



JOLIET
JUNIOR COLLEGE
—1901—

2016

Comprehensive Annual Financial Report

**Fiscal year ended
June 30, 2016**

**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, 2016

Prepared by:
Financial Services

Jeffrey A. Heap, CPA
Interim Vice President, Administrative Services

Jennifer Steffes, CPA
Assistant Controller

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2016

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COMMUNITY COLLEGE DISTRICT NO. 525
Joliet, Illinois

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INTRODUCTORY SECTION

September 29, 2016

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, 2016, 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 auditor's 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 19 buildings that range in age from 3 years to 42 years and are in remarkable shape due to the District's proactive maintenance program.

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 \$323 million in Will County of which \$157 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, \$14.5 million in new construction occurred in Grundy County, but the assessed value was basically unchanged in the county from falling property values.

In developing the District's budget for the year ending June 30, 2017, new assessed value growth was estimated at \$250 million, or only a 1.5% increase. Property tax revenue is expected to increase 2.5% in total. The total tuition and fee rate was increased by \$10 to \$125 per credit hour. Credit hour enrollment is projected to increase by 1% from last year based on the Strategic Enrollment Plan due to the economy starting to slowly recover which has started to create housing construction within the District. State revenues are budgeted to decrease slightly due to the decrease in the credit hours over the past few years, but remains uncertain due to the State's inability to adopt a complete budget. For FY16, the State approved partial funding for community college that amounted to 27% of expected funding. For FY17, the State adopted a Stopgap funding bill through December 31, 2016 that amounts to 41% of expected funding. Due to the State's budget issues and untimely manner in paying obligations, there were reductions to non-essential services to maintain a balanced budget. The budget is balanced and all major revenue sources are expected to meet budget with the exception being State funding. To compensate for the potential budget shortfall, the District has identified \$5.8 million in contingency items that range from not filling vacant positions to restricting travel to deferring capital projects. These items will not be released until State funding levels are finalized.

Major Initiatives

In order to accommodate future enrollment increases and provide better service to students, additional facilities were constructed and current facilities were upgraded as part of the college's 2008-2013 Master Plan. This plan is completed with the exception of the interior build-out of the City Center building which has commenced in FY16 with the release of \$10 million in State funding. Construction on projects began during FY09 with the college issuing \$70 million in debt funded by a capital assessment fee charged

directly to the students with another \$89 million in debt supported by the citizens of Community College District 525 after a successful referendum attempt in November 2008.

During FY13, an update to the college's Master Plan was completed and approved by the Board of Trustees at a total estimated cost of \$67.4 million. Within this plan, expansion of the Romeoville campus and a new multipurpose/event facility on main campus were identified as the top priorities. In FY14, the college issued \$44.365 million in debt for this purpose and construction began in FY16 and will be completed in FY17.

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
- Realistic projections in property tax revenues
- Accommodating staff and resource needs to address enrollment
- Emphasis on student success
- Responsible reserves
- Continued implementation of the master plan and addressing its impact on operating costs

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, 2015 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 2015 was the sixteenth 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, 2015. Fiscal 2015 was the fourteenth 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 auditor's 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


Jeffrey A. Heap, CPA
Interim Vice President, Administrative Services

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

**Principal Officials
Year Ended June 30, 2016**

BOARD OF TRUSTEES		
Name	Position	Term Expires
Robert Wunderlich	Chair	2021
Andrew Mihelich	Vice Chair	2019
Maureen Broderick	Secretary	2021
Patricia Deiters	Trustee	2017
Alicia Morales	Trustee	2017
Daniel O'Connell	Trustee	2017
Michael O'Connell	Trustee	2017
Kathleen Duong	Student Trustee	2017

OFFICERS OF THE COLLEGE	
Name	Title
Judy L. Mitchell, Ed.D	President
Randall Fletcher, Ed.D.	Vice President, Academic Affairs
Jeffrey A. Heap, CPA	Interim Vice President, Administrative Services
Yolanda Isaacs, Ed.D.	Vice President, Student Development

OFFICIALS ISSUING REPORT:

