>Aggregate</u>
Workers' compensation	\$ 400,000	\$ 1,000,000
Medical	225,000	N/A

The District has purchased commercial insurance to cover its general liability and property coverages. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. No significant reductions in coverage occurred in the past year.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 10 - CONTINGENT LIABILITIES AND COMMITMENTS

At June 30, 2018, the District is committed under construction contracts of approximately \$1,681,000.

The District is a defendant in various lawsuits. Although the outcome of these proceedings is not presently determinable, in the opinion of the District's management through consultation of legal counsel, the resolution of these matters will not have a material adverse effect on the financial statements of the District.

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenses disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

NOTE 11 - COMPONENT UNIT

The Foundation is a private, not-for-profit organization that reports its financial results under the *Financial Accounting Standards Board (FASB) Accounting Standards Codification*[®] (Codification) which is the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The financial statements of the Foundation have been reformatted to comply with the classification and display requirements in GASB Statement 34 on the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position. However, no modifications have been made to the Foundation's financial information in the District's financial reporting entity for revenue recognition or footnote disclosure differences.

Summary of Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements include the Foundation's wholly owned subsidiary, Foundation Housing, LLC, a limited liability company. All significant intercompany transactions have been eliminated.

Fund Accounting: To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, the funds are combined and fund balances with similar characteristics are combined and reported.

Under the Codification, the Foundation reports its fund balances as net assets. Net assets is classified into one of three classes of net assets based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Unrestricted: Unrestricted net assets include all net assets, which are neither temporarily or permanently restricted.

Temporarily Restricted: Temporarily restricted net assets includes contributed net assets for which donor imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 11 - COMPONENT UNIT (Continued)

Permanently Restricted: Permanently restricted net assets includes contributed net assets, which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Cash and Cash Equivalents: Cash and cash equivalents include checking accounts, savings accounts, and repurchase agreements with maturity dates of 90 days or less. Money market mutual funds are considered investments for financial reporting purposes.

Concentration of Credit Risk: The Foundation and Foundation Housing maintain cash balances in banks located in Joliet, Illinois. The balances for these accounts at times exceed \$250,000, the amount insured by the Federal Deposit Insurance Corporation (FDIC).

Investments: Investments are composed of publicly traded securities, which are carried at fair value and money market funds and certificates of deposits, which are carried at cost, but which approximates fair value.

The Foundation has ownership of certain cash and cash equivalents held by an outside investment manager for the benefit of the Foundation. Although these cash and cash equivalents are readily available, it is the intent of the Foundation to hold these cash and cash equivalents for investment purposes; and accordingly, these cash and cash equivalents are classified as investment assets in the consolidated financial statements.

Contributions: Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporary or permanently restricted net assets depending on the nature of the restriction.

Temporary restricted contributions received in the same year in which the restriction is met are recorded as temporarily restricted contributions and released from restriction.

Donated Property: Donated property is recorded at its fair value at the date of donation. If donors stipulate how long the assets must be used or held, the contributions are recorded as restricted support. In absence of such stipulations, contributions of property are recorded as unrestricted support.

Accounting Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Advertising: Advertising costs are expensed as incurred and included in operating costs. Advertising expense amounted to \$2,436 for the year ended June 30, 2018.

Endowment: The Foundation's endowment consists of many funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence of absence of donor-imposed restrictions.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 11 - COMPONENT UNIT (Continued)

The Board of Directors of the Foundation has interpreted state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the purposes of the Foundation and the donor-restricted endowment fund.

The Foundation has authorized that the amount to be allocated to operations from the endowment fund be determined by applying a spending rate determined annually based on investment income. For fiscal 2018, the amount authorized was \$322,894.

Functional Expenses - Allocation of Costs: Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable to a specific program are charged to unrestricted expenses.

Investments

Investments consist of the following as of June 30, 2018:

	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 467,571	\$ 467,571
U.S. Treasury and governmental agency obligations	1,949,523	1,909,001
Common stock	82,325	141,083
Corporate and other obligations	4,061,333	3,913,489
Mutual funds	<u>12,600,402</u>	<u>15,639,568</u>
 Total Investments	 <u>\$ 19,161,154</u>	 <u>\$ 22,070,712</u>

The following schedule summarizes investment returns and their classification in the statement of activities for the year ended June 30, 2018:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividend income	\$ 12,603	\$ 444,779	\$ 457,382
Net realized and unrealized gain	<u>522,714</u>	<u>560,508</u>	<u>1,083,222</u>
 Total investment return	 <u>\$ 535,317</u>	 <u>\$ 1,005,287</u>	 <u>\$ 1,540,604</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 11 - COMPONENT UNIT (Continued)

Fair Value Measurement

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2018 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
U.S. Treasury and governmental agency obligations	\$ 1,909,001	\$ 1,909,001
Corporate and other obligations	3,913,489	3,913,489
Common stock and equity funds	<u>15,780,651</u>	<u>15,780,651</u>
 Total Investments	 <u>\$ 21,603,141</u>	 <u>\$ 21,603,141</u>

Other Receivables

Other receivables are comprised of the following amounts at June 30, 2018:

	<u>Amount</u>
Interest and dividends receivable on the Foundation's investments	\$ 10,990
Contributions receivable	32,055
Other	<u>14,680</u>
	<u>\$ 57,725</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 11 - COMPONENT UNIT (Continued)

Property and Equipment

Property and equipment are stated at cost, or, if it is contributed property, at its fair market value at the date of contribution. Property and Equipment with an initial cost of \$5,000 or more and an estimated useful life in excess of two years are capitalized. Buildings and improvements are depreciated over 30-50 years on a straight-line basis. All other assets are depreciated on a straight-line basis over their useful lives estimated from 5 to 10 years. A summary of changes in property and equipment for the year ended June 30, 2018 is as follows:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2018</u>
Land	\$ 1,075,932	\$ -	\$ -	\$ 1,075,932
Land held for restrictive use	760,000	-	-	760,000
Buildings and improvements	11,458,681	-	-	11,458,681
Furniture and equipment	<u>327,273</u>	<u>-</u>	<u>-</u>	<u>327,273</u>
Total Property and Equipment	<u>13,621,886</u>	<u>-</u>	<u>-</u>	<u>13,621,886</u>
Less: Accumulated depreciation				
Buildings and improvements	5,665,483	381,955	-	6,047,438
Furniture and equipment	<u>327,273</u>	<u>-</u>	<u>-</u>	<u>327,273</u>
Total Accumulated Depreciation	<u>5,992,756</u>	<u>381,955</u>	<u>-</u>	<u>6,374,711</u>
Net Property and Equipment	<u>\$ 7,629,130</u>	<u>\$ (381,955)</u>	<u>\$ -</u>	<u>\$ 7,247,175</u>

Debt

2002 Series Revenue Bonds: In May 2002, \$14,455,000 of Revenue Bonds were issued by the County of Will, Illinois and the proceeds loaned to Foundation Housing to provide permanent financing for the student housing facility. The bond offering consisted of \$13,985,000 Student Housing Revenue Bonds Series 2002A and \$470,000 Student Housing Revenue Bonds Taxable Series 2002B. The bonds were issued at a discount of \$401,906. The interest rate on the bonds varies from 6.375% to 7.75%. The bonds are secured by the student housing land and buildings and are payable from the revenues generated by the facility.

In 2003 and 2004 Foundation Housing used debt service reserves to meet debt service requirements. On March 1, 2005, as a result of certain actions of Bondholders and a firm representing the Bondholders, the Trustee for the 2002 Series Revenue Bonds did not make the March 1, 2005 interest payments, which resulted in an Event of Default. On June 15, 2005, Foundation Housing entered into a Forbearance Agreement with the Bondholders of the 2002 Series Revenue Bonds.

Under the Forbearance Agreement, the Trustee would not exercise any remedies available under the Bond Document as a result of any past or future defaults. Payments due on September 1, 2005 through March 1, 2018 were not made as scheduled. Partial payments of interest have been made as follows:

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 11 - COMPONENT UNIT (Continued)

Scheduled Debt Service			Actual Interest Due and Payments			
Date	Principal	Interest	Interest Due	Payment Date	Amount	Unpaid Interest
9/1/05	\$ 50,000	\$ 484,750	\$ 484,750	3/1/06	\$ 194,630	\$ -
				9/1/06	120,000	
				2/15/07	170,120	
3/1/06	-	482,812	484,750	2/15/07	179,880	-
				8/23/07	217,000	
				3/3/08	87,870	
9/1/06	80,000	482,813	484,750	3/3/08	292,130	-
				3/2/09	192,620	
3/1/07	-	479,712	484,750	3/2/09	145,425	-
				9/1/09	87,255	
				11/29/10	24,238	
				3/1/11	20,000	
				9/1/11	40,000	
				3/1/12	130,000	
				9/1/12	37,832	
9/1/07	120,000	479,713	484,750	9/1/12	92,168	222,013
				3/1/14	170,569	
3/1/08	-	475,062	484,750			484,750
9/1/08	160,000	475,063	484,750			484,750
3/1/09	-	468,862	484,750			484,750
9/1/09	200,000	468,863	484,750			484,750
3/1/10	-	462,212	484,750			484,750
9/1/10	240,000	462,213	484,750			484,750
3/1/11	-	454,562	484,750			484,750
9/1/11	245,000	454,563	484,750			484,750
3/1/12	-	446,753	484,750			484,750
9/1/12	255,000	446,753	484,750			484,750
3/1/13	-	438,625	484,750			484,750
9/1/13	270,000	438,625	484,750			484,750
3/1/14	-	430,019	484,750			484,750
9/1/14	290,000	430,019	484,750			484,750
3/1/15	-	420,413	484,750			484,750
9/1/15	310,000	420,412	484,750			484,750
3/1/16	-	410,144	484,750			484,750
9/1/16	330,000	410,144	484,750			484,750
3/1/17	-	399,213	484,750			484,750
9/1/17	355,000	399,213	484,750			484,750
3/1/18	-	387,453	484,750			484,750

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 11 - COMPONENT UNIT (Continued)

On June 15, 2008, the Forbearance Agreement terminated, and the 2002 Series Revenue Bonds were in an Event of Default. Under the bond trust indenture, the bonds became due immediately in the event of default. As of June 30, 2018, the balance of the 2002 Series Revenue Bonds is \$14,435,000.

As of June 30, 2018, total accrued interest for the 2002 Series Revenue Bonds is \$10,724,930.

Mortgage Payable: Foundation Housing entered into an agreement with the College to purchase 15.048 acres of land to construct the student housing facility. As consideration for the land, Foundation Housing has agreed to pay the College \$1,075,932 and interest at 6% per annum. At June 30, 2018, total debt of \$1,140,488 includes capitalized interest of \$64,556. The principal and interest shall be payable solely from net cash flows, if any, that exceed 120% of the debt service for the preceding year. The payments are to be made in 30 annual installments of \$78,165 beginning on October 1, 2003. Net cash flow is defined as the excess, if any, of gross revenues less annual expenses. No payments have been made as of June 30, 2018.

Current maturities on the mortgage payable for the next five years ending June 30 and thereafter are as follows:

<u>Year ended June 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2018	\$ 54,833	\$ 314,495	\$ 369,328
2019	53,433	24,732	78,165
2020	51,949	26,216	78,165
2021	50,376	27,789	78,165
2022	48,709	29,456	78,165
Thereafter	<u>370,095</u>	<u>717,800</u>	<u>1,087,895</u>
Total	<u>\$ 629,395</u>	<u>\$ 1,140,488</u>	<u>\$ 1,769,883</u>

Total accrued interest for the mortgage payable is \$1,715,752 at June 30, 2018.

Income Taxes

The Foundation is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation.

Income taxes or credits resulting from earnings or losses that are payable by the Foundation's subsidiary are not included in the accompanying financial statements. It is the intent of the Foundation and its wholly owned subsidiary, Foundation Housing, LLC to avoid any action that would jeopardize the tax status of the Foundation.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 11 - COMPONENT UNIT (Continued)

Related Parties

The Foundation recognized \$606,312 of contribution income during the year ended June 30, 2018 for salary, benefits, and operating costs provided by the College.

As explained in the mortgage payable note, Foundation Housing has a mortgage payable to the College with a balance of \$1,140,488 at June 30, 2018.

Commitments and Contingencies

During the prior fiscal year, Foundation Housing entered into a property management agreement with Campus Evolution Villages, LLC (CEV). The property management fee was \$6,500 per month. During 2017, CEV assigned all of its right, title and interest in, to, and under the management agreement to Pinnacle Campus Living, LLC (Pinnacle). The management agreement with Pinnacle terminated May 31, 2018. Foundation Housing relinquished control of the property to a court appointed receiver on June 1, 2018.

Endowments and Net Asset Classifications

Changes in the endowment net assets for the year ended June 30, 2018 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investment return:				
Investment income	\$ 12,603	\$ 444,779	\$ -	\$ 457,382
Net realized and unrealized appreciation (depreciation)	<u>522,714</u>	<u>560,508</u>	<u>-</u>	<u>1,083,222</u>
	535,317	1,005,287	-	1,540,604
Contributions	189,424	665,738	329,485	1,184,647
Appropriation of endowment assets for expenditure	<u>(380,701)</u>	<u>(1,070,663)</u>	<u>-</u>	<u>(1,451,364)</u>
Total changes in net assets	344,040	600,362	329,485	1,273,887
Endowment net assets, beginning of year	<u>5,703,176</u>	<u>4,519,386</u>	<u>11,686,018</u>	<u>21,908,580</u>
Endowment net assets, end of year	<u>\$ 6,047,216</u>	<u>\$ 5,119,748</u>	<u>\$ 12,015,503</u>	<u>\$ 23,182,467</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 11 - COMPONENT UNIT (Continued)

The composition of net assets at June 30, 2018 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 5,119,748	\$ 12,015,503	\$ 17,135,251
Board designated endowment funds	<u>6,047,216</u>	<u>-</u>	<u>-</u>	<u>6,047,216</u>
Endowment net assets	6,047,216	5,119,748	12,015,503	23,182,467
Member equity - Foundation Housing	<u>(21,502,685)</u>	<u>-</u>	<u>-</u>	<u>(21,502,685)</u>
Net assets	<u>\$ (15,455,469)</u>	<u>\$ 5,119,748</u>	<u>\$ 12,015,503</u>	<u>\$ 1,679,782</u>

Temporarily Restricted and Permanently Restricted Net Assets

Temporarily and permanently restricted net assets as of June 30, 2018 are available for the following:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Academic support	\$ 1,128,167	\$ -
Student support	<u>3,991,581</u>	<u>12,015,503</u>
Total restricted net assets	<u>\$ 5,119,748</u>	<u>\$ 12,015,503</u>

Permanently restricted (endowed) net assets as of June 30, 2018 are restricted for investment in perpetuity, the income from which is expendable for student support.