Jeffrey A. Heap, CPA, Interim Vice President, Administrative Services
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	VP Academic Affairs <i>01-18101, 05-10519</i> Phi Theta Kappa <i>01-18108, 05-18108</i>	Dean Arts & Sciences <i>01-18110</i>	Department Chairs	English / World Languages <i>01-10005, 05-10505</i>
					Fine Arts <i>01-10002, 05-10002, 05-10502</i>
					Math <i>01-10008, 05-10508</i>
					Natural Science/P.E. <i>01-10009, 05-10009, 05-10509</i>
					Social/Behavioral Science <i>01-10014, 05-10514</i>
			Dean Academic Excellence & Support <i>01-18102, 01-18113, 01-19006</i>		Library <i>01-21102, 05-21102, 05-69122</i>
					iCampus <i>01-14501, 01-23105, 05-23105</i>
					Academic Effectiveness <i>01-25205</i>
					Developmental Education <i>01-18113, 05-18113</i>
			Dean Career and Technical <i>01-18115 06-14949</i>	Department Chairs	Agriculture /Horticulture <i>01-10001, 05-10501</i>
				Business Ed <i>01-10003, 05-10503</i>	
				Computer Info & Office Systems <i>01-10004, 05-10504</i>	
				Culinary <i>01-10016, 05-10016, 05-10516, 05-49784, 05-61174, 05-61175</i>	
				Tech. Ed. <i>01-10015, 05-10515, 05-69070</i>	
		Dean Health Professions & Emergency Services <i>01-18125</i>	Nursing Department Chair <i>01-10017, 05-10517</i>		
			Health & Public Service Department Chair <i>01-10025, 01-19906, 05-10525</i>	Vet Tech <i>01-10018, 05-10518, 05-69095</i> Health Care/Continuing Ed <i>05-17933</i>	
		Director Adult Education and Literacy		<i>01-14514, 06-16513,16,17,18,19, 20</i>	
		Director Extended Campuses & High School Relations <i>01-14524</i>		Romeoville Campus <i>01-14512, 05-14512</i> City Center Campus <i>01-14515</i> Morris Education Center <i>01-14520</i> Weitendorf Agricultural Education Center <i>01-14522</i> Frankfort Education Center <i>01-14525</i>	
		Director Business & Auxiliary Services <i>01-82113</i>		Manager Bookstore <i>05-62022</i> Manager Child Care <i>05-69069</i> Manager Food Service <i>05-61021</i> Manager Purchasing Land Laboratories <i>05-69101</i> Farmer's Market <i>05-16511</i> Greenhouse <i>05-69090</i> Mail Center & Central Stores <i>01-93112</i> Switchboard, Shipping and Receiving <i>02-93113</i>	
		Director Campus Safety & Police Chief <i>02-74204 05-93204</i>	Watch Commander	Police Officers Campus Safety Officers Dispatchers Records	
Director Facility Services <i>02-78208, 02-92209 02-76206, 05-78208 Fund 03</i>	Manager Construction & Facility Planning	Coordinator Construction Project			
		Superintendent Maintenance <i>02-71201</i> Superintendent Custodial <i>02-72202</i> Assistant Director Roads & Grounds <i>02-73203</i>			
Director Financial Services & Controller <i>01-42602 01-82112, 12-82112</i>		Assistant Controller Manager Budget & Risk Manager Grant Accounting Manager Payroll			
Director Grants Development, Compliance & Performance <i>01-86118</i>		Grant Writer			
Manager Environmental Health & Safety <i>02-79109</i>		PT EHS Specialist			

01-91111

01-81111

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	VP Student Development 01-38308	Dean Enrollment Management 01-31303	Director Admissions & Recruitment 01-31301, 05-31301 Director Financial Aid 01-34304 Registrar 01-31300, 05-31300
			Dean of Students 01-32301, 05-32301, 05-63006, 05-63016, 05-63017, 05-69120	Director Student Activities & Campus Life 01-33303, 01-36306, 05-36306, 05-65400
			Dean of Student Success 01-32303	Dir Acad Intervent & Accomod Svcs 01-23101, 01-23104, 01-38309, 05-23104 Director Career Services 01-35305, 05-35306, 05-35309
				Director Multicultural Student Affairs 01-39310
				Director Project Achieve 06-195xx
				Dept Chair Counsel'g 01-32302, 01-32307 GSD / NSO Coordinator 01-25206, 01-39311, 05-39311 Transfer Advising Specialist
			Director Athletics 05-64088	Coordinator Women's Athletics Student-Athlete Retention Specialist Athletics 05-64564
			Director Marketing & Creative Services 01-83113	Project Manager, 2 Graphic Designers, Writer
			Coordinator, International Student Services 01-36310	
		Specialist Student Development, Comm./Web Specialist		
		Executive Director Information Technology 01-95115 02-93114 05-69121 05-95116	Chief Information Security Officer	
			Director Application Support Services	
			Director Program and Project Management	
			Director Tech Support Services	Academic Technology 01-29109 Print Services Manager 01-88118
			Manager Media Services 01-22103, 05-22103	
			Manager Network Services	
		Executive Director Human Resources 01-84114 Prof. Dev't 01-92113	Manager Employee Relations	
			Manager Labor Relations	
Manager, Employment and Talent Management				
Manager Employment & Compensat'n				
Executive Director Resource Development 06-96963	Manager Alumni Relations & Annual Fund 01-86116			
Director Communications & Ext Relations 01-83116, 05-63006	Communications and Media Specialist			
Director Institutional Research 01-94114	2 Research Associates			
Director Workforce Development	01-19943, 05-17943, 05-17952, 06-42505, 06-42616			
Director Corporate & Community Svcs	01-19900, 05-17911,12,13,14,15, 05-41104, 05-49323			



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Joliet Junior College

Community College District No. 525

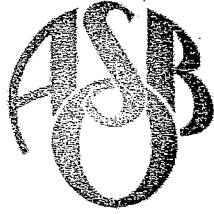
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is written in a cursive, flowing style.

Executive Director/CEO



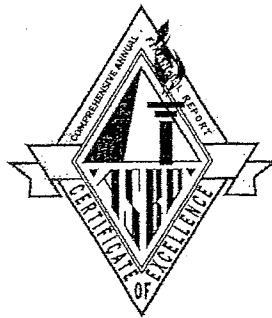
**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

The Certificate of Excellence in Financial Reporting Award
is presented to

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

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
Oak Brook, IL 60523-3389
tel 630 990 3131
fax 630 990 0039
bakertilly.com

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 discretely presented component unit of the Joliet Junior College – Community College District No. 525 (the "District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District'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 the District'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*.

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

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

Opinions

In our opinion, based on our audit and the report of the 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 the District, as of June 30, 2016, 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.

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 and the Schedule of District's Contributions as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Supplementary Information

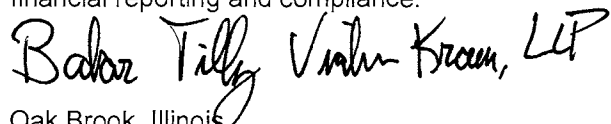
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The Introductory Section, Statistical Section, Supplementary Information, Uniform Financial Statements, and Certification of Chargeback Reimbursement as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 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.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Oak Brook, Illinois
September 29, 2016

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

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, 2016. 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

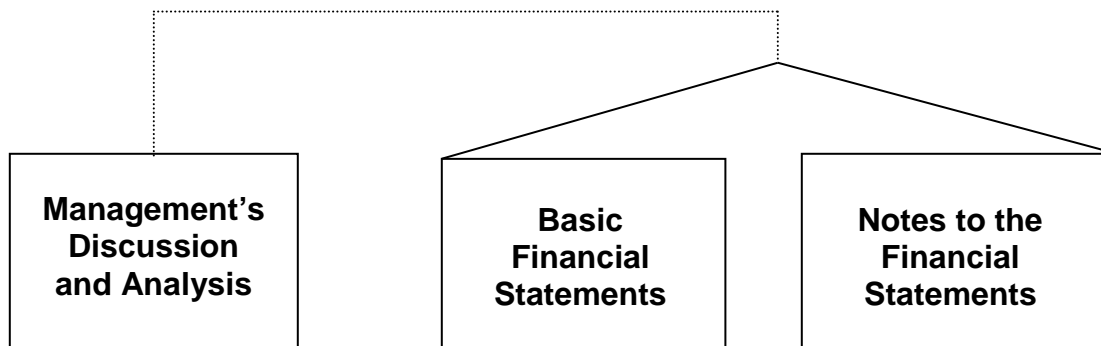


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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, 2016

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' budget impasse that has drastically reduced state funding. For 2016, the District only received \$2.2 million in credit hour grant funding versus an expected \$8.7 million and due to this revenue loss, net position decreased 0.9% over the course of the year.
- The District left open positions vacant and deferred or eliminated expenses to offset this loss of revenue.
- Overall revenues were \$143.1 million, \$1.2 million less than expenses.
- Net tuition revenue decreased by 3.92% due to a decrease in credit hours and a decrease in scholarships and tuition allowances.
- Total costs increased by approximately 3.4% or \$4.7 million due primarily to a \$4.5 million increase in the on-behalf pension contribution from the State of Illinois.

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 decreased 0.9% percent to \$128.7 million during fiscal 2016. (See Figure A-3). Net invested in capital assets totaled \$59.9 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 \$26.9 million and is committed for debt service, capital projects and specific instructional programs. The remaining balance of \$41.9 million represents unrestricted net position and 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, 2016

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

	2016	2015	Increase (Decrease)	Percent Change
Current assets	\$ 84.3	\$ 94.9	\$ (10.6)	-11.2%
Capital assets	221.1	189.2	31.9	16.9%
Noncurrent assets	71.1	92.4	(21.3)	-23.1%
Total assets	<u>376.5</u>	<u>376.5</u>	-	0.0%
Current liabilities	37.7	30.0	7.7	25.7%
Long-term liabilities	210.1	216.6	(6.5)	-3.0%
Total liabilities	<u>247.8</u>	<u>246.6</u>	1.2	0.5%
Net position:				
Net invested in capital assets	59.9	43.1	16.8	39.0%
Restricted	26.9	43.1	(16.2)	-37.6%
Unrestricted	41.9	43.7	(1.8)	-4.1%
Total net position	<u>\$ 128.7</u>	<u>\$ 129.9</u>	<u>\$ (1.2)</u>	<u>-0.9%</u>

Changes in net position: The District's total revenues were \$143.1 million. (See Figure A-4.) Real estate taxes account for the largest share of the District's revenue, contributing approximately 38.6% of every dollar raised, (See Figure A-5.). 34.0% came from state and federal sources, 19.0% 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 \$144.3 million. The District's program-related expenses are predominantly instructional cost, academic support, student services, and public services which were \$64 million or 44.4% of total expenses. Operation and maintenance of the District's facility were \$11.9 million or 8.2% of total expenditures. Independent operations represent auxiliary operations, such as the bookstore and foodservice, which were \$8.3 million or 5.8% of total expenses, which by their nature are to be self-supporting. The District's administrative/business activities, including institutional support, accounted for \$41.7 million or 28.9% of total expenses.

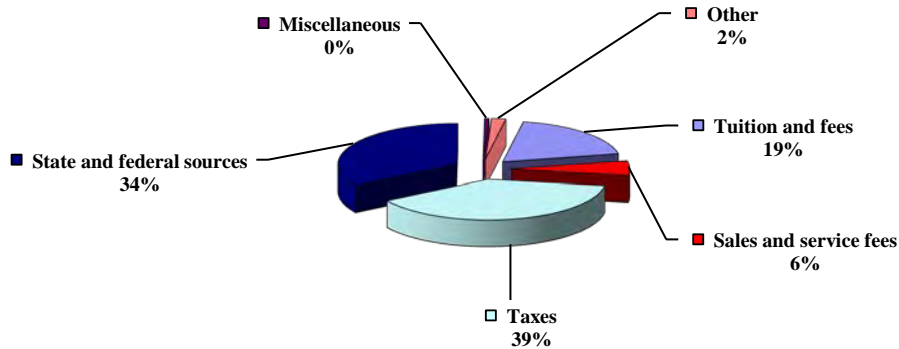
JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