Discontinued Operations

On October 6, 2017 the Trustee for the 2002 Series Revenue Bonds brought suit against Foundation Housing to foreclose on the property. In addition, the Trustee filed a request with the Court to appoint a Receiver to manage the property. The Court granted this request for a Receiver on March 8, 2018.

As part of the appointment by the Court of the Receiver, Foundation Housing was required to assign its management contract with Pinnacle Campus Living, LLC (PCL) which was effective April 11, 2018. Under the assignment PCL shall assist the Receiver with management of the property under the existing contract through May 31, 2018. Foundation Housing informed PCL that their contract would then be terminated effective May 31, 2018. At that time the Receiver took over day to day management of the property and all cash, receivables, payables and security deposits were transferred to the Receiver. For the year ended June 30, 2018, the consolidated financial statements include Foundation Housing's activity for the period July 1, 2018 through May 31, 2018.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 11 - COMPONENT UNIT (Continued)

Subsequent Event

On September 1, 2018 Foundation Housing did not make a scheduled payment to the Trustee on the Student Housing Revenue Bond Series 2002A and 2002B.

NOTE 12 - RESTATEMENT

Net position has been restated due to the implementation of GASB Statement No. 75. The restatement is necessary to record the prior year net OPEB liability.

Net position as previously reported, June 30, 2017	\$ 133,920,437
Adjustment to record the net OPEB liability as of June 30, 2017	(47,173,505)
Adjustment to record deferred outflows of resources related to OPEB as of June 30, 2017	<u>250,455</u>
Net position as restated, June 30, 2017	<u>\$ 86,997,387</u>

NOTE 13 - PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 83, *Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 85, *Omnibus 2017*, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, GASB Statement No. 87, *Leases*, GASB Statement No. 88, *Certain Disclosures Related to Debt Including Direct Borrowings and Direct Placements*, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, and GASB Statement No. 90, *Majority Equity Interests*. Application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST FISCAL YEAR

	2015	2016	2017	2018
College's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
College's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -
Nonemployer Contributing Entities' Proportionate Share of the Net Pension Liability associated with the College	<u>\$ 287,509,206</u>	<u>\$ 312,270,836</u>	<u>\$ 352,927,813</u>	<u>\$ 374,674,183</u>
Total	<u>\$ 287,509,206</u>	<u>\$ 312,270,836</u>	<u>\$ 352,927,813</u>	<u>\$ 374,674,183</u>
College's Covered Employee Payroll	\$ 48,009,715	\$ 47,879,030	\$ 49,059,919	\$ 51,885,946
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%
SURS Plan Net Position as Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%

Note: The System 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 10 years.

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST FISCAL YEAR

	2014	2015	2016	2017	2018
Federal, Trust , Grant and Other Contributions	\$ 109,727	\$ 133,906	\$ 142,648	\$ 164,150	\$ 172,044
Contribution in relation to Required Contribution	<u>\$ 109,727</u>	<u>\$ 133,906</u>	<u>\$ 142,648</u>	<u>\$ 164,150</u>	<u>\$ 172,044</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College Covered Employee Payroll	\$ 921,301	\$ 1,143,518	\$ 1,124,098	\$ 1,310,056	\$ 1,380,770
Contributions as a Percentage of Covered Employee Payroll	11.91%	11.71%	12.69%	12.53%	12.46%
Additional Information:					
On-behalf Payments for Community College Health Insurance Program	\$ 221,116	\$ 225,093	\$ 234,920	\$ 250,455	\$ 243,635

Note: The System 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 10 years.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

REQUIRED SUPPLEMENTAL INFORMATION
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY AND DISTRICT CONTRIBUTIONS
LAST FISCAL YEAR

	2017	2018
College's Proportion of the Net OPEB Liability	2.592016%	2.886844%
College's Proportionate Share of the Net OPEB Liability	\$ 47,173,505	\$ 52,645,550
State's Proportionate Share of the Net OPEB Liability	<u>24,070,926</u>	<u>51,952,175</u>
Total Net OPEB Liability	<u>\$ 71,244,431</u>	<u>\$ 104,597,725</u>
College's Covered Employee Payroll	\$ 46,984,000	\$ 50,091,000
College's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	100.40%	105.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	-2.15%	-2.87%
Contractually Required Contribution	\$ 234,920	\$ 250,455
Contributions in Relation to the Contractually Required Contribution	<u>234,920</u>	<u>250,455</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Contributions as a Percentage of Covered Employee Payroll	0.50%	0.50%

Note: The System 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 10 years.

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

Key Assumptions:

Long-term expected rate of return	0.00%
Municipal bond index	3.56%
Single equivalent discount rate	3.56%
Inflation rate	2.75%
Healthcare cost trend rates - initial	Non-Medicare - 8.00%
	Post-Medicare - 9.00%
Healthcare cost trend rates - ultimate	4.50%
Mortality	RP-2014 Tables

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
June 30, 2018

Changes of benefit terms. There were no benefit changes recognized in the Total Pension Liability as of June 30, 2017

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

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

**STATISTICAL SECTION
(UNAUDITED)**

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
STATISTICAL SECTION
June 30, 2018

This section of the Joliet Junior College's Comprehensive Annual Financial Report presents additional historical perspective, context, and detailed information to assist the reader in using the information in the financial statements, note disclosures, and required supplementary information to understand and assess the District's overall economic condition.

Contents

Financial Trends

Tabular information is presented to demonstrate changes in the District's financial position over time.

Revenue Capacity

These tables contain information to assist the reader in understanding and assessing the District's ability to generate its most significant local revenue sources; real estate taxes and tuition and fees.

Debt Capacity

Data are shown to disclose the District's current level of outstanding debt and to indicate the District's ability to issue additional debt.

Demographic and Economic Information

These tables offer information about the socioeconomic environment within which the District operates. Data are provided to facilitate comparisons of financial statement information over time and between the District and other community college districts.

Operating Information

Non-financial information about the District's operations and resources is provided in these tables to facilitate the reader's use of the District's financial statement information to understand and assess the District's economic condition.

Sources: Unless otherwise noted, the information in these tables is derived from the District's Comprehensive Annual Financial Reports for the relevant years.

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

SCHEDULE OF NET POSITION BY COMPONENT (Unaudited)

Last Ten Fiscal Years

	<u>2018</u>	<u>2017 (1)</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net investment in capital assets	\$ 83,456,298	\$ 70,521,213	\$ 59,918,761	\$ 43,104,748	\$ 42,082,724	\$ 42,670,587	\$ 44,041,375	\$ 43,664,450	\$ 35,546,906	\$ 34,794,317
Restricted - expendable	16,171,966	16,896,844	26,857,411	43,090,516	40,377,178	29,975,503	26,850,240	21,288,638	14,093,517	11,155,225
Unrestricted	<u>(3,677,515)</u>	<u>(420,670)</u>	<u>41,910,650</u>	<u>43,744,589</u>	<u>40,726,382</u>	<u>41,290,735</u>	<u>39,379,538</u>	<u>38,054,984</u>	<u>35,620,248</u>	<u>32,199,457</u>
Total primary government net position	<u>\$ 95,950,749</u>	<u>\$ 86,997,387</u>	<u>\$ 128,686,822</u>	<u>\$ 129,939,853</u>	<u>\$ 123,186,284</u>	<u>\$ 113,936,825</u>	<u>\$ 110,271,153</u>	<u>\$ 103,008,072</u>	<u>\$ 85,260,671</u>	<u>\$ 78,148,999</u>

(1) - Unrestricted net assets was restated for the implementation of GASB Statement No. 75. The restatement reduced Unrestricted Net Position by \$46,923,050 due to the recording of the net OPEB liability.

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

SCHEDULE OF CHANGES IN NET POSITION (Unaudited)

Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
OPERATING REVENUES										
Tuition and fees	\$ 42,453,631	\$ 39,882,737	\$ 38,066,175	\$ 39,800,576	\$ 39,563,321	\$ 41,257,103	\$ 41,452,912	\$ 41,587,567	\$ 35,685,885	\$ 30,076,560
Less scholarships and allowances	(14,052,232)	(11,008,762)	(10,857,859)	(11,507,604)	(12,740,763)	(14,336,920)	(14,515,345)	(13,632,872)	(9,785,996)	(2,609,745)
Sales and service fees	7,871,539	8,000,012	8,208,864	8,395,997	8,960,890	9,253,543	8,997,381	8,783,273	8,893,707	7,847,125
Miscellaneous	<u>1,623,003</u>	<u>866,149</u>	<u>911,193</u>	<u>863,638</u>	<u>1,075,404</u>	<u>1,841,921</u>	<u>1,382,708</u>	<u>1,390,842</u>	<u>1,467,287</u>	<u>1,890,377</u>
Total Operating Revenues	<u>37,895,941</u>	<u>37,740,136</u>	<u>36,328,373</u>	<u>37,552,607</u>	<u>36,858,852</u>	<u>38,015,647</u>	<u>37,317,656</u>	<u>38,128,810</u>	<u>36,260,883</u>	<u>37,204,317</u>
OPERATING EXPENSES										
Instruction	69,595,361	66,269,740	44,703,665	44,138,188	44,110,666	44,104,295	43,315,720	43,502,676	40,100,718	37,200,339
Academic support	5,776,864	5,410,551	3,977,151	3,750,280	3,467,930	3,547,522	3,410,354	3,384,441	3,105,601	3,019,578
Student services	17,880,743	14,063,508	12,938,949	12,767,999	13,434,982	13,709,839	15,159,765	12,908,318	12,300,487	13,650,510
Public services	3,794,004	3,090,400	2,420,756	2,283,216	1,785,870	1,681,449	2,290,299	2,157,134	3,017,439	2,871,076
Operations and maintenance of plant	17,422,567	18,460,954	11,885,131	12,022,740	12,139,090	13,817,519	14,106,439	11,687,768	13,086,207	10,656,280
Independent operations	9,362,445	9,033,575	8,338,109	8,462,835	9,217,218	9,486,312	9,618,068	9,429,893	9,289,471	8,603,497
General administration	8,033,797	7,230,989	5,454,505	5,184,238	4,795,807	4,752,459	4,612,473	4,651,812	4,314,175	4,194,682
Institutional support	12,999,406	13,321,085	36,235,980	31,440,636	29,155,832	27,468,852	22,538,603	21,257,382	18,967,984	15,126,939
Depreciation	<u>12,717,948</u>	<u>10,187,681</u>	<u>8,440,652</u>	<u>8,208,769</u>	<u>7,901,164</u>	<u>6,457,066</u>	<u>4,108,198</u>	<u>3,070,926</u>	<u>2,868,731</u>	<u>2,626,814</u>
Total Operating Expenses	<u>157,583,135</u>	<u>147,068,483</u>	<u>134,394,898</u>	<u>128,258,901</u>	<u>126,008,559</u>	<u>125,025,313</u>	<u>119,159,919</u>	<u>112,050,350</u>	<u>107,050,813</u>	<u>97,949,715</u>
Operating Income (Loss)	<u>(119,687,194)</u>	<u>(109,328,347)</u>	<u>(98,066,525)</u>	<u>(90,706,294)</u>	<u>(89,149,707)</u>	<u>(87,009,666)</u>	<u>(81,842,263)</u>	<u>(73,921,540)</u>	<u>(70,789,930)</u>	<u>(60,745,398)</u>
NON-OPERATING REVENUES (EXPENSES)										
Property taxes	59,252,679	58,382,009	55,257,145	54,567,557	52,284,321	51,110,607	48,353,732	47,087,585	45,520,758	39,891,012
Corporate personal property replacement taxes	1,997,609	2,128,848	1,682,297	2,105,394	1,957,680	1,935,192	1,894,010	2,058,866	1,587,629	1,962,477
State and federal sources	77,319,533	63,036,780	48,678,974	51,096,524	49,099,795	47,719,323	45,961,911	48,675,479	37,342,993	26,100,981
Investment income	1,129,007	696,676	1,196,469	507,382	1,749,067	(22,665)	717,389	1,599,261	2,678,876	2,020,912
Interest expense	(10,796,251)	(9,421,614)	(9,877,216)	(11,265,782)	(11,102,121)	(10,067,119)	(7,863,800)	(7,659,096)	(9,105,679)	(2,953,128)
Loss on sale of capital assets	<u>(303,576)</u>	<u>(295,821)</u>	<u>(146,175)</u>	<u>-</u>	<u>(55,250)</u>	<u>-</u>	<u>(47,598)</u>	<u>(115,154)</u>	<u>(133,075)</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>128,599,001</u>	<u>114,526,878</u>	<u>96,791,494</u>	<u>97,011,075</u>	<u>93,933,492</u>	<u>90,675,338</u>	<u>89,015,644</u>	<u>91,646,941</u>	<u>77,891,502</u>	<u>67,022,254</u>
Income Before Contributions	8,911,807	5,198,531	(1,275,031)	6,304,781	4,783,785	3,665,672	7,173,381	17,725,401	7,101,572	6,276,856
CAPITAL CONTRIBUTIONS										
State capital contributions	-	-	-	432,843	4,442,674	-	-	-	-	-
Capital contributions - donated property	<u>41,555</u>	<u>35,084</u>	<u>22,000</u>	<u>15,945</u>	<u>23,000</u>	<u>-</u>	<u>89,700</u>	<u>22,000</u>	<u>10,100</u>	<u>20,015</u>
Total Capital Contributions	<u>41,555</u>	<u>35,084</u>	<u>22,000</u>	<u>448,788</u>	<u>4,465,674</u>	<u>-</u>	<u>89,700</u>	<u>22,000</u>	<u>10,100</u>	<u>20,015</u>
Increase (Decrease) in Net Position	<u>\$ 8,953,362</u>	<u>\$ 5,233,615</u>	<u>\$ (1,253,031)</u>	<u>\$ 6,753,569</u>	<u>\$ 9,249,459</u>	<u>\$ 3,665,672</u>	<u>\$ 7,263,081</u>	<u>\$ 17,747,401</u>	<u>\$ 7,111,672</u>	<u>\$ 6,296,871</u>

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

REPRESENTATIVE (DIRECT AND OVERLAPPING) TAX RATES (Unaudited)