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

	2016	2015	Increase (Decrease)	Percent Change
Revenues				
Operating revenues:				
Tuition and fees	\$ 38.1	\$ 39.8	\$ (1.7)	-4.3%
Less scholarships and allowances	(10.9)	(11.5)	0.6	-5.2%
Net tuition and fees	27.2	28.3	(1.1)	-3.9%
Sales and service fees	8.2	8.4	(0.2)	-2.4%
Miscellaneous	0.9	0.9	-	0.0%
Non-operating revenues:				
Taxes	55.3	54.6	0.7	1.3%
State and federal sources	48.7	51.1	(2.4)	-4.7%
Other	2.8	3.0	(0.2)	-6.7%
Total revenues	143.1	146.3	(3.2)	-2.2%
Expenses				
Instruction	44.7	44.1	0.6	1.4%
Academic support	4.0	3.8	0.2	5.3%
Student services	12.9	12.8	0.1	0.8%
Public services	2.4	2.3	0.1	4.3%
Operations and maintenance of plant	11.9	12.0	(0.1)	-0.8%
Independent operations	8.3	8.5	(0.2)	-2.4%
General administration	5.5	5.2	0.3	5.8%
Institutional support	36.2	31.4	4.8	15.3%
Depreciation	8.5	8.2	0.3	3.7%
Interest	9.9	11.3	(1.4)	-12.4%
Total expenses	144.3	139.6	4.7	3.4%
Increase in net position	(1.2)	6.7	\$ (7.9)	
Net position:				
Beginning of year	129.9	123.2		
End of year	\$ 128.7	\$ 129.9		

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

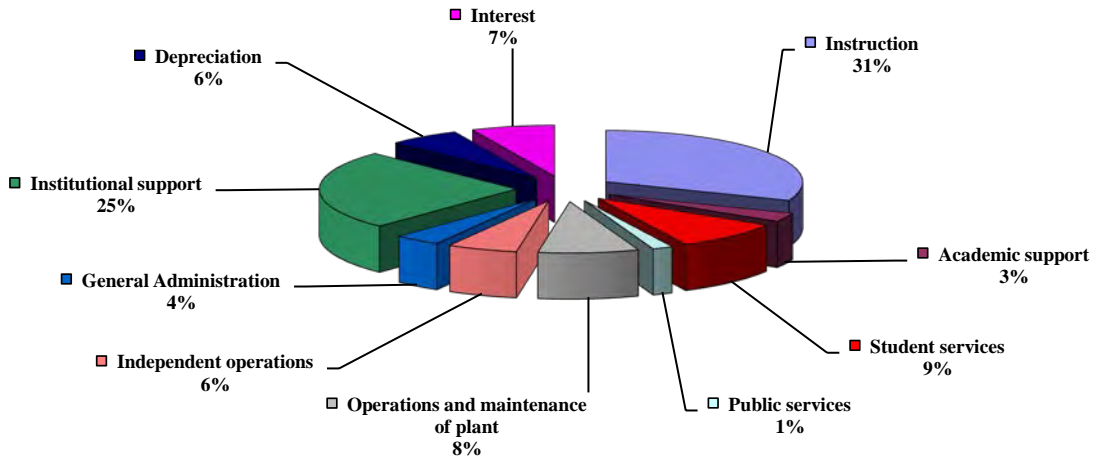
Figure A-5 Revenue for Fiscal Year 2016



Operating revenues, which consist of tuition, sales and service fees, and miscellaneous charges to students, decreased \$1.3 million or 3.5%. Net tuition and fee revenue decreased \$1.1 million or 3.9% due to a decrease in enrollment and a decrease in scholarships and tuition allowances. 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 decreased \$1.9 million or 1.7%. Property tax revenues increased 1.3% from new construction in the District's. 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 decreased \$2.4 million or 4.7% due to a \$6.5 million decrease in credit hour grants from the State of Illinois and a \$0.4 million decrease in student financial aid from the Department of Education and State of Illinois that was offset by a \$4.5 million increase in the pension contribution the state of Illinois makes on-behalf of the District. Other revenues, which are comprised of investment earnings, corporate personal property taxes and capital contributions decreased by \$0.2 million or 6.7% due to lower corporate personal property taxes.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

Figure A-6 Expenses for Fiscal Year 2016



Instruction expenses increased by 1.4% due to budgeted increases in salary and benefit expenses offset by lower enrollment. Academic support expenses increased 5.3% due to budgeted increases for additional staff to support student success initiatives along with budgeted increases in salary and benefits. Student services increased 0.8% as a result of a reduction in student financial aid passed through the District to the students offset by budgeted salary and benefit increases. Operations and maintenance of plant decreased .8% because of less repair and maintenance projects this year. Independent operations decreased 2.4% due to lower enrollment. General administration expenses increased 5.8% due to operational performance consulting projects and budgeted salary and benefit increases. Institutional support increased 15.3% as a result of an increase in the pension contribution the state of Illinois makes on-behalf of the District. Depreciation increased 3.7% due to an increase in depreciable assets. Interest expense decreased 12.4% due to an increase in the amount of interest capitalized on construction projects and lower principal outstanding.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: By the end of 2016, the District has invested \$221.1 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 \$8.5 million, while building improvements and additions to equipment and furniture amounted to \$40.6 million.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

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

	2016	2015	Increase (Decrease)	Percent Change
Land	\$ 4.5	\$ 4.5	\$ -	0.0%
Land improvements	18.7	18.5	0.2	1.1%
Buildings and improvements	175.8	168.8	7.0	4.1%
Furniture and equipment	21.8	21.6	0.2	0.9%
Construction in process	62.0	29.8	32.2	108.1%
	<u>282.8</u>	<u>243.2</u>	<u>39.6</u>	<u>16.3%</u>
Less accumulated depreciation	(61.7)	(54.1)	(7.6)	-14.0%
Capital assets, net	<u>\$ 221.1</u>	<u>\$ 189.1</u>	<u>\$ 32.0</u>	<u>16.9%</u>

Long-Term Debt: At year-end, the District had \$217.3 million in general obligation bonds and other long-term debt outstanding – as shown in Figure A-8. (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)

	2016	2015	Increase/ (Decrease)	Percent Change
General obligation bonds & note (financed with tuition and fees)	\$ 215.6	\$ 221.2	\$ (5.6)	-2.5%
Other long-term debt	1.7	1.9	(0.2)	-10.5%
Total debt	<u>\$ 217.3</u>	<u>\$ 223.1</u>	<u>\$ (5.8)</u>	<u>-2.6%</u>

Debt service requirements over the next five years average \$19.5 million per year.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

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 and 2013. 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. 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 2018. 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.