<u>TAXING DISTRICTS</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rates:										
Direct:										
General Fund:										
Educational Accounts	\$ 0.1632	\$ 0.1694	\$ 0.1735	\$ 0.1747	\$ 0.1666	\$ 0.1552	\$ 0.1391	\$ 0.1291	\$ 0.1228	\$ 0.1176
Operations, Building and Maintenance Accounts	0.0942	0.0903	0.0898	0.0899	0.0853	0.0811	0.0717	0.0650	0.0589	0.0592
Debt service	0.0349	0.0430	0.0348	0.0340	0.0322	0.0290	0.0257	0.0233	0.0237	-
Audit Fund	0.0003	0.0004	0.0006	0.0006	0.0005	0.0005	0.0005	0.0005	0.0004	0.0004
Liability, Protection and Settlement Fund	0.0015	0.0015	0.0032	0.0032	0.0046	0.0047	0.0043	0.0039	0.0038	0.0075
Life Safety	0.0054	0.0055	0.0059	0.0062	0.0062	0.0061	0.0053	0.0054	0.0050	0.0049
JOLIET JUNIOR COLLEGE NO. 525	0.2995	0.3101	0.3078	0.3086	0.2954	0.2766	0.2466	0.2272	0.2146	0.1896
Overlapping:										
Will County	0.5986	0.6121	0.6358	0.6433	0.6216	0.5908	0.5551	0.5274	0.5024	0.4942
Will County Forest Preserve	0.1895	0.1944	0.1937	0.1977	0.1970	0.1859	0.1693	0.1567	0.1519	0.1445
Troy Township Road Funds	0.0934	0.0945	0.0977	0.0989	0.0958	0.0890	0.0817	0.0743	0.0687	0.0679
DuPage Township	0.0755	0.0790	0.0823	0.0824	0.0805	0.0769	0.0708	0.0662	0.0665	0.0633
Village of Bolingbrook	0.9205	1.0325	1.0963	0.9833	0.9823	0.8647	0.6968	0.6666	0.6202	0.6202
Bolingbrook Park District	0.6063	0.6243	0.6543	0.6704	0.6628	0.6235	0.5429	0.4842	0.4554	0.4351
Fountaindale Public Library	0.5501	0.5595	0.5835	0.5805	0.5630	0.5060	0.4365	0.4073	0.4045	0.3685
UD 365-U Valley View	7.2411	7.3246	7.5388	7.6318	7.3668	6.7687	5.9062	5.2276	4.9435	4.5671
Total	\$ 10.5745	\$ 10.8310	\$ 11.1902	\$ 11.1969	\$ 10.8652	\$ 9.9821	\$ 8.7059	\$ 7.8375	\$ 7.4277	\$ 6.9504

Representative tax rate includes the tax code with the largest EAV in the District.

Tax rates are assessed in dollars per hundred of equalized assessed value.

Note: The tax levy for 2017 is the latest information available.

Source: Will County Clerk

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY (Unaudited)

Last Ten Fiscal Years

Year of Levy	Residential Property	Commercial Property	Industrial Property	Farm & Other Property	Total Assessed Valuation	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2017	\$ 13,633,462,021	\$ 2,137,102,653	\$ 3,653,398,228	\$ 532,062,700	\$ 19,956,025,602	\$ 0.2995	\$ 59,868,076,806	33.33%
2016	12,811,881,216	2,126,604,465	3,481,996,599	519,674,662	18,940,156,942	0.3101	56,820,470,826	33.33%
2015	12,079,530,433	2,081,599,422	3,372,131,086	506,991,960	18,040,252,901	0.3078	54,120,758,703	33.33%
2014	11,725,637,301	2,110,402,152	3,374,194,514	486,728,355	17,696,962,322	0.3086	53,090,886,966	33.33%
2013	11,894,072,113	2,110,527,644	3,368,103,077	477,365,593	17,850,068,427	0.2954	53,550,205,281	33.33%
2012	12,678,780,320	2,123,969,352	3,401,145,423	466,998,940	18,670,894,035	0.2766	56,012,682,105	33.33%
2011	13,607,375,354	2,301,176,551	3,358,836,511	470,160,467	19,737,548,883	0.2466	59,212,646,649	33.33%
2010	14,649,440,087	2,366,953,730	3,363,205,895	438,647,431	20,818,247,143	0.2272	62,454,741,429	33.33%
2009	15,355,229,058	2,362,923,971	3,196,231,836	393,560,619	21,307,945,484	0.2146	63,923,836,452	33.33%
2008	15,394,974,711	2,338,621,486	3,100,662,811	366,045,622	21,200,304,630	0.1896	63,600,913,890	33.33%

Note: Assessed value is computed by various county's clerks offices and is equal to approximately one-third of the estimated actual value.

Note: Tax rates are assessed in dollars per hundred of equalized assessed value.

Note: The tax levy for 2017 is the latest information available.

Note: Assessed value of taxable property by class of real and personal property not available.

Sources: Cook, Grundy, Kankakee, Kendall, LaSalle, Livingston and Will County Clerk's Office.

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited)

Last Ten Fiscal Years

Year of Levy	Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percent of Levy
2017	2018	\$ 59,754,362	\$ 27,614,266	46.21%	\$ -	\$ 27,614,266	46.21%
2016	2017	58,718,081	26,127,927	44.50%	32,383,847	58,511,774	99.65%
2015	2016	55,515,001	25,216,308	45.42%	30,057,922	55,274,230	99.57%
2014	2015	54,603,348	24,904,287	45.61%	29,447,717	54,352,004	99.54%
2013	2014	52,733,266	23,782,705	45.10%	28,801,910	52,584,615	99.72%
2012	2013	51,623,161	23,015,427	44.58%	28,305,674	51,321,101	99.41%
2011	2012	48,671,918	20,512,481	42.14%	27,530,381	48,042,862	98.71%
2010	2011	47,296,757	21,216,964	44.86%	25,749,255	46,966,219	99.30%
2009	2010	45,724,841	20,215,343	44.21%	25,038,274	45,253,617	98.97%
2008	2009	40,198,903	17,254,452	42.92%	22,580,280	39,834,732	99.09%

Property taxes which are measurable and available are recognized as revenue. Property taxes which are measurable but not available are deferred and recognized as revenue as they become available.

Note: The tax levy for 2017 is the latest information available.

Sources: Cook, Grundy, Kankakee, Kendall, LaSalle, Livingston and Will County Clerk's Office.

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

PRINCIPAL TAXPAYERS (Unaudited)

Current Year and Nine Years Ago			2018			2009		
Name	County	Type of Business or Property	Equalized Assessed Valuation*	Rank	Percent of District's Total EAV	Equalized Assessed Valuation*	Rank	Percent of District's Total EAV
Exelon Generation Co./ Commonwealth Edison	Cook County Grundy County Kendall County Will County	Electric utility	\$ 935,337,142	1	4.69%	\$ 880,471,704	1	4.15%
Exxon Mobil Corp.	Will County	Refining plant	376,648,840	2	1.89%	249,979,465	2	1.18%
PDV Midwest Refining	Will County	Refining plant	225,110,257	3	1.13%	103,892,405	3	0.49%
Equistar Chemicals LP	Grundy County	Plastic compounds and ethylene pallets	91,048,808	4	0.46%	100,075,470	4	0.47%
Aux Sable Liquid Products LP	Grundy	Natural gas liquids (ethane, propane, normal butane, iso-butane and natural gasoline)	83,549,476	5	0.42%	80,039,210	6	0.38%
Wal Mart	Will County Grundy County	Discount department stores	73,105,779	6	0.37%	84,916,368	5	0.40%
Centerpoint Properties	Will County	Industrial properties	70,947,018	7	0.36%	-		-
Hart I55 Industrial LLC	Will County	Industrial properties	54,526,669	8	0.27%	-		-
Duke Realty LP	Will County Kendall County	Industrial properties	56,002,338	9	0.28%	-		-
Prologis IL	Will County Grundy County	Warehouses	43,755,728	10	0.22%	73,439,817	7	0.35%
Industrial Prop Funds I, II, III, IV	Will County	Industrial properties	-		-	47,076,892	8	0.22%
Catellus Dev Corp	Will County Grundy County	Industrial properties & warehouses	-		-	42,581,260	9	0.20%
Target Corporation	Will County	Discount Department Stores	-		-	39,224,034	10	0.19%
			<u>\$ 2,010,032,055</u>		<u>10.07%</u>	<u>\$ 1,701,696,625</u>		<u>8.03%</u>

Note: The tax levy for 2017 is the latest information for all counties.

Sources: County Clerk's and Assessor's Offices of Will, Grundy, Cook, Kendall, Livingston, LaSalle and Kankakee Counties, Illinois

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

TUITION AND FEES (Unaudited)

Last Ten Fiscal Years

	Joliet Junior College's Tuition and Fees per Credit Hour	Average Tuition and Fees Rate for Illinois Community Colleges	Average Grant Rate per Credit Hour from the State of Illinois	Credit Hours Awarded
2018	\$ 144.00	\$ 140.80	\$ 32.21	273,852
2017	125.00	133.42	32.89	272,257
2016	115.00	125.42	8.80	278,386
2015	115.00	118.77	32.29	295,200
2014	111.00	112.75	31.97	314,842
2013	107.00	107.89	31.52	342,467
2012	103.00	103.89	N/A	351,842
2011	103.00	98.26	39.23	355,567
2010	93.00	88.95	39.24	321,300
2009	88.00	84.04	33.04	288,411
2008	76.00	78.62	32.87	260,332

Source: District records

N/A - The State did not publish an average grant rate per credit hour for this year.

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

RATIO OF OUTSTANDING DEBT BY TYPE (Unaudited)

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt		Total	Percentage of Assessed Value of Property	Per Capita	Alternate Revenue Bonds	Capital Leases	Lease Revenue Bonds	Total	Per Capita	Percentage of Personal Income
	General Obligation Debt Certificates	General Obligation Bonds									
2018	\$ -	\$ 74,174,365	\$ 74,174,365	0.372%	\$ 98.35	\$ 90,969,757	\$ -	\$ -	\$ 165,144,122	\$ 218.97	N/A
2017	-	77,466,580	77,466,580	0.409%	102.72	132,018,341	-	-	209,484,921	277.77	0.579%
2016	-	80,378,795	80,378,795	0.446%	108.83	135,228,694	-	-	215,607,489	291.91	0.622%
2015	-	82,941,010	82,941,010	0.469%	112.29	138,294,039	-	-	221,235,049	299.53	0.684%
2014	-	85,188,225	85,188,225	0.477%	115.34	141,089,403	-	-	226,277,628	306.36	0.679%
2013	1,125,000	87,135,440	88,260,440	0.473%	119.50	80,671,405	-	-	168,931,845	228.72	0.511%
2012	2,205,000	88,802,655	91,007,655	0.461%	123.22	70,900,328	-	900,000	162,807,983	220.43	0.526%
2011	3,240,000	90,209,870	93,449,870	0.449%	126.52	71,015,036	-	1,345,000	165,809,906	224.49	0.563%
2010	4,457,055	90,277,085	94,734,140	0.445%	129.12	71,074,744	-	1,760,000	167,568,884	228.40	0.593%
2009	5,630,986	-	5,630,986	0.027%	7.74	71,574,452	105,526	2,150,000	79,460,964	109.29	0.284%

Note: The ratios are calculated using personal income and population for the prior calendar year.

Note: N/A = not available

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

COMPUTATION OF LEGAL DEBT MARGIN (Unaudited)

Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assessed Value	\$ 19,956,025,602	\$ 18,940,156,942	\$ 18,040,252,901	\$ 17,696,962,322	\$ 17,850,068,427	\$ 18,670,894,035	\$ 19,737,548,883	\$ 20,818,247,143	\$ 21,307,945,484	\$ 21,200,304,630
Debt Limit - 2.875% of assessed value	573,735,736	544,529,512	518,657,271	508,787,667	513,189,467	536,788,204	567,454,530	598,524,605	612,603,433	609,508,758
Less applicable debt:										
General obligation bonds	73,435,000	76,660,000	79,505,000	82,000,000	84,180,000	86,060,000	87,660,000	89,000,000	89,000,000	-
General obligation debt certificates	-	-	-	-	-	1,125,000	2,205,000	3,240,000	4,457,055	5,630,986
Legal Debt Margin	<u>\$ 500,300,736</u>	<u>\$ 467,869,512</u>	<u>\$ 439,152,271</u>	<u>\$ 426,787,667</u>	<u>\$ 429,009,467</u>	<u>\$ 449,603,204</u>	<u>\$ 477,589,530</u>	<u>\$ 506,284,605</u>	<u>\$ 519,146,378</u>	<u>\$ 603,877,772</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>12.80%</u>	<u>14.08%</u>	<u>15.33%</u>	<u>16.12%</u>	<u>16.40%</u>	<u>16.24%</u>	<u>15.84%</u>	<u>15.41%</u>	<u>15.26%</u>	<u>0.92%</u>

Sources: District records

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT (Unaudited)
(As of June 30, 2018)

<u>Overlapping Agencies</u>	Assessed Value in District	Outstanding Bonds	Applicable to District	
			Percent	Amount
Cook County	\$913,529,423	\$3,085,186,750 (1)(4)	0.606%	\$18,686,976
Cook County Forest Preserve	913,529,423	150,960,000	0.606%	914,365
Grundy County	1,862,442,974	9,480,000 (3)	98.731%	9,359,718
Kankakee County	669,745	0 (4)(6)	0.036%	0
Kendall County	435,745,136	0 (4)	14.383%	0
Kendall County Forest Preserve	435,745,136	38,635,000	14.383%	5,557,027
LaSalle County	22,115,443	0 (6)	0.819%	0
Will County	16,587,954,291	0 (4)	81.805%	0
Will County Forest Preserve	16,587,954,291	108,309,792 (5)	81.805%	88,602,825
Municipalities:				
Bolingbrook	1,892,434,203	148,157,076 (5)	90.438%	133,989,704
Braceville	100	0 (4)	100.000%	0
Carbon Hill	100	0 (4)	100.000%	0
Channahon	100	14,795,000	100.000%	14,795,000
Coal City	100	4,320,819 (4)	100.000%	4,320,819
Crest Hill	100	0 (4)	100.000%	0
Diamond	100	0 (4)	100.000%	0
Dwight	100	0 (4)	100.000%	0
Elwood	100	0 (6)	100.000%	0
Homer Glen	895,446,529	8,345,000	96.909%	8,087,073
Joliet	100	6,055,000	100.000%	6,055,000
Lemont	675,194,220	0 (4)	99.706%	0
Lockport	100	12,210,000 (4)	100.000%	12,210,000
Manhattan	100	10,135,000	100.000%	10,135,000
Minooka	100	2,425,000 (4)	100.000%	2,425,000
Mokena	100	710,000 (4)	100.000%	710,000
Morris	100	0 (4)	100.000%	0
Naperville	54,030,947	146,255,000	0.777%	1,136,548
New Lenox	100	45,130,000 (4)	100.000%	45,130,000
Newark	100	0 (4)	100.000%	0
Orland Park	20,501,124	69,925,000	0.876%	612,333
Palos Park	100	0 (4)	100.000%	0
Plainfield	1,176,611,819	23,440,000	88.380%	20,716,202
Romeoville	100	69,000,884 (4)(5)	100.000%	69,000,884
Shorewood	100	0 (4)	100.000%	0
Tinley Park	343,770,343	18,275,000	22.603%	4,130,625
Willow Springs	1,351,978	690,000 (4)	0.685%	4,727
Wilmington	100	150,000 (4)	100.000%	150,000
Woodridge	79,749,299	0 (6)	6.847%	0
Yorkville	319,538	5,035,000 (4)	0.065%	3,288
Fire Protection Districts:				
Braidwood	100	0 (4)	100.000%	0
Channahon	100	0 (4)	100.000%	0
Homer Township	100	0 (4)	100.000%	0
Minooka	100	0 (4)	100.000%	0
Plainfield	47,506	0 (4)	0.003%	0
Libraries:				
Fossil Ridge Library	651,439,924	0 (4)	91.453%	0
Fountaindale	1,797,980,082	32,130,000	95.306%	30,621,850
Homer	1,340,606,200	0 (4)	99.999%	0
Lemont	752,895,677	2,485,000	95.544%	2,374,271
New Lenox	100	1,885,000	100.000%	1,885,000
White Oak (DesPlaines Valley)	1,283,868,550	20,070,000	68.125%	13,672,587