BASIC FINANCIAL STATEMENTS

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
STATEMENT OF NET POSITION
June 30, 2016

	<u>Primary Institution Business-type Activities</u>	<u>Component Unit Foundation</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 35,498,654	\$ 473,332
Investments	1,024,713	3,654,190
Restricted cash and cash equivalents	2,143,523	-
Restricted investments	345,615	3,817,887
Receivables		
Property taxes, less allowance of \$693,938	29,604,755	-
Government claims and grants	2,750,489	-
Student tuition and fees, less allowance of \$2,911,843	10,292,524	-
Accrued interest	528,253	-
Other, less allowance of \$80,000	5,490	68,213
Prepaid items	1,102,645	-
Inventories	986,266	-
Total Current Assets	<u>84,282,927</u>	<u>8,013,622</u>
Noncurrent Assets		
Investments	5,107,211	-
Restricted cash and cash equivalents	18,870,881	-
Restricted investments	47,049,089	11,245,593
Capital assets, net of accumulated depreciation		
Land	4,534,357	1,835,932
Construction in progress	62,035,485	-
Depreciable buildings, property and equipment, net	154,544,572	6,175,153
Note receivable from component unit, less allowance of \$1,104,988	35,500	-
Total Noncurrent Assets	<u>292,177,095</u>	<u>19,256,678</u>
Total Assets	<u><u>\$ 376,460,022</u></u>	<u><u>\$ 27,270,300</u></u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
STATEMENT OF NET POSITION
June 30, 2016

	Primary <u>Institution</u> Business-type <u>Activities</u>	Component Unit <u>Foundation</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 8,754,146	\$ 59,777
Accrued salaries and related costs	3,692,523	-
Accrued interest	591,005	9,661,296
Other liabilities	179,277	72,979
Unearned revenue		
Tuition and fees	15,065,423	-
Government claims and grants	11,648	-
Claims payable	2,219,618	-
Current portion of note payable to primary government	-	269,152
Current portion of long-term obligations	7,139,388	14,435,000
Total Current Liabilities	<u>37,653,028</u>	<u>24,498,204</u>
Noncurrent Liabilities		
Note payable to primary government	-	871,336
Long-term obligations, including unamortized premium	210,120,172	-
Total Noncurrent Liabilities	<u>210,120,172</u>	<u>871,336</u>
Total Liabilities	<u>247,773,200</u>	<u>25,369,540</u>
Net Position		
Net investment in capital assets	59,918,761	(7,564,403)
Restricted for		
Nonexpendable, scholarships	-	11,245,593
Expendable		
Scholarships	-	3,817,887
Capital projects	19,098,607	-
Debt service	5,159,921	-
Instructional	2,598,883	-
Unrestricted (deficit)	41,910,650	(5,598,317)
Total Net Position	<u>\$ 128,686,822</u>	<u>\$ 1,900,760</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, 2016

	Primary Institution Business-type Activities	Component Unit Foundation
Operating Revenues		
Tuition and fees	\$ 38,066,175	\$ -
Less scholarships and allowances	(10,857,859)	-
Sales and service fees	8,208,864	855,640
Contributions and special events	-	1,276,389
Miscellaneous	911,193	95,082
Total Operating Revenues	<u>36,328,373</u>	<u>2,227,111</u>
Operating Expenses		
Instruction	44,703,665	-
Academic support	3,977,151	-
Student services	12,938,949	1,462,057
Public services	2,420,756	-
Operations and maintenance of plant	11,885,131	-
Independent operations	8,338,109	1,059,134
General administration	5,454,505	-
Institutional support	36,235,980	-
Depreciation	8,440,652	383,763
Total Operating Expenses	<u>134,394,898</u>	<u>2,904,954</u>
Operating Loss	<u>(98,066,525)</u>	<u>(677,843)</u>
Non-Operating Revenues (Expenses)		
Property taxes	55,257,145	-
Corporate personal property replacement taxes	1,682,297	-
State and federal sources	48,678,974	-
Investment income	1,196,469	11,035
Interest expense	(9,877,216)	(1,027,195)
Loss on sale of capital assets	(146,175)	-
Total Non-Operating Revenues (Expenses)	<u>96,791,494</u>	<u>(1,016,160)</u>
Loss Before Capital Contributions	<u>(1,275,031)</u>	<u>(1,694,003)</u>
Capital Contributions		
Capital contributions - donated property	22,000	-
Total Capital Contributions	<u>22,000</u>	<u>-</u>
Decrease in Net Position	<u>(1,253,031)</u>	<u>(1,694,003)</u>
Net Position:		
July 1, 2015	<u>129,939,853</u>	<u>3,594,763</u>
June 30, 2016	<u>\$ 128,686,822</u>	<u>\$ 1,900,760</u>

See accompanying notes to financial statements.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
STATEMENT OF CASH FLOWS
Year ended June 30, 2016