(continued)

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT (Unaudited)
(As of June 30, 2018)
(continued)

Overlapping Agencies	Assessed Value in District	Outstanding Bonds	Applicable to District	
			Percent	Amount
Miscellaneous:				
Metropolitan Water Reclamation District of Greater Chicago	755,324,579	2,560,241,000 (2)	0.537%	13,738,253
Homer Township	100	0 (4)	100.000%	0
New Lenox Township	100	910,545 (4)	100.000%	910,545
Seward Township	100	0 (4)	100.000%	0
Bolingbrook SSA 5-1	100	19,524,731	100.000%	19,524,731
Lemont SSA #1	100	900,000	100.000%	900,000
Will County SSA #2	100	341,321 (2)	100.000%	341,321
Park Districts:				
Bolingbrook	1,783,395,604	16,240,000 (4)	91.935%	14,930,179
Braidwood	100	392,000	100.000%	392,000
Channahon	100	920,040 (4)	100.000%	920,040
Frankfort	728,711,256	250,000	99.961%	249,903
Frankfort Square	486,824,055	2,458,176 (4)(5)	93.264%	2,292,593
Godley	100	1,500,000	100.000%	1,500,000
Joliet	100	24,185,000 (4)	100.000%	24,185,000
Lemont	780,213,458	10,261,000	96.186%	9,869,594
Lockport	100	6,050,000 (5)	100.000%	6,050,000
Manhattan	100	0 (4)	100.000%	0
Mokena Community	952,432,424	6,408,000	99.513%	6,376,774
Naperville	52,774,690	20,735,000 (4)	0.766%	158,851
New Lenox Community	100	1,077,000	100.000%	1,077,000
Oswegoland	18,815,828	7,080,000	1.451%	102,695
Peotone	100	620,000	100.000%	620,000
Plainfield	2,405,359,574	11,283,000	97.685%	11,021,810
Tinley Park	121,915,386	5,206,000	9.963%	518,679
Wilmington (was Island)	100	75,000	100.000%	75,000
Woodridge	66,801,534	3,119,250 (4)	5.871%	183,119
School Districts:				
USD #1	100	34,550,000	100.000%	34,550,000
#2 (MVK)	92,375,345	4,160,000	99.749%	4,149,542
HSD #18	102,770,693	160,000	94.501%	151,202
#24	36,460,037	685,000	89.046%	609,963
#30-C	100	62,998,000	100.000%	62,998,000
#54	100	20,590,000 (4)	100.000%	20,590,000
#60-C	100	7,415,000	100.000%	7,415,000
#65	15,623,094	300,000	28.667%	86,002
#66	73,790,628	1,170,000	99.529%	1,164,483
#70-C	100	260,000 (4)	100.000%	260,000
#72-C	100	75,000	100.000%	75,000
HSD #73	100	760,000	100.000%	760,000
SD #74	100	60,000	100.000%	60,000
SD #75	100	231,000	100.000%	231,000
#81	100	0 (4)	100.000%	0
#84	100	1,500,000	100.000%	1,500,000
#86	100	38,094,575 (5)	100.000%	38,094,575
#88	100	3,199,000	100.000%	3,199,000
#88-A	100	19,335,000	100.000%	19,335,000
#89	100	0 (4)	100.000%	0
SD #90 (Grundy & Kendall Cos.)	100	65,000	100.000%	65,000
HSD #90 (Livingston County)	38,965,157	0 (4)	17.107%	0
SD 90 (Taft)	100	2,670,000 (4)	100.000%	2,670,000
#91	100	4,275,000 (4)	100.000%	4,275,000
#92	100	6,070,000	100.000%	6,070,000
HSD #101	100	3,345,000 (4)	100.000%	3,345,000

(continued)

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT (Unaudited)
(As of June 30, 2018)
(continued)

Overlapping Agencies	Assessed Value in District	Outstanding Bonds	Applicable to District	
			Percent	Amount
HSD#111	100	51,890,000 (4)	100.000%	51,890,000
#113A	911,284,129	7,363,156 (5)	75.648%	5,570,043
#114	100	13,342,576 (5)	100.000%	13,342,576
USD #115	16,585,873	63,954,215 (5)	1.995%	1,276,078
#122	100	137,535,204 (5)	100.000%	137,535,204
#157C	818,771,933	14,355,000	99.996%	14,354,455
#159	100	7,746,106 (5)	100.000%	7,746,106
HSD 160	95,084,917	2,040,000	14.375%	293,256
#161	100	47,869,775 (5)	100.000%	47,869,775
#201-C	100	74,889,860 (5)	100.000%	74,889,860
#202-U	100	211,430,000 (4)	100.000%	211,430,000
HSD #204	100	88,550,000	100.000%	88,550,000
USD #204-U	1,479,135	188,505,000 (4)	0.028%	52,781
HSD #205	100	12,210,000	100.000%	12,210,000
USD #207-U	100	13,200,000	100.000%	13,200,000
USD #209-U	100	29,292,939 (5)	100.000%	29,292,939
HSD #210 (Lemont)	911,313,395	41,115,000	74.885%	30,788,927
HSD #210 (Lincolnway)	100	239,384,161 (5)	100.000%	239,384,161
HSD 230	100	0 (4)	100.000%	0
# 232	100	615,000	100.000%	615,000
#308-U	9,221,002	308,994,977 (5)	0.491%	1,516,547
USD #365-U	100	160,429,466 (5)	100.000%	160,429,466
SD #426	15,698	0 (4)	0.075%	0
SD #429	1,253,615	1,000,000 (4)	0.701%	7,013
Total Overlapping Agencies				1,975,122,863
<u>Direct Debt</u>				
Joliet Junior Community College 525	19,956,025,602	165,144,122	100.000%	165,144,122
TOTAL DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT				<u>\$ 2,140,266,985</u>

- (1) Excludes outstanding Demand Notes
- (2) Includes bonds issued through the IEPA.
- (3) Includes Public Building Commission Revenue Bonds payable from lease payments secured by ad valorem taxes levied on all taxable property within the County.
- (4) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
Excludes debt certificates, notes, tax anticipation warrants, installment contracts and/or agreements.
- (5) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
- (6) Excludes self-supporting bonds for which an abatement is filed for annually.
- (7) Includes debt certificates.

Sources: Offices of the Cook County Clerk, Comptroller, the Treasurer of the Metropolitan Water Reclamation District, the County Clerks of Grundy, Kankakee, Kendall, LaSalle, Livingston and Will Counties, Illinois and administrative officers of various overlapping districts.

Note: Percentage of overlap based on assessed property values.

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

SCHEDULE OF BOND COVERAGE (Unaudited)

Last Ten Fiscal Years

Alternate Revenue Bonds, Series 1998*

Fiscal Year	Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
				Principal	Interest	Total	
2018	*	*	*	*	*	*	*
2017	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	\$ 74,641,793	\$ 69,137,932	\$ 5,503,861	\$ 440,000	\$ 19,800	\$ 459,800	11.97
2009	69,820,145	63,654,881	6,165,264	420,000	38,700	458,700	13.44

Alternate Revenue Bonds, Series 2008, 2012, and 2013A**

Fiscal Year	Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
				Principal	Interest	Total	
2018	\$ 28,401,399	\$ -	\$ 28,401,399	\$ 3,040,000	\$ 4,614,488	\$ 7,654,488	3.71
2017	27,771,982	-	27,771,982	2,890,000	4,769,938	7,659,938	3.63
2016	25,789,112	-	25,789,112	2,745,000	4,917,413	7,662,413	3.37
2015	26,962,844	-	26,962,844	2,475,000	5,044,100	7,519,100	3.59
2014	26,934,671	-	26,934,671	1,420,000	4,876,733	6,296,733	4.28
2013	28,814,158	-	28,814,158	105,000	4,233,324	4,338,324	6.64
2012	28,480,466	-	28,480,466	55,000	4,100,863	4,155,863	6.85
2011	30,148,679	-	30,148,679	-	4,100,863	4,100,863	7.35
2010	25,682,398	-	25,682,398	-	4,100,863	4,100,863	6.26
2009	22,027,860	-	22,027,860	-	2,266,866	2,266,866	9.72

Alternate Revenue Bonds, Series 2013B and 2018***

Fiscal Year	Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
				Principal	Interest	Total	
2018	\$ 47,032,150	\$ -	\$ 47,032,150	\$ -	\$ 2,322,125	\$ 2,322,125	20.25
2017	44,777,408	-	44,777,408	-	2,322,125	2,322,125	19.28
2016	42,124,497	-	42,124,497	-	2,322,125	2,322,125	18.14
2015	43,113,492	-	43,113,492	-	2,322,125	2,322,125	18.57
2014	42,040,478	-	42,040,478	-	1,238,467	1,238,467	33.95

Lease Revenue Bonds****

Fiscal Year	Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
				Principal	Interest	Total	
2018	****	****	****	****	****	****	****
2017	****	****	****	****	****	****	****
2016	****	****	****	****	****	****	****
2015	****	****	****	****	****	****	****
2014	****	****	****	****	****	****	****
2013	\$ 15,255,581	\$ 12,018,922	\$ 3,236,659	\$ 900,000	\$ 30,150	\$ 930,150	3.48
2012	14,340,346	11,791,157	2,549,189	445,000	75,207	520,207	4.90
2011	13,781,672	11,097,234	2,684,438	415,000	104,018	519,018	5.17
2010	12,800,799	10,824,817	1,975,982	390,000	130,985	520,985	3.79
2009	12,716,417	10,297,483	2,418,934	370,000	156,445	526,445	4.59

Note: * The Alternate Revenue Bonds, series 1998 are covered by a pledge of tuition and other revenues available from the Education and Operations & Maintenance accounts. Bonds were retired in 2010.

** The Alternate Revenue Bonds, series 2008, 2012, 2013A and 2018 are covered by a pledge of tuition and fee revenue from the Education account.

*** The Alternate Revenue Bonds, series 2013B are covered by a pledge of tuition and fee revenue from the Education account and property tax revenue from the Operations & Maintenance account.

**** The Lease Revenue Bonds are covered by a pledge of revenues from the Operations & Maintenance account. Bonds were retired in 2013.

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

DEMOGRAPHIC AND ECONOMIC STATISTICS (Unaudited)

Last Ten Calendar Years

Year	District Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2017	754,171	N/A	N/A	5.5%
2016	754,171	\$ 36,200,208,000	\$ 48,000	6.5%
2015	738,600	34,639,601,400	46,899	6.5%
2014	738,600	32,347,725,600	43,796	7.8%
2013	738,600	33,319,723,200	45,112	10.7%
2012	738,600	33,039,793,800	44,733	10.4%
2011	738,600	30,973,929,600	41,936	11.5%
2010	738,600	29,471,617,200	39,902	11.3%
2009	733,672	28,258,844,424	38,517	11.0%
2008	727,074	27,967,628,484	38,466	6.5%

Note: N/A = not available

Sources: U.S. Department of Commerce Bureau of Economic Analysis and U.S. Department of Labor

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

PRINCIPAL EMPLOYERS (Unaudited)

Current Year and Nine Years Ago

<u>Employer</u>	<u>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Amazon	7,000	1.897%	-	-
Plainfield School District	3,104	0.841%	-	-
Presence Saint Joseph Medical Center	3,023	0.819%	2,500	0.737%
Silver Cross Hospital	2,771	0.751%	1,800	0.530%
Valley View School District 365U	2,492	0.675%	-	-
Will County	2,200	0.596%	-	-
Exelon	1,580	0.428%	-	-
WeatherTech	1,527	0.414%	-	-
Ozinga Brothers Inc.	1,500	0.407%	-	-
Joliet Junior College	1,390	0.377%	1,402	0.413%
Empress Casino Joliet	-	-	1,756	0.517%
Caterpillar Inc.	-	-	1,500	0.442%
Harrah's Joliet Casino	-	-	1,100	0.324%
University of St. Francis	-	-	1,100	0.324%
City of Joliet	-	-	1,040	0.306%
Stateville Correctional Center	-	-	950	0.280%
Filtration Group	-	-	900	0.265%

Sources: Will County Center for Economic Development and Grundy County Economic Development Council

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

FACULTY, STAFF AND ADMINISTRATOR STATISTICS (Unaudited)

Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Faculty										
Full-time	221	220	220	221	221	221	218	218	213	214
Part-time	450	455	460	500	500	525	550	550	550	550
Staff										
Full-time	298	297	293	288	288	289	283	281	278	265
Part-time	319	325	345	349	344	348	339	307	297	291
Administrators/Professional										
Full-time	89	95	86	85	80	78	81	81	76	76
Part-time	13	14	9	9	9	9	9	6	8	6
Total Employees										
Part-time	782	794	814	858	853	882	898	863	855	847
Full-time	608	612	599	594	589	588	582	580	567	555

Source: District's records

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS (Unaudited)

Last Ten Fiscal Years

Fiscal Year	Fall Enrollment		Gender		Attendance		Enrollment Status				Average Age
	Head Count	Full Time Equivalent	Male	Female	Full Time	Part Time	Continuing Student	New	Transfer	Re-Admit	
2018	14,910	8,479	47%	53%	33%	67%	53%	30%	2%	15%	23
2017	15,383	8,662	46%	54%	33%	67%	51%	31%	2%	16%	23
2016	14,944	8,699	45%	55%	36%	64%	54%	27%	2%	17%	24
2015	15,776	9,020	46%	54%	35%	65%	52%	30%	2%	16%	24
2014	16,870	9,637	46%	54%	35%	65%	55%	26%	2%	17%	25
2013	15,589	9,431	44%	56%	39%	61%	60%	18%	2%	20%	26
2012	15,322	9,617	43%	57%	42%	58%	62%	16%	3%	19%	26
2011	15,676	9,804	44%	56%	44%	56%	61%	17%	3%	19%	26
2010	15,288	9,419	44%	56%	44%	56%	58%	20%	3%	19%	26
2009	14,088	8,571	41%	59%	43%	57%	59%	23%	1%	17%	27

Source: District records.