	Primary Institution
	Business-type Activities
Cash Flows from Operating Activities	
Tuition and fees	\$ 27,391,363
Payments to suppliers	(41,043,774)
Payments to employees	(58,914,823)
Sales and service fees	8,208,864
Other miscellaneous receipts	912,932
Net Cash Used in Operating Activities	(63,445,438)
Cash Flows From Noncapital Financing Activities	
Property taxes	54,668,900
Corporate personal property replacement taxes	1,682,297
State and federal sources	23,067,231
Net Cash Provided by Noncapital Financing Activities	79,418,428
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(33,165,887)
Principal paid on long-term obligations	(5,240,000)
Interest paid on long-term obligations	(10,277,075)
Net Cash Used in Capital and Related Financing Activities	(48,682,962)
Cash Flows from Investing Activities	
Proceeds from maturities of investments	50,531,805
Purchase of investments	(31,625,263)
Interest received	1,292,163
Net Cash Provided by Investing Activities	20,198,705
Net Decrease in Cash and Cash Equivalents	(12,511,267)
Cash and cash equivalents	
July 1, 2015	69,024,325
June 30, 2016	\$ 56,513,058

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
STATEMENT OF CASH FLOWS
Year ended June 30, 2016

	Primary Institution
	Business-type Activities
Reconciliation of Operating Loss to Net Cash Used In Operating Activities	
Operating loss	\$ (98,066,525)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	8,440,652
On-behalf payments for the State Universities Retirement System of Illinois	26,453,220
Change in assets and liabilities:	
(Increase) decrease in:	
Receivables	439,257
Prepaid items	(133,438)
Inventories	(19,489)
Increase (decrease) in:	
Accounts payable	(1,392,791)
Accrued salaries and related costs	484,855
Other liabilities	28,533
Unearned revenue	(254,471)
Claims payable	574,759
NET CASH USED IN OPERATING ACTIVITIES	\$ (63,445,438)
 Noncash Investing, Capital and Financing Activities	
On-behalf payments for the State Universities Retirement System of Illinois	\$ 26,453,220
Decrease in fair value of investments	357,219
Value of donated capital assets	22,000
Construction in progress included in accounts payable	7,368,537

See accompanying notes to financial statements.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

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JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

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

Changes in Accounting Principles: In February 2015, the GASB issued statement No. 72 - Fair Value Measurement and Application. The objective of this statement is to provide guidance for determining a fair value measurement for financial reporting purposes as well as to provide guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This standard was implemented effective July 1, 2015.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

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 are valued at the lower of cost or market, on a first-in, first-out basis. Inventories consist primarily of supplies and items held for resale by the bookstore. 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 estimated fair 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, 2016

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, 2016, but applicable to sessions occurring after June 30, 2016. 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 2015 was recognized as a receivable and revenue for the year ended June 30, 2016.

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, 2016

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.

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.

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (Continued)

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	\$ 1,289,084	\$ 1,289,084	\$ -
Interest bearing demand deposits	33,990,979	33,990,979	-
Illinois School District Liquid Asset Fund	29	29	-
Illinois Funds	<u>218,562</u>	<u>218,562</u>	-
Total Cash and Cash Equivalents	<u>35,498,654</u>	<u>35,498,654</u>	-
Investments			
Certificates of deposit	<u>1,024,713</u>	<u>1,024,713</u>	-
Restricted Cash and Cash Equivalents			
Non-interest bearing demand deposits and cash on hand	2,000,827	2,000,827	-
Interest bearing demand deposits	<u>142,696</u>	<u>142,696</u>	-
Total Restricted Cash and Cash Equivalents	<u>2,143,523</u>	<u>2,143,523</u>	-
Restricted Investments			
Certificates of deposit	<u>345,615</u>	<u>100,000</u>	<u>245,615</u>
Noncurrent			
Investments			
Certificates of deposit	<u>5,107,211</u>	-	<u>5,107,211</u>
Restricted Cash and Cash Equivalents			
Interest bearing demand deposits	7,964,736	7,964,736	-
Illinois School District Liquid Asset Fund	<u>10,906,145</u>	<u>10,906,145</u>	-
Total Restricted Cash and Cash Equivalents	<u>18,870,881</u>	<u>18,870,881</u>	-
Restricted Investments			
Certificates of Deposit	23,173,404	23,173,404	-
State and Municipal Bonds	<u>23,875,685</u>	<u>144,475</u>	<u>23,731,210</u>
Total Restricted Investment	<u>47,049,089</u>	<u>23,317,879</u>	<u>23,731,210</u>
Total Cash and Investments	<u>\$ 110,039,686</u>	<u>\$ 80,955,650</u>	<u>\$ 29,084,036</u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (Continued)

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.

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, 2016.

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. The District holds 21.7% of investments in State of Illinois Municipal Bonds.

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, 2016, the District's investments were rated as follows:

Investment Type	Type	Standard & Poor's
Illinois Funds	Investment Pool	AAAm
Illinois School District Liquid Asset Fund	Investment Pool	AAAm
State of Illinois Bonds	Municipal Bonds	BBB+

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

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.