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

SCHEDULE OF CAPITAL ASSET INFORMATION (Unaudited)

Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Buildings:										
Permanent	21	21	19	19	19	19	18	17	16	16
Temporary	-	-	-	-	-	-	-	-	6	6
Total Acres	471	471	471	471	471	471	471	471	471	471
Net Assignable Square Feet:										
Classrooms and general use	377,969	377,969	385,943	380,343	380,343	273,392	258,206	241,173	266,351	265,671
Laboratory	262,110	262,110	227,230	226,330	226,330	226,014	221,617	190,013	160,943	160,943
Office	158,968	158,968	138,898	139,022	139,022	143,700	149,868	100,129	100,140	100,020
Support functions	<u>60,419</u>	<u>60,419</u>	<u>56,747</u>	<u>57,034</u>	<u>57,034</u>	<u>54,737</u>	<u>55,447</u>	<u>47,089</u>	<u>40,917</u>	<u>40,817</u>
Total	<u>859,466</u>	<u>859,466</u>	<u>808,818</u>	<u>802,729</u>	<u>802,729</u>	<u>697,843</u>	<u>685,138</u>	<u>578,404</u>	<u>568,351</u>	<u>567,451</u>
Parking capacity	6,105	6,037	5,384	5,384	5,384	5,384	5,384	4,278	4,235	4,101

Source: District records

**JOLIET JUNIOR COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 525**

MISCELLANEOUS STATISTICS (Unaudited)
June 30, 2018

Year Founded 1901

District Data

Population 754,171

Communities Served

Braceville	Elwood	Mazon	Ransom
Braidwood	Essex	Millington	Ritchie
Bolingbrook	Frankfort	Minooka	Rockdale
Carbon Hill	Gardner	Mokena	Romeoville
Channahon	Godley	Morris	Tinley Park
Coal City	Joliet	New Lenox	Shorewood
Crest Hill	Kinsman	Newark	So. Wilmington
Custer Park	Lemont	Odell	Symerton
Diamond	Lisbon	Orland Park	Verona
Dwight	Lockport	Peotone	Wilton Center
East Brooklyn	Manhattan	Plainfield	Wilmington
Eileen	Marley	Plattville	

Accreditation

Higher Learning Commission	2015
Next Accreditation Visit	2023

Employee Data (full-time)

	<u>2018</u>	<u>2017</u>
Faculty	221	220
Administrators/Professional	89	95
Support Staff	298	297

Degree and Certificates Awarded

	<u>FY 2018</u>	<u>FY 2017</u>
AA, AS and AGS	1185	1681
AAS	616	634
Certificates	896	1169

Source: District records.

SPECIAL REPORTS SECTION

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
BALANCE SHEET - BY ACCOUNTS
June 30, 2018
(Unaudited)

	Current Accounts		Plant Accounts			Total
	Unrestricted	Restricted	Operations and		Eliminations	
			Maintenance (Restricted)	Investment in Plant		
Assets						
Cash and cash equivalents	\$ 33,978,928	\$ -	\$ -	\$ -	\$ -	\$ 33,978,928
Investments	2,000,000	-	-	-	-	2,000,000
Restricted cash and cash equivalents	-	1,446,346	-	-	-	1,446,346
Restricted investments	-	351,739	-	-	-	351,739
Receivables						
Property taxes, net	26,884,554	3,613,125	555,795	-	-	31,053,474
Government claims and grants	298,592	1,819,280	-	-	-	2,117,872
Student tuition and fees, net	10,764,180	-	-	-	-	10,764,180
Accrued interest	69,007	782	-	-	-	69,789
Other, net	7,321	-	-	-	-	7,321
Due from other accounts	23,796,684	2,012,825	13,694,319	-	(39,503,828)	-
Prepaid items	935,876	-	-	-	-	935,876
Inventories	1,006,870	-	-	-	-	1,006,870
Total Current Assets	99,742,012	9,244,097	14,250,114	-	(39,503,828)	83,732,395
Long term investments	13,176,244	-	-	-	-	13,176,244
Restricted cash and cash equivalents	-	-	2,487,416	-	-	2,487,416
Restricted investments	-	-	-	-	-	-
Capital assets, Net						
Land	-	-	-	4,534,357	-	4,534,357
Construction in progress	-	-	-	1,560,412	-	1,560,412
Depreciable buildings, property and equipment, net	-	-	-	238,511,529	-	238,511,529
Note receivable from component unit, less allowance of \$1,104,988	-	-	-	-	-	-
Total Assets	112,918,256	9,244,097	16,737,530	244,606,298	(39,503,828)	344,002,353
Deferred Outflows Related to Other Post-Employment Benefits	-	-	-	-	4,714,600	4,714,600
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 112,918,256	\$ 9,244,097	\$ 16,737,530	\$ 244,606,298	\$ (34,789,228)	\$ 348,716,953
Liabilities						
Accounts payable	\$ 1,875,032	\$ 369,818	\$ 2,916,689	\$ -	\$ -	\$ 5,161,539
Accrued salaries and related costs	3,561,966	95,538	-	-	-	3,657,504
Accrued interest	-	280,172	-	-	-	280,172
Other liabilities	267,108	-	-	-	-	267,108
Unearned revenue						
Tuition and fees	14,720,964	-	2,084,153	-	-	16,805,117
Government claims and grants	-	48,246	-	-	-	48,246
Due to other accounts	39,503,828	-	-	-	(39,503,828)	-
Claims payable	2,403,676	-	-	-	-	2,403,676
Current portion of long-term obligations	903,325	14,018	-	6,220,000	380,636	7,517,979
Total Current Liabilities	63,235,899	807,792	5,000,842	6,220,000	(39,123,192)	36,141,341
Long-term obligations	894,039	6,905	-	154,930,000	56,259,036	212,089,980
Total Liabilities	64,129,938	814,697	5,000,842	161,150,000	17,135,844	248,231,321
Deferred Inflows Related to Other Post-Employment Benefits	-	-	-	-	4,534,883	4,534,883
Account Balances						
Net investment in capital assets	-	-	-	83,456,298	-	83,456,298
Restricted for, Expendable						
Capital projects	-	-	11,736,688	-	-	11,736,688
Debt service	-	5,853,575	-	-	(3,994,122)	1,859,453
Instructional	-	2,575,825	-	-	-	2,575,825
Unrestricted						
Other post-employment benefits (deficit)	-	-	-	-	(52,465,833)	(52,465,833)
Operating	48,788,318	-	-	-	-	48,788,318
Total Account Balances	48,788,318	8,429,400	11,736,688	83,456,298	(56,459,955)	95,950,749
TOTAL LIABILITIES, DEFERRED INFLOWS AND ACCOUNT BALANCES	\$ 112,918,256	\$ 9,244,097	\$ 16,737,530	\$ 244,606,298	\$ (34,789,228)	\$ 348,716,953

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN ACCOUNT BALANCES - BY ACCOUNTS
Year ended June 30, 2018
(Unaudited)

	Plant Accounts						
	Current Accounts		Operations and Maintenance		Investment in Plant	Eliminations	Total
	Unrestricted	Restricted	(Restricted)				
Revenues							
Property taxes	\$ 51,281,124	\$ 6,908,213	\$ 1,063,342	\$ -	\$ -	\$ -	\$ 59,252,679
Corporate personal property replacement taxes	1,997,609	-	-	-	-	-	1,997,609
Tuition and fees	37,270,608	-	5,183,023	-	-	-	42,453,631
Less scholarships and allowances	-	-	-	-	(14,052,232)	-	(14,052,232)
Sales and service fees	20,877,173	-	-	25,950,554	(38,956,188)	-	7,871,539
State and federal sources	7,508,953	59,810,580	10,000,000	-	-	-	77,319,533
Investment income	608,442	479,923	40,642	-	-	-	1,129,007
Miscellaneous	702,910	258,448	661,645	-	-	-	1,623,003
Total Revenues	<u>120,246,819</u>	<u>67,457,164</u>	<u>16,948,652</u>	<u>25,950,554</u>	<u>(53,008,420)</u>		<u>177,594,769</u>
Expenses							
Current							
Instruction	43,960,875	3,894,463	-	-	21,740,023	-	69,595,361
Academic support	4,055,337	1,503	-	-	1,720,024	-	5,776,864
Student services	8,067,390	15,886,511	-	-	(6,073,158)	-	17,880,743
Public services	272,708	2,850,924	-	-	670,372	-	3,794,004
Operation and maintenance plant							
Independent operation	12,575,507	-	2,494,205	-	2,352,855	-	17,422,567
General administration	20,001,070	1,351	-	-	(10,639,976)	-	9,362,445
Institutional support	5,840,040	7,878	-	-	2,185,879	-	8,033,797
Depreciation	12,853,447	36,382,264	2,208,422	35,500	(38,480,227)	-	12,999,406
Debt Service	-	-	-	12,717,948	-	-	12,717,948
Principal	-	64,490,000	-	-	(64,490,000)	-	-
Interest and fees	-	11,811,530	-	-	(1,015,279)	-	10,796,251
Total Expenses	<u>107,626,374</u>	<u>135,326,424</u>	<u>4,702,627</u>	<u>12,753,448</u>	<u>(92,029,487)</u>		<u>168,379,386</u>
Revenues over (under) expenses	12,620,445	(67,869,260)	12,246,025	13,197,106	39,021,067		9,215,383
Non-Mandatory Transfers							
Capital contribution - donated property	-	-	-	41,555	-	-	41,555
Loss on sale of capital assets	-	-	-	(303,576)	-	-	(303,576)
Issurance of refunding bonds	-	20,395,000	-	-	(20,395,000)	-	-
Premium on bonds sold	-	739,114	-	-	(739,114)	-	-
Transfers in	773,652	24,103,351	9,860,000	-	(34,737,003)	-	-
Transfers (out)	<u>(11,108,159)</u>	<u>-</u>	<u>(23,628,844)</u>	<u>-</u>	<u>34,737,003</u>	<u>-</u>	<u>-</u>
Revenues and transfers in over (under) expenses and transfers (out)	2,285,938	(22,631,795)	(1,522,819)	12,935,085	17,886,953		8,953,362
Account Balances:							
July 1, 2017	<u>46,502,380</u>	<u>31,061,195</u>	<u>13,259,507</u>	<u>70,521,213</u>	<u>(74,346,908)</u>		<u>86,997,387</u>
June 30, 2018	<u>\$ 48,788,318</u>	<u>\$ 8,429,400</u>	<u>\$ 11,736,688</u>	<u>\$ 83,456,298</u>	<u>\$ (56,459,955)</u>		<u>\$ 95,950,749</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
COMBINING BALANCE SHEET - CURRENT UNRESTRICTED ACCOUNTS
June 30, 2018
(Unaudited)

	Education	Operations and Maintenance	Audit	Liability Protection and Settlement	Self Insurance	Working Cash	Auxiliary	Total
Assets								
Cash and cash equivalents	\$ 30,655,188	\$ 100	\$ -	\$ -	\$ 35,882	\$ 3,255,748	\$ 32,010	\$ 33,978,928
Investments	10,736,200	-	-	-	1,290,465	3,149,579	-	15,176,244
Receivables								
Property taxes	16,929,292	9,773,379	30,195	151,688	-	-	-	26,884,554
Government claims and grants	298,592	-	-	-	-	-	-	298,592
Student tuition and fees	10,628,494	-	-	-	-	-	135,686	10,764,180
Accrued interest	35,461	-	-	-	5,508	28,038	-	69,007
Other	6,996	325	-	-	-	-	-	7,321
Due from other accounts	3,657,598	-	129,860	768,578	11,209,593	-	8,031,055	23,796,684
Prepaid items	807,131	-	-	5,995	-	-	122,750	935,876
Inventories	31,947	-	-	-	-	-	974,923	1,006,870
TOTAL ASSETS	\$ 73,786,899	\$ 9,773,804	\$ 160,055	\$ 926,261	\$ 12,541,448	\$ 6,433,365	\$ 9,296,424	\$ 112,918,256
Liabilities and Account Balance								
Liabilities								
Accounts payable	\$ 463,427	\$ 629,173	\$ 15,000	\$ 41,495	\$ -	\$ -	\$ 725,937	\$ 1,875,032
Accrued salaries and related costs	3,236,338	276,517	-	-	-	-	49,111	3,561,966
Other liabilities	263,607	-	-	-	-	-	3,501	267,108
Deferred revenue, tuition and fees	13,124,308	-	-	-	-	-	1,596,656	14,720,964
Due to other accounts	35,846,230	3,657,598	-	-	-	-	-	39,503,828
Compensated absences	726,250	215,187	-	-	-	-	87,912	1,029,349
Early retirement benefits	679,500	-	-	-	88,515	-	-	768,015
Claims payable	-	-	-	-	2,403,676	-	-	2,403,676
Total Liabilities	54,339,660	4,778,475	15,000	41,495	2,492,191	-	2,463,117	64,129,938
Account Balance, unrestricted	19,447,239	4,995,329	145,055	884,766	10,049,257	6,433,365	6,833,307	48,788,318
TOTAL LIABILITIES AND ACCOUNT BALANCE	\$ 73,786,899	\$ 9,773,804	\$ 160,055	\$ 926,261	\$ 12,541,448	\$ 6,433,365	\$ 9,296,424	\$ 112,918,256

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN CURRENT UNRESTRICTED ACCOUNT BALANCES
Year ended June 30, 2018
(Unaudited)

	Education	Operations and Maintenance	Audit	Liability Protection and Settlement	Self Insurance	Working Cash	Auxiliary	Total
Revenues								
Property taxes	\$ 32,299,825	\$ 18,630,751	\$ 58,504	\$ 292,044	\$ -	\$ -	\$ -	\$ 51,281,124
Corporate personal property replacement taxes	1,997,609	-	-	-	-	-	-	1,997,609
Tuition and fees	30,741,972	-	-	-	-	-	6,528,636	37,270,608
Sales and service fees	-	141,836	-	-	13,627,991	-	7,107,346	20,877,173
State and federal sources	7,508,953	-	-	-	-	-	-	7,508,953
Investment income	513,057	-	-	-	17,709	77,676	-	608,442
Miscellaneous	536,200	16,683	-	-	-	-	150,027	702,910
Total Revenues	<u>73,597,616</u>	<u>18,789,270</u>	<u>58,504</u>	<u>292,044</u>	<u>13,645,700</u>	<u>77,676</u>	<u>13,786,009</u>	<u>120,246,819</u>
Expenses								
Current								
Instruction	40,614,369	-	-	-	-	-	3,346,506	43,960,875
Academic support	3,472,963	-	-	-	-	-	582,374	4,055,337
Student services	7,997,206	-	-	-	-	-	70,184	8,067,390
Public services	43,197	-	-	-	-	-	229,511	272,708
Operation and maintenance plant	-	12,575,507	-	-	-	-	-	12,575,507
Independent operation	-	-	-	-	11,979,229	-	8,021,841	20,001,070
General administration	5,768,841	-	-	71,199	-	-	-	5,840,040
Institutional support	9,509,722	802,352	71,665	558,303	-	-	1,911,405	12,853,447
Depreciation	-	-	-	-	-	-	-	-
Total Expenses	<u>67,406,298</u>	<u>13,377,859</u>	<u>71,665</u>	<u>629,502</u>	<u>11,979,229</u>	<u>-</u>	<u>14,161,821</u>	<u>107,626,374</u>
Revenues over (under) expenses	6,191,318	5,411,411	(13,161)	(337,458)	1,666,471	77,676	(375,812)	12,620,445
NON-MANDATORY TRANSFERS								
Loss on sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	250,625	-	-	-	-	-	523,027	773,652
Transfers (out)	(5,167,361)	(5,410,000)	-	-	-	-	(530,798)	(11,108,159)
Revenues and transfers in over (under) expenses and transfers (out)	1,274,582	1,411	(13,161)	(337,458)	1,666,471	77,676	(383,583)	2,285,938
Account Balances:								
July 1, 2017	18,172,657	4,993,918	158,216	1,222,224	8,382,786	6,355,689	7,216,890	46,502,380
June 30, 2018	<u>\$ 19,447,239</u>	<u>\$ 4,995,329</u>	<u>\$ 145,055</u>	<u>\$ 884,766</u>	<u>\$ 10,049,257</u>	<u>\$ 6,433,365</u>	<u>\$ 6,833,307</u>	<u>\$ 48,788,318</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
COMBINING BALANCE SHEET - CURRENT RESTRICTED ACCOUNTS
June 30, 2018
(Unaudited)

	<u>Restricted Purpose</u>	<u>General Obligation Bond (Alternate Revenue Source)</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ -	\$ 1,446,346	\$ 1,446,346
Investments	351,739	-	351,739
Receivables			
Property taxes	-	3,613,125	3,613,125
Government claims and grants	1,819,280	-	1,819,280
Accrued interest	782	-	782
Due from other accounts	<u>938,549</u>	<u>1,074,276</u>	<u>2,012,825</u>
 TOTAL ASSETS	 <u>\$ 3,110,350</u>	 <u>\$ 6,133,747</u>	 <u>\$ 9,244,097</u>
Liabilities and Account Balance			
Liabilities			
Accounts payable	\$ 369,818	\$ -	\$ 369,818
Accrued salaries and related costs	95,538	-	95,538
Accrued interest	-	280,172	280,172
Deferred revenue			
Government claims and grants	48,246	-	48,246
Compensated absences	<u>20,923</u>	<u>-</u>	<u>20,923</u>
Total Liabilities	<u>534,525</u>	<u>280,172</u>	<u>814,697</u>
Account Balance			
Restricted For, Expendable			
Debt service	-	5,853,575	5,853,575
Instructional	<u>2,575,825</u>	<u>-</u>	<u>2,575,825</u>
Total Account Balance	<u>2,575,825</u>	<u>5,853,575</u>	<u>8,429,400</u>
 TOTAL LIABILITIES AND ACCOUNT BALANCE	 <u>\$ 3,110,350</u>	 <u>\$ 6,133,747</u>	 <u>\$ 9,244,097</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
CURRENT RESTRICTED ACCOUNT BALANCES
Year ended June 30, 2018
(Unaudited)

	Restricted Purpose	General Obligation Bond (Alternate Revenue Source)	Total
Revenues			
Property taxes	\$ -	\$ 6,908,213	\$ 6,908,213
State sources	40,848,910	-	40,848,910
Federal sources	17,400,934	1,560,736	18,961,670
Investment income	-	479,923	479,923
Miscellaneous	258,448	-	258,448
Total Revenues	<u>58,508,292</u>	<u>8,948,872</u>	<u>67,457,164</u>
Expenses			
Current			
Instruction	3,894,463	-	3,894,463
Academic support	1,503	-	1,503
Student services	15,886,511	-	15,886,511
Public services	2,850,924	-	2,850,924
Independent operation	1,351	-	1,351
General administration	7,878	-	7,878
Institutional support	36,382,264	-	36,382,264
Debt Service			
Principal	-	64,490,000	64,490,000
Interest and fees	-	11,811,530	11,811,530
Total Expenses	<u>59,024,894</u>	<u>76,301,530</u>	<u>135,326,424</u>
Revenues (under) expenses	(516,602)	(67,352,658)	(67,869,260)
Non-Mandatory Transfers			
Issurance of refunding bonds	-	20,395,000	20,395,000
Premium on bonds sold	-	739,114	739,114
Transfers in	<u>474,507</u>	<u>23,628,844</u>	<u>24,103,351</u>
Revenues and transfers in over (under) expenses and transfers (out)	(42,095)	(22,589,700)	(22,631,795)
Account Balances:			
July 1, 2017	<u>2,617,920</u>	<u>28,443,275</u>	<u>31,061,195</u>
June 30, 2018	<u>\$ 2,575,825</u>	<u>\$ 5,853,575</u>	<u>\$ 8,429,400</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
Year ended June 30, 2018

	Education	Operations and Maintenance Fund (Restricted)	Operations and Maintenance Fund (Restricted)	Obligation Bond (Alternate Revenue Source)	Auxiliary Enterprise	Restricted Purposes	Audit	Liability Protection and Settlement	Working Cash	Health Insurance	Total
Account Balance, July 1, 2017	\$ 18,172,657	\$ 4,993,918	\$ 13,259,507	\$ 28,443,275	\$ 7,216,890	\$ 2,617,920	\$ 158,216	\$ 1,222,224	\$ 6,355,689	\$ 8,382,786	\$ 90,823,082
REVENUES											
Local tax revenue	32,299,825	18,630,751	1,063,342	6,908,213	-	-	58,504	292,044	-	-	59,252,679
All other local revenue	1,997,609	-	-	-	-	-	-	-	-	-	1,997,609
ICCB grants	7,464,782	-	-	-	-	2,078,563	-	-	-	-	9,543,345
All other state revenue	-	-	10,000,000	-	-	38,770,347	-	-	-	-	48,770,347
Federal revenue	44,171	-	-	1,560,736	-	17,400,934	-	-	-	-	19,005,841
Student tuition and fees	30,741,972	-	5,183,023	-	6,528,636	-	-	-	-	-	42,453,631
All other revenue	1,049,257	158,519	702,287	21,614,037	7,257,373	258,448	-	-	77,676	13,645,700	44,763,297
Total Revenue	<u>73,597,616</u>	<u>18,789,270</u>	<u>16,948,652</u>	<u>30,082,986</u>	<u>13,786,009</u>	<u>58,508,292</u>	<u>58,504</u>	<u>292,044</u>	<u>77,676</u>	<u>13,645,700</u>	<u>225,786,749</u>
EXPENDITURES											
BY PROGRAM											
Instruction	39,180,357	-	-	-	3,346,506	24,631,299	-	-	-	-	67,158,162
Academic support	3,472,963	-	-	-	582,374	1,537,445	-	-	-	-	5,592,782
Student services	7,706,219	-	-	-	70,184	3,788,927	-	-	-	-	11,565,330
Public services/continuing education	-	-	-	-	229,511	3,516,153	-	-	-	-	3,745,664
Independent operations	-	-	-	-	8,021,841	1,226,058	-	-	-	11,979,229	21,227,128
Operations and maintenance	-	12,575,507	2,494,205	-	-	4,016,926	-	-	-	-	19,086,638
General administration	5,768,841	-	-	-	-	1,975,751	-	71,199	-	-	7,815,791
Institutional support	6,840,815	802,352	2,208,422	76,301,530	1,911,405	2,814,180	71,665	558,303	-	-	91,508,672
Scholarships, grants and waivers	4,437,103	-	-	-	-	15,518,155	-	-	-	-	19,955,258
Total Expenditures	<u>67,406,298</u>	<u>13,377,859</u>	<u>4,702,627</u>	<u>76,301,530</u>	<u>14,161,821</u>	<u>59,024,894</u>	<u>71,665</u>	<u>629,502</u>	<u>-</u>	<u>11,979,229</u>	<u>247,655,425</u>
Net transfers in (out)	<u>(4,916,736)</u>	<u>(5,410,000)</u>	<u>(13,768,844)</u>	<u>23,628,844</u>	<u>(7,771)</u>	<u>474,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Account Balance, June 30, 2018	\$ <u>19,447,239</u>	\$ <u>4,995,329</u>	\$ <u>11,736,688</u>	\$ <u>5,853,575</u>	\$ <u>6,833,307</u>	\$ <u>2,575,825</u>	\$ <u>145,055</u>	\$ <u>884,766</u>	\$ <u>6,433,365</u>	\$ <u>10,049,257</u>	\$ <u>68,954,406</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

SUMMARY OF CAPITAL ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2
June 30, 2018

	Capital Asset and Debt <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Capital Asset and Debt <u>June 30, 2017</u>
Capital Assets				
Land	\$ 4,534,357	\$ -	\$ -	\$ 4,534,357
Land improvements	20,406,258	162,527	-	20,568,785
Buildings and improvements	265,985,236	2,581,616	888,969	267,677,883
Furniture and equipment	26,574,368	6,874,537	1,646,962	31,801,943
Construction in process	<u>6,098,046</u>	<u>3,175,576</u>	<u>7,713,210</u>	<u>1,560,412</u>
	323,598,265	12,794,256	10,249,141	326,143,380
Accumulated depreciation	<u>71,051,489</u>	<u>12,717,948</u>	<u>2,232,355</u>	<u>81,537,082</u>
TOTAL	<u>\$ 252,546,776</u>	<u>\$ 76,308</u>	<u>\$ 8,016,786</u>	<u>\$ 244,606,298</u>
Debt				
General obligation bonds 2008 (alternate revenue source)	\$ 61,165,000	\$ -	\$ 61,165,000	\$ -
Premium on bonds	656,788	-	656,788	-
General obligation bonds 2009	76,660,000	-	3,225,000	73,435,000
Premium on bonds	806,580	-	67,215	739,365
General obligation refunding bonds 2012 (alternate revenue source)	8,940,000	-	100,000	8,840,000
Premium on bonds	359,909	-	32,719	327,190
General obligation refunding bonds 2013A (alternate revenue source)	14,115,000	-	-	14,115,000
Premium on bonds	1,184,910	-	169,273	1,015,637
General obligation bonds 2013B (alternate revenue source)	44,365,000	-	-	44,365,000
Premium on bonds	1,231,734	-	58,654	1,173,080
General obligation refunding bonds 2018 (alternate revenue source)	-	20,395,000	-	20,395,000
Premium on bonds	-	739,114	264	738,850
Net OPEB liability	47,173,505	5,785,943	313,898	52,645,550
Compensated absences	1,016,513	1,300,046	1,266,287	1,050,272
Early retirement benefits	<u>703,655</u>	<u>332,500</u>	<u>268,140</u>	<u>768,015</u>
TOTAL	<u>\$ 258,378,594</u>	<u>\$ 28,552,603</u>	<u>\$ 67,323,238</u>	<u>\$ 219,607,959</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
Year ended June 30, 2018

	Education Accounts	Operations and Maintenance Accounts	Total
REVENUES			
Local Government			
Local taxes	\$ 32,299,825	\$ 18,630,751	\$ 50,930,576
Payments in lieu of taxes	1,997,609	-	1,997,609
Chargeback revenue	-	-	-
Total Local Government	<u>34,297,434</u>	<u>18,630,751</u>	<u>52,928,185</u>
STATE GOVERNMENT			
ICCB Credit Hour Grants	6,889,925	-	6,889,925
ICCB Career and Technical Education	574,857	-	574,857
Other	-	-	-
Total State Government	<u>7,464,782</u>	<u>-</u>	<u>7,464,782</u>
FEDERAL GOVERNMENT			
Department of Education	44,171	-	44,171
Department of Treasury	-	-	-
Total Federal Government	<u>44,171</u>	<u>-</u>	<u>44,171</u>
STUDENT TUITION AND FEES			
Tuition less tuition refunds	30,511,373	-	30,511,373
Fees	230,599	-	230,599
Total Tuition and Fees	<u>30,741,972</u>	<u>-</u>	<u>30,741,972</u>
OTHER SOURCES			
Facilities revenue	-	141,836	141,836
Investment revenue	513,057	-	513,057
Other revenue	536,200	16,683	552,883
Total Other Sources	<u>1,049,257</u>	<u>158,519</u>	<u>1,207,776</u>
Transfers	<u>250,625</u>	<u>-</u>	<u>250,625</u>
Total Revenues	73,848,241	18,789,270	92,637,511
Less: Nonoperating item			
Tuition chargeback	<u>-</u>	<u>-</u>	<u>-</u>
ADJUSTED REVENUES	<u>\$ 73,848,241</u>	<u>\$ 18,789,270</u>	<u>\$ 92,637,511</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3 (CONTINUED)
Year ended June 30, 2018