	June 30, 2016			
Investment Type	Level 1	Level 2	Level 3	Total
Negotiable Certificates of Deposit	\$ -	\$ 2,231,061	\$ -	\$ 2,231,061
State and Municipal Bonds	-	<u>23,875,685</u>	-	<u>23,875,685</u>
Total	<u>\$ -</u>	<u>\$ 26,106,746</u>	<u>\$ -</u>	<u>\$ 26,106,746</u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 3 - CAPITAL ASSETS

A summary of the changes in capital assets for the District for the year ended June 30, 2016, is as follows:

	Balance <u>July 1, 2015</u>	Additions	Deletions/ <u>Transfers</u>	Balance <u>June 30, 2016</u>
Nondepreciated Assets:				
Land	\$ 4,534,357	\$ -	\$ -	\$ 4,534,357
Construction in progress	<u>29,840,291</u>	<u>39,111,489</u>	<u>6,916,295</u>	<u>62,035,485</u>
Total Nondepreciated Assets	<u>34,374,648</u>	<u>39,111,489</u>	<u>6,916,295</u>	<u>66,569,842</u>
Depreciated Assets:				
Land improvements	18,450,355	291,946	58,000	18,684,301
Buildings and improvements	168,808,832	7,112,658	126,388	175,795,102
Furniture and equipment	<u>21,570,156</u>	<u>971,626</u>	<u>796,454</u>	<u>21,745,328</u>
Total Depreciated Capital Assets	<u>208,829,343</u>	<u>8,376,230</u>	<u>980,842</u>	<u>216,224,731</u>
Less accumulated depreciation:				
Land improvements	4,713,326	870,262	58,000	5,525,588
Buildings and improvements	37,905,071	5,511,831	95,945	43,320,957
Furniture and equipment	<u>11,440,777</u>	<u>2,058,561</u>	<u>665,724</u>	<u>12,833,614</u>
Total Accumulated Depreciation	<u>54,059,174</u>	<u>8,440,654</u>	<u>819,669</u>	<u>61,680,159</u>
Depreciable Capital Assets, Net	<u>154,770,169</u>	<u>(64,424)</u>	<u>161,173</u>	<u>154,544,572</u>
Capital Assets, Net	<u>\$ 189,144,817</u>	<u>\$ 39,047,065</u>	<u>\$ 7,077,468</u>	<u>\$ 221,114,414</u>

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, 2016, the portion of interest cost recognized on the bonds and capitalized as construction in progress was \$2,000,905. The total amount of interest expense was \$12,263,515.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

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, 2016, 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, the District has set up an allowance in the amount of \$1,104,988 which represents the amount in excess of the \$35,500 cost of the land. 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,

2017	\$ 269,152
2018	22,011
2019	23,332
2020	24,732
2021	26,216
2022 to 2026	156,649
2027 to 2031	209,631
2032 to 2034	<u>408,765</u>
Total	<u>\$ 1,140,488</u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of debt transactions of the District for the year ended June 30, 2016:

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>June 30, 2016</u>	Current <u>Portion</u>	Long-term <u>Portion</u>
General Obligation Bond (Alternate Revenue Source), Series 2008	\$ 66,600,000	\$ -	\$ 2,645,000	\$ 63,955,000	\$ 2,790,000	\$ 61,165,000
Add amounts, for issuance premium	776,204	-	59,708	716,496	59,708	656,788
General Obligation Bond Series 2009B	82,000,000	-	2,495,000	79,505,000	2,845,000	76,660,000
Add amounts, for issuance premium	941,010	-	67,215	873,795	67,215	806,580
General Obligation Refunding Bond (Alternate Revenue Source), Series 2012	9,140,000	-	100,000	9,040,000	100,000	8,940,000
Add amounts, for issuance premium	425,347	-	32,719	392,628	32,719	359,909
General Obligation Refunding Bond (Alternate Revenue Source), Series 2013A	14,115,000	-	-	14,115,000	-	14,115,000
Add amounts, for issuance premium	1,523,456	-	169,273	1,354,183	169,273	1,184,910
General Obligation Bond (Alternate Revenue Source), Series 2013B	44,365,000	-	-	44,365,000	-	44,365,000
Add amounts, for issuance premium	1,349,042	-	58,654	1,290,388	58,654	1,231,734
Compensated absences	1,048,018	1,232,519	1,293,157	987,380	661,544	325,836
Early retirement benefits	810,073	32,813	178,196	664,690	355,275	309,415
Totals	<u>\$ 223,093,150</u>	<u>\$ 1,265,332</u>	<u>\$ 7,098,922</u>	<u>\$ 217,259,560</u>	<u>\$ 7,139,388</u>	<u>\$ 210,120,172</u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

The outstanding debt consists of:

A general obligation bond (alternate revenue source) issue dated November 12, 2008, for the support of the Master Plan, provides for the retirement of principal of \$2,790,000 in 2017, \$2,940,000 in 2018, \$3,105,000 in 2019, \$4,210,000 in 2020, \$4,470,000 in 2021, \$4,750,000 in 2022, \$5,045,000 in 2023, \$6,335,000 in 2024, \$6,735,000 in 2025, \$7,610,000 in 2026, \$7,760,000 in 2027, and \$8,205,000 in 2028. Interest is payable on December 1 and June 1 at 4.25% to 6.25%. The original amount of the note was \$70,000,000. The District has pledged the education tuition account revenue for the repayment of these bonds. These bonds received an "AA" rating from Standard & Poor's. \$ 63,955,000

A general obligation bond issue dated July 31, 2009, for the support of the Master Plan, provides for the retirement of principal of \$2,845,000 in 2017, \$3,225,000 in 2018, and \$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 received an "AA" rating from Standard & Poor's. 79,505,000

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 2017 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 escrow account established by this issue is invested in bond obligations of the State of Illinois. This escrow does not accomplish an in-substance defeasance of the refunded bonds. Therefore, the entire outstanding amount of the Series 2008 bonds is presented as an outstanding long-term obligation. The district has pledged tuition revenues for the repayment of these bonds. The original amount of the note was \$9,445,000. These bonds received an "AA" rating from Standard & Poor's. 9,040,000

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 escrow account established by this issue invested in bond obligations of the State of Illinois. This escrow does not accomplish an in-substance defeasance of the refunded bonds. Therefore, the entire outstanding amount of the Series 2008 bonds is presented as an outstanding long-term obligation. The district has pledged tuition revenues for the repayment of these bonds. The original amount of the note was \$14,465,000. These bonds received an "AA" rating from Standard & Poor's, as well as an "Aa1" rating from Moody's Investors Service. 14,115,000

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(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

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 received an "AA" rating from Standard & Poor's, as well as an "Aa1" rating from Moody's Investors Service.