	<u>Education</u> <u>Accounts</u>	<u>Operations and</u> <u>Maintenance</u> <u>Accounts</u>	<u>Total</u>
EXPENDITURES			
By Program:			
Instruction	\$ 39,180,357	\$ -	\$ 39,180,357
Academic support	3,472,963	-	3,472,963
Student services	7,706,219	-	7,706,219
Public service	-	-	-
Operations and maintenance	-	12,575,507	12,575,507
General administration	5,768,841	-	5,768,841
Institutional support	6,840,815	802,352	7,643,167
Scholarships, grants and waivers	4,437,103	-	4,437,103
Transfers	<u>5,167,361</u>	<u>5,410,000</u>	<u>10,577,361</u>
Total Expenditures	72,573,659	18,787,859	91,361,518
Less: Nonoperating item - tuition chargebacks			
	(909)	-	(909)
Transfers to nonoperating accounts	<u>(5,167,361)</u>	<u>(5,410,000)</u>	<u>(10,577,361)</u>
ADJUSTED EXPENDITURES	<u>\$ 67,405,389</u>	<u>\$ 13,377,859</u>	<u>\$ 80,783,248</u>
By Object:			
Salaries	\$ 47,124,221	\$ 7,055,362	\$ 54,179,583
Employee benefits	10,823,201	2,077,601	12,900,802
Contractual services	999,430	532,173	1,531,603
Material and supplies	2,500,938	774,942	3,275,880
Conferences and meetings	503,049	40,672	543,721
Fixed charges	435,101	(921)	434,180
Utilities	-	2,566,978	2,566,978
Capital outlay	5,950	331,052	337,002
Other	5,014,408	-	5,014,408
Transfers	<u>5,167,361</u>	<u>5,410,000</u>	<u>10,577,361</u>
Total Expenditures	72,573,659	18,787,859	91,361,518
Less: Nonoperating item - tuition chargebacks			
	(909)	-	(909)
Transfers to nonoperating accounts	<u>(5,167,361)</u>	<u>(5,410,000)</u>	<u>(10,577,361)</u>
ADJUSTED EXPENDITURES	<u>\$ 67,405,389</u>	<u>\$ 13,377,859</u>	<u>\$ 80,783,248</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

RESTRICTED PURPOSE FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
Year ended June 30, 2018

REVENUES

State Government	
Illinois Community College Board:	
Career and Technical Education	\$ 63,873
Adult Education - State Basic	1,433,966
Adult Education - Performance	580,724
Illinois Student Assistance Commission	2,837,796
State University Retirement System	35,479,548
Other sources	<u>453,003</u>
Total State Government	<u>40,848,910</u>
Federal Government	
Dept. of Education	14,862,705
Dept. of Health and Human Services	80,665
Dept. of Labor	2,284,275
Dept. of Transportation	96,679
National Science Foundation	69,172
Other	<u>7,438</u>
Total Federal Government	<u>17,400,934</u>
Other Sources	
Other	<u>258,448</u>
Total Other Sources	<u>258,448</u>
Transfers	<u>474,507</u>
TOTAL REVENUES	<u>\$ 58,982,799</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

RESTRICTED PURPOSE FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4 (CONTINUED)
Year ended June 30, 2018

EXPENDITURES

By Program:

Instruction	\$ 24,631,299
Academic support	1,537,445
Student support	3,788,927
Public services	3,516,153
Independent operation	1,226,058
Operations and maintenance	4,016,926
General administration	1,975,751
Institutional support	2,814,180
Scholarships, grants and waivers	15,518,155
Transfers	<u>-</u>

TOTAL EXPENDITURES BY PROGRAM

\$ 59,024,894

By Object:

Salaries	\$ 3,767,613
Employee benefits	36,334,812
Contractual services	225,992
General materials and supplies	1,221,618
Conference and meeting expenses	178,756
Fixed charges	17,370
Utilities	164
Capital outlay	210,633
Other	17,067,936
Transfers	<u>-</u>

TOTAL EXPENDITURES BY OBJECT

\$ 59,024,894

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

CURRENT FUNDS EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
Year ended June 30, 2018

INSTRUCTION

Instructional programs	\$ 39,180,357
Instructional support	<u>27,977,805</u>
Total Instruction	<u>67,158,162</u>

PUBLIC SERVICES

Community education	<u>3,745,664</u>
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ACADEMIC SUPPORT

Learning Resource Center	997,945
Instructional Materials Center	569,635
Educational Media Services	375,985
Academic computing support	733,026
Academic administration and planning	334,762
Other academic support	<u>2,581,429</u>
Total Academic Support	<u>5,592,782</u>

STUDENT SERVICES SUPPORT

Admissions and records	2,078,806
Counseling and career services	2,851,168
Financial aid administration	853,828
Other student services support	<u>5,781,528</u>
Total Student Services Support	<u>11,565,330</u>

OPERATIONS AND MAINTENANCE OF PLANT

Maintenance	1,567,645
Custodial services	3,203,760
Grounds maintenance	1,411,269
Campus Security	2,662,386
Transportation	45,364
Utilities	3,127,424
Administration	<u>4,574,585</u>
Total Operations and Maintenance of Plant	<u>16,592,433</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

CURRENT FUNDS EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5 (CONTINUED)
Year ended June 30, 2018

GENERAL ADMINISTRATION

Executive management	\$ 623,432
Fiscal operations	1,781,128
Community relations	1,646,706
Administrative support services	1,717,575
Other	<u>2,046,950</u>
Total General Administration	<u>7,815,791</u>

INSTITUTIONAL SUPPORT

Board of trustees	175,676
General institution	2,666,989
Institutional research	414,268
Administrative data processing	4,035,830
Other	<u>5,705,957</u>
Total Institutional Support	<u>12,998,720</u>

SCHOLARSHIPS, GRANTS AND WAIVERS

19,955,258

AUXILIARY SERVICES

Independent operation	<u>21,227,128</u>
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TOTAL CURRENT FUNDS EXPENDITURES

\$ 166,651,268

* Current funds include the Education, Operations and Maintenance, Auxiliary Enterprise, Restricted Purpose, Audit, Liability Protection Settlement, Working Cash and Health Insurance funds.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO UNIFORM FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – GENERAL

The uniform financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The uniform financial statements are required by the Illinois Community College Board and are presented on the regulatory basis of accounting as permitted by the Illinois Community College Board which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

NOTE 2 – BASIS OF ACCOUNTING

The Illinois Community College Board (ICCB) uniform financial statements have been prepared on the modified accrual basis of accounting except for revenue which is recognized on the full accrual basis of accounting in accordance with the accounting practices prescribed or permitted by the ICCB.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

CERTIFICATION OF CHARGEBACK REIMBURSEMENT
For Fiscal Year 2019

All Noncapital Audit Operating Expenditures for Fiscal Year 2018 From All Revenue Sources:	
Educational Account	\$ 67,393,772
Operations and Maintenance Account	13,043,669
Restricted Purposes Fund	28,099,705
Audit Fund	71,665
Liability, Protection and Settlement Fund	629,502
Debt Service Funds	18,076,530
Operation and Maintenance Fund (Restricted)	980,168
Auxiliary Enterprise Fund (subsidiy only)	<u>2,706,700</u>
TOTAL NONCAPITAL EXPENDITURES	\$ <u>131,001,711</u>
Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	
	<u>12,247,142</u>
TOTAL COSTS INCLUDED	<u>143,248,853</u>
Total certified semester credit hours for FY 2018	<u>260,148</u>
PER CAPITA COST	550.64
All FY 2018 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>26,850,999</u>
FY 2018 state and federal grants per semester credit hour	<u>(103.21)</u>
District's average ICCB grant rate (excluding equalization grants) for FY 2019	<u>(27.72)</u>
District's student tuition and fee rate per semester credit hour for FY 2019	<u>(146.00)</u>
Chargeback reimbursement per semester credit credit hour	\$ <u>273.71</u>

Approved: 
Chief Fiscal Officer

Date: 10-1-18

Approved: 
Chief Executive Officer

Date: 10/1/18

**INDEPENDENT ACCOUNTANTS' REPORT ON THE SCHEDULE OF ENROLLMENT DATA AND
OTHERS BASED UPON WHICH CLAIMS ARE FILED**

To the Board of Trustees
Joliet Junior College -
Community College District No. 525
Joliet, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, of Joliet Junior College – Community College District No. 525 (the “District”) for the year ended June 30, 2018. The Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed is the responsibility of the District’s management. Our responsibility is to express an opinion on the schedule based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, in accordance with the guidelines of the Illinois Community College Board’s *Fiscal Management Manual*, and accordingly, included examining, on a test basis, evidence supporting the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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

The supplementary information on pages 93 and 94 has not been subjected to the examination procedures applied in the examination of the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, and accordingly, we express no opinion on them.

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

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 3, 2018

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
June 30, 2018

Categories	Apportionment Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	23,223.0	-	78,591.0	-	70,774.0	-	172,588.0	-
Business Occupational	845.5	-	4,062.0	-	4,238.0	-	9,145.5	-
Technical Occupational	1,854.5	-	12,256.0	-	13,491.0	-	27,601.5	-
Health Occupations	1,338.5	-	7,115.0	-	8,712.5	-	17,166.0	-
Remedial/Developmental	2,054.0	-	11,114.0	-	8,036.0	-	21,204.0	-
Adult Basic Education/ Adult Secondary Education	-	2,106.0	-	5,282.0	-	5,055.0	-	12,443.0
Total Credit Hours Verified	29,315.5	2,106.0	113,138.0	5,282.0	105,251.5	5,055.0	247,705.0	12,443.0

	Attending In-District	Attending Out-Of-District on Chargeback or Contractual Agreement	Total
Reimbursable Semester Credit Hours	247,826.5	5.0	247,831.5
	Dual Credit	Dual Enrollment	Total
Reimbursable Semester Credit Hours (All Terms)	22,054.0	515.5	22,569.5

District's Prior Year Equalized Assessed Valuation - 2017

Will County	\$ 16,587,954,291
Grundy County	1,862,442,974
Cook County	913,529,423
Livingston County	133,568,590
Kendall County	435,745,136
LaSalle County	22,115,443
Kankakee County	669,745
TOTAL	\$ 19,956,025,602

Signatures


Chief Executive Officer (CEO)


Chief Financial Officer (CFO)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
June 30, 2018

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Categories						
Baccalaureate	172,588.0	172,588.0	-	-	-	-
Business Occupational	9,145.5	9,145.5	-	-	-	-
Technical Occupational	27,601.5	27,601.5	-	-	-	-
Health Occupations	17,166.0	17,166.0	-	-	-	-
Remedial/Developmental	21,204.0	21,204.0	-	-	-	-
Adult Basic Education/Adult Secondary Education	-	-	-	12,443.0	12,443.0	-
Total	<u>247,705.0</u>	<u>247,705.0</u>	<u>-</u>	<u>12,443.0</u>	<u>12,443.0</u>	<u>-</u>

Reconciliation of In-District/Chargeback and Cooperative/Contractual Agreement Credit Hours

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB	Difference
In-District Residents	247,826.5	247,826.5	-
Out-of-District on Chargeback or Contractual Agreement	5.0	5.0	-
	<u>Total Reimbursable</u>	<u>Total Reimbursable Certified to ICCB</u>	<u>Difference</u>
Dual Credit	22,054.0	22,054.0	-
Dual Enrollment	515.5	515.5	-

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
RESIDENCY POLICY (UNAUDITED)
June 30, 2018

RESIDENCY

A person shall be considered a resident of Joliet Junior College District 525 who has resided in Illinois Community College District 525 for at least 30 days prior to the beginning of the term.

Tuition paid by a student attending Joliet Junior College is determined by the student's legal and permanent place of residence. An in-district resident is a person whose residence is within Joliet Junior College District 525 or one whose intent is to establish permanent residence in District 525. Residence is defined as the place where the student lives and is considered the student's permanent home. The residence must be owned or occupied for a minimum of thirty days prior to the beginning of the term.

Determination of residence status is made during the processing of a student's Application for Admission and is subject to further review and/or revision by the Dean of Admissions and Financial Aid or designated staff. Factors used in residency determination may include current address, length of time at that address, high school attended, and date of graduation. The applicant is responsible for furnishing information, evidence, or documents deemed necessary to accurately determine residency within 10 business days prior to the beginning of the term.

Evidence of legal residency shall be based on ownership and/or occupancy of a home or residence in the district (shown by a deed, lease, or formal rent receipt with lessor's name indicated) and one of the following showing the same address:

1. A current Illinois driver's license or Illinois state identification card
2. A current Illinois automobile license registration
3. A current Illinois voter's registration card
4. Employment in the state of Illinois (for out-of-state residents)
5. Payment of Illinois income taxes (for out-of-state residents)
6. A document showing the student's past or existing status as a district student; e.g. a high school transcript
7. A utility bill in the name of the student
8. A proof of automobile insurance
9. A proof of homeowner's insurance
10. A current credit card billing statement
11. A current bank statement
12. A change of address form from the Post Office

Each of these proofs must show an in-district address. A post office box number for an address will not serve to prove residency. Renters must submit either a rent receipt or lease signed by the owner/manager (dated at least 30 days prior to the beginning of the term). The student must complete the Residency Status Change Request form and submit both proofs of residency to the Joliet Junior College Admissions Office (J-1005) within 10 business days of the beginning of the term.

Out-of-state applicants who fail to submit the required proofs by the stated deadline will be charged out-of-state tuition. Students who demonstrate to 30-day, in-state, but not in-district residency, will be charged Illinois out-of-district tuition. Should a student prove in-district residency and move from that address without providing a forwarding address, Joliet Junior College will have their address returned to the original address from the application and in-district status will be reviewed.

Employment in the District: Persons who are not residents of District 525 but who are employed full-time (35 hours per week) in the district are eligible for in-district tuition and fees. To qualify, a letter must be on file in the Admission's office each semester prior to the student's registration. This letter must be written on company stationery and must be signed by either the owner/manager or the director of human resources.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND TAX EXTENSIONS (UNAUDITED)

TAX LEVY YEAR	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed Valuation:										
Will County	\$ 16,587,954,291	\$ 15,818,465,969	\$ 15,054,518,164	\$ 14,731,038,083	\$ 14,867,060,257	\$ 15,544,164,034	\$ 16,518,909,440	\$ 17,379,370,763	\$ 17,815,228,170	\$ 17,771,973,559
Grundy County	1,862,442,974	1,815,831,905	1,745,792,783	1,745,702,192	1,748,545,924	1,833,949,279	1,843,748,706	1,865,970,346	1,930,688,896	1,912,013,367
Cook County	913,529,423	755,324,579	710,891,142	715,476,997	733,433,150	778,150,559	840,592,313	1,000,721,301	1,011,849,637	990,449,811
Livingston County	133,568,590	126,707,845	128,321,978	130,913,095	135,129,678	139,132,599	141,716,706	140,139,219	116,237,372	112,139,061
Kendall County	435,745,136	401,054,830	377,972,021	351,153,144	343,315,735	352,676,497	369,284,162	408,694,865	420,300,593	403,060,198
LaSalle County	22,115,443	22,131,159	22,162,472	22,111,583	22,023,544	22,250,453	22,731,762	22,773,620	13,072,938	10,173,110
Kankakee County	669,745	640,655	594,341	567,228	560,139	570,614	565,794	577,029	567,878	495,524
TOTAL	\$ 19,956,025,602	\$ 18,940,156,942	\$ 18,040,252,901	\$ 17,696,962,322	\$ 17,850,068,427	\$ 18,670,894,035	\$ 19,737,548,883	\$ 20,818,247,143	\$ 21,307,945,484	\$ 21,200,304,630
Tax Rates:										
General Fund:										
Educational Accounts	0.1632	0.1694	0.1735	0.1747	0.1666	0.1552	0.1391	0.1291	0.1228	0.1176
Operations, Building and Maintenance Accounts	0.0942	0.0903	0.0898	0.0899	0.0853	0.0811	0.0717	0.0650	0.0589	0.0592
Debt service	0.0349	0.0430	0.0348	0.0340	0.0322	0.0290	0.0257	0.0233	0.0237	-
Audit Fund	0.0003	0.0004	0.0006	0.0006	0.0005	0.0005	0.0005	0.0005	0.0004	0.0004
Liability, Protection and Settlement Fund	0.0015	0.0015	0.0032	0.0032	0.0046	0.0047	0.0043	0.0039	0.0038	0.0075
Life Safety	0.0054	0.0055	0.0059	0.0062	0.0062	0.0061	0.0053	0.0054	0.0050	0.0049
TOTAL	0.2995	0.3101	0.3078	0.3086	0.2954	0.2766	0.2466	0.2272	0.2146	0.1896
Tax Extensions:										
General Fund:										
Educational Accounts	\$ 32,571,428	\$ 32,081,015	\$ 31,305,750	\$ 30,908,252	\$ 29,732,333	\$ 28,974,434	\$ 27,449,763	\$ 26,868,215	\$ 26,171,376	\$ 24,941,905
Operations, Building and Maintenance Accounts	18,802,129	17,103,083	16,197,594	15,908,346	15,232,409	15,145,028	14,147,138	13,543,827	12,543,661	12,551,285
Debt service	6,955,295	8,136,129	6,272,053	6,022,677	5,747,931	5,412,553	5,081,176	4,858,538	5,039,433	-
Audit Fund	58,759	74,453	105,290	103,567	89,430	92,962	97,633	101,006	85,145	83,591
Liability, Protection and Settlement Fund	294,322	281,649	574,139	565,435	824,121	868,313	842,229	804,148	819,820	1,582,802
Life Safety	1,072,429	1,041,752	1,060,175	1,095,071	1,107,042	1,129,871	1,053,979	1,121,023	1,065,406	1,039,320
TOTAL	\$ 59,754,362	\$ 58,718,081	\$ 55,515,001	\$ 54,803,348	\$ 52,733,266	\$ 51,623,161	\$ 48,671,918	\$ 47,296,757	\$ 45,724,841	\$ 40,198,903
Tax collections	\$ 27,614,266	\$ 58,511,774	\$ 55,274,230	\$ 54,352,004	\$ 52,584,615	\$ 51,321,101	\$ 48,042,862	\$ 46,966,219	\$ 45,253,617	\$ 39,834,732
Percent collected	46.21%	99.65%	99.57%	99.54%	99.72%	99.41%	98.71%	99.30%	98.97%	99.09%

INDEPENDENT AUDITORS' REPORT ON STATE GRANT PROGRAMS FINANCIAL STATEMENTS

To the Board of Trustees
Joliet Junior College -
Community College District No. 525
Joliet, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Joliet Junior College – Community College District No. 525 (the “District”), State Adult Education Grant (State Basic and Performance), and Career and Technical Education – Program Improvement Grant (“Grant Programs”), and the related notes to the financial statements, as of and for the year ended June 30, 2018, as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the guidelines of the Illinois Community College Board’s *Fiscal Management Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Trustees
Joliet Junior College -
Community College District No. 525

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of Joliet Junior College – Community College District No. 525, State Adult Education Grant (State Basic and Performance)), and Career and Technical Education – Program Improvement Grant, as of June 30, 2018, and the respective revenues, expenditures and changes in program balances for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As stated in Note 2, the financial statements present only the District's Grant Programs and do not purport to, and do not, present fairly the financial position of the District, as of June 30, 2018, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The ICCB Compliance Statements as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The ICCB Compliance Statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the ICCB Compliance Statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2018 on our consideration of 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 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 District's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 3, 2018

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF GRANT PROGRAM
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the Board of Trustees
Joliet Junior College -
Community College District No. 525
Joliet, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the guidelines of the Illinois Community College Board *Fiscal Management Manual*, the financial statements of the Joliet Junior College – Community College District No. 525 (the “District”), State Adult Education Grant (State Basic and Performance)), and Career and Technical Education – Program Improvement Grant (“Grant Programs”) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Grant Program’s financial statements, and have issued our report thereon dated October 3, 2018. The financial statements present only the District Grant Program and do not purport to, and do not, present fairly the financial position of the District, as of June 30, 2018, and the changes in its program balances for the year then ended.

Internal Control Over Financial Reporting

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

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

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

To the Board of Trustees
Joliet Junior College -
Community College District No. 525

Compliance and Other Matters

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

Purpose of this Report

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

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 3, 2018

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

BALANCE SHEET
STATE ADULT EDUCATION GRANT PROGRAM
(STATE BASIC AND PERFORMANCE)
June 30, 2018

	<u>State Basic</u>	<u>Performance</u>	<u>Total</u>
Assets			
Due from ICCB	\$ 260,027	\$ 128,379	\$ 388,406
Liabilities and Program Balance			
Liabilities,			
Accrued salary	\$ 52,880	\$ 3,299	\$ 56,179
Due to the College	<u>207,147</u>	<u>125,080</u>	<u>332,227</u>
	<u>260,027</u>	<u>128,379</u>	<u>388,406</u>
Program Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Program Balance	<u>\$ 260,027</u>	<u>\$ 128,379</u>	<u>\$ 388,406</u>

See accompanying notes to grant programs financial statements

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN PROGRAM BALANCE
STATE ADULT EDUCATION GRANT PROGRAM
Year Ended June 30, 2018

	State Basic	Performance	Total
Revenues, state sources	\$ 1,433,966	\$ 580,724	\$ 2,014,690
Expenditures,			
Current year's grant:			
Foreign language GED instruction	-	-	-
Instruction	923,668	431,219	1,354,887
Social work services	36,637	25,855	62,492
Guidance services	25,854	-	25,854
Assistive and adaptive equipment	-	-	-
Assessment and testing	74,734	660	75,394
Student transportation services	9,972	1,505	11,477
Literacy services	29,321	-	29,321
Child care services	-	5,622	5,622
Total Instruction and Student Services	<u>1,100,186</u>	<u>464,861</u>	<u>1,565,047</u>
Program Support:			
Improvement of instructional services	16,150	30,953	47,103
General administration	80,051	35,860	115,911
Operation and maintenance of plant	14,370	3,000	17,370
Workforce coordination	-	3,223	3,223
Data and information services	223,209	42,827	266,036
Total Program Support	<u>333,780</u>	<u>115,863</u>	<u>449,643</u>
Total Expenditures	<u>1,433,966</u>	<u>580,724</u>	<u>2,014,690</u>
Revenue over (under) expenditures	-	-	-
Program Balance:			
July 1, 2017	-	-	-
June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to grant programs financial statements

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

ICCB COMPLIANCE STATEMENT FOR THE
STATE ADULT EDUCATION GRANT PROGRAM
Year Ended June 30, 2018

	<u>Expenditures</u>	<u>Percentage</u>
State Basic		
Instruction (45% Minimum Required)	\$ 923,668	64%
General Administration (15% Maximum Allowed)	80,051	6%

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN PROGRAM BALANCE
CAREER AND TECHNICAL EDUCATION - PROGRAM IMPROVEMENT GRANT PROGRAM
Year Ended June 30, 2018

Revenues, state sources	\$ <u>63,873</u>
Expenditures,	
Current year's grant:	
Salaries	38,195
Contractual services	2,864
Materials and supplies	21,279
Conference and meeting expense	1,535
Capital outlay	<u>-</u>
Total Expenditures	<u>63,873</u>
Revenues over (under) expenditures	-
Program Balance:	
July 1, 2017	<u>-</u>
June 30, 2018	<u><u>\$ -</u></u>

See accompanying notes to grant programs financial statements

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - DESCRIPTION OF PROGRAMS

The following grant was received from the Illinois Community College Board (ICCB) and is administered by Joliet Junior College, Community College District No. 525 (College).

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

State Basic: Grant awarded to Adult Education 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. This grant is for the purpose of providing adults in the community instruction as may be necessary to increase their qualifications for employment or other means of self-support and to increase 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 childcare facilities or provision.

Performance: Grant awarded to Adult Education providers based on performance outcomes.

Career and Technical Education: This grant funding recognizes that keeping career and technical education programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: The accompanying statements include only those transactions resulting from the State Adult Education and Career and Technical Education Grants (Grant Programs). These transactions have been accounted for in a Restricted Purpose Fund. These transactions do not represent the District as a whole.

Basis of Accounting: The financial statements of the Illinois Community College Board (ICCB) grant programs have been prepared on the modified accrual basis of accounting and in accordance with the accounting practices prescribed or permitted by the ICCB. Amounts are recognized as revenues as funds are expended. Expenditures include all liabilities for goods and services actually received as of June 30, 2018.

Encumbrances: Funds obligated for goods prior to June 30, 2018, for which goods are received subsequent to year-end but prior to August 31, 2018, are recorded as encumbrances. Encumbrances are reported as a reservation of fund balance for purposes of reporting since they do not constitute expenditures or liabilities.

Capital Assets: Capital asset purchases are recorded as capital outlay and not capitalized.

NOTE 3 - BALANCE SHEET

There are no year-end balances to report on the balance sheet for the Career and Technical Education grant program. Accordingly, no balance sheet is presented for this grant program.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS
FOR THE ILLINOIS BOARD OF HIGHER EDUCATION – ILLINOIS
COOPERATIVE WORK STUDY PROGRAM GRANT – JOLIET JUNIOR COLLEGE
COOPERATIVE WORK STUDY PROGRAM**

To the Board of Trustees and
To the Illinois Board of Higher Education
Joliet Junior College - Community College District No. 525
Joliet, Illinois

Report on the Financial Statement

We have audited the statement of revenues, expenses and changes in net position – actual and budget of the Illinois Board of Higher Education - Illinois Cooperative Work Study Program Grant – Joliet Junior College Cooperative Work Study Program (“IBHE”) Grant of the Joliet Junior College, Community College District No. 525 (the “District”) for the period January 1, 2018 through June 30, 2018, and the related notes to the financial statement.

Management’s Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement 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 the financial statement that are free from material misstatement, whether due to fraud or error.

Auditors’ 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

To the Board of Trustees
Joliet Junior College -
Community College District No. 525

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the revenues, expenses and changes in net position – budget to actual of the IBHE Grant of the District for the period January 1, 2018 through June 30, 2018, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statement presents only the IBHE Grant and does not purport to, and does not present fairly the revenues, expenses and changes in net position – budget to actual of the District as a whole for the period January 1, 2018 through June 30, 2018 in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restriction of Use

Our report is intended solely for the information and use of the Board of Trustees, management of the District, and IBHE and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 3, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE ILLINOIS BOARD OF HIGHER EDUCATION – ILLINOIS
COOPERATIVE WORK STUDY PROGRAM GRANT – JOLIET JUNIOR COLLEGE
COOPERATIVE WORK STUDY PROGRAM**

To the Board of Trustees and
To the Illinois Board of Higher Education
Joliet Junior College - Community College District No. 525
Joliet, Illinois

Report on Compliance

We have audited the compliance of Joliet Junior College, Community College District No. 525 (the "District") with the types of compliance requirements described in the Illinois Board of Higher Education – Illinois Cooperative Work Study Program Grant – Joliet Junior College Cooperative Work Study Program ("IBHE") Grant agreement for the period January 1, 2018 through June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to the IBHE Grant.

Auditors' Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the audit requirements of the IBHE Grant. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the IBHE Grant of the District occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the IBHE Grant. However, our audit does not provide a legal determination on the District's compliance.

Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the IBHE Grant of the District for the period January 1, 2018 through June 30, 2018. In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues, expenditures and changes in fund balance – budget to actual of the IBHE Grant of the District for the period ended June 30, 2018, in conformity with accounting principles generally accepted in the United States of America.

Restriction of Use

Our report is intended solely for the information and use of the Board of Trustees, management of the District, and IBHE and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 3, 2018

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

BALANCE SHEET
ILLINOIS COOPERATIVE WORK STUDY PROGRAM GRANT
June 30, 2018

	<u>2018 Program</u>
Assets	
Cash	\$ <u>57</u>
Liabilities and Program Balance	
Liabilities, Deferred revenue	\$ 57
Program Balance	<u>-</u>
Total Liabilities and Program Balance	<u>\$ 57</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
ACTUAL AND BUDGET
ILLINOIS COOPERATIVE WORK STUDY PROGRAM GRANT
Period Starting January 1, 2018 and Ending June 30, 2018

	Actual	Budget	Variance Favorable (Unfavorable)
Revenues	\$ 7,226	\$ 14,566	\$ (7,340)
Expenses			
Student salaries	6,726	14,066	7,340
Audit	500	500	-
Total Expenses	7,226	14,566	7,340
Excess of revenues over (expenses)	-	\$ -	\$ -
Net Position:			
Beginning	-		
Ending	\$ -		

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Period Starting January 1, 2018 and Ending June 30, 2018

NOTE 1 - DESCRIPTION OF PROGRAMS

The following grant was received from the Illinois Board of Higher Education (IBHE) and is administered by Joliet Junior College, Community College District No. 525. These transactions do not represent the District as a whole.

Illinois Cooperative Work Study Projects: These grants provide funding to currently enrolled students to participate in internships at local not-for-profit community agencies and small businesses that would provide opportunities for students to acquire work experiences related to their academic and employment goals.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements are presented on an accrual basis. Amounts are recorded as revenue as funds are expended. Expenses include all liabilities for goods and services actually received as of June 30, 2018. Expenses must be paid or liquidated within 90 days after the close of the program year.

Reporting Period: The financial statements presented report the activity from the Illinois Cooperative Work Study Program grant awards that occurred during the grant award period of January 1, 2018 to June 30, 2018.