	\$ 44,365,000
Issuance premium	4,627,490
Compensated absences	987,380
Early retirement benefits	<u>664,690</u>
Total Long-Term Obligations	217,259,560
Less: Current portion	<u>(7,139,388)</u>
Total	<u>\$ 210,120,172</u>

The summary of the future debt service requirements to amortize the outstanding long-term debt of \$210,980,000, excluding issuance premiums of \$4,627,490, compensated absences of \$987,380 and early retirement benefits of \$664,690, as of June 30, 2016 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 5,735,000	\$ 12,009,253	\$ 17,744,253
2018	6,265,000	11,710,968	17,975,968
2019	6,855,000	11,378,618	18,233,618
2020	10,760,000	10,981,362	21,741,362
2021	11,750,000	10,361,520	22,111,520
2022	12,980,000	9,671,798	22,651,798
2023	13,795,000	8,896,752	22,691,752
2024	16,155,000	8,082,501	24,237,501
2025	15,750,000	7,085,907	22,835,907
2026	17,550,000	6,149,113	23,699,113
2027	17,685,000	5,071,703	22,756,703
2028	20,780,000	3,957,888	24,737,888

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JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

(Continued from previous page)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2029	\$ 11,935,000	\$ 2,691,550	\$ 14,626,550
2030	1,545,000	2,246,225	3,791,225
2031	3,375,000	2,161,250	5,536,250
2032	3,570,000	1,975,625	5,545,625
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>\$ 210,980,000</u>	 <u>\$ 120,864,095</u>	 <u>\$ 331,844,095</u>

A computation of the legal debt margin of the District as of June 30, 2016, is as follows:

Assessed valuation - 2015 tax levy	<u>\$ 18,040,252,901</u>
Debt limit - 2.875% of assessed valuation	\$ 518,657,271
Less applicable debt:	
General obligation bonds, Series 2009B	<u>(79,505,000)</u>
Legal Debt Margin	<u>\$ 439,152,271</u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

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 20. For the year ended June 30, 2016, the District's cost under this plan was \$178,196, with the total amount under these agreements due as follows:

<u>Year Ending</u>	<u>Amount</u>
2017	\$ 355,275
2018	143,473
2019	67,979
2020	<u>97,963</u>
 Total	 <u>\$ 664,690</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 2008, 2012 and 2013A	Education tuition account revenues	\$ 25,789,112	\$ 7,662,413	\$ 123,304,391	6/1/2028	30%
Series 2013B	Education tuition account revenues and Operations and Maintenance property tax revenues	\$ 42,124,497	\$ 2,322,125	\$ 87,367,787	6/1/2038	6%

NOTE 6 - LEASE COMMITMENTS

Equipment Lease: The District leases copier equipment under operating leases that expire at various dates through June 10, 2017. The lease requires minimum monthly payments of \$15,338.

Rent charges on the copier equipment leases were \$184,056 for the year ended June 30, 2016.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

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 Section 5/15, Chapter 40 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2015 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 2015 and 2016 respectively, was 11.71% and 12.69% 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, 2016

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, 2015, SURS reported a net pension liability (NPL) of \$23,756,361,087. The net pension liability was measured as of June 30, 2014.

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability to be recognized for the District is \$0. The proportionate share of the State's net pension liability associated with the District is \$312,270,836 or 1.3145%. The net pension liability and total pension liability as of June 30, 2015 was determined based on the June 30, 2014 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 2014.

Pension Expense: At June 30, 2015 SURS reported a collective net pension expense of \$1,994,587,170.

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 2015. As a result, the District recognized on-behalf revenue and pension expense of \$26,218,300 for the fiscal year ended June 30, 2016.

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	\$ 27,312,043	\$ -
Changes in assumption	609,393,909	-
Net difference between projected and actual earnings on pension plan investments	<u>593,840,642</u>	<u>953,329,464</u>
Total	<u>\$ 1,230,546,594</u>	<u>\$ 953,329,464</u>

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

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
2016	\$ 154,951,326
2017	118,957,720
2018	(145,152,075)
2019	148,460,159
Total	\$ 277,217,130

Employer Deferral of Fiscal Year 2016 Pension Expense

The District paid \$142,648 in federal, trust or grant contributions for the fiscal year ended June 30, 2016. These contributions were made subsequent to the pension liability measurement date of June 30, 2015 and are recognized as Deferred Outflows of Resources as of June 30, 2016.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the June 30, 2015 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, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

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, 2015, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	5.77%
Private Equity	6%	9.23%
Non-U.S. Equity	19%	6.69%
Global Equity	8%	6.51%
Fixed Income	19%	1.12%
Treasury-Inflation Protected Securities	4%	1.22%
Emerging Market Debt	3%	4.61%
REITS	4%	5.85%
Direct Real Estate	6%	4.37%
Commodities	2%	4.06%
Hedged Strategies	5%	3.99%
Opportunity Fund	1%	6.80%
Total	100%	5.02%
Inflation		3.00%
Expected Geometrical Normal Return		8.02%

Discount Rate: A single discount rate of 7.120% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.250% and a municipal bond rate of 3.80% (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 2072. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2072, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.12%, 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
6.12%	7.12%	8.12%
\$ 28,929,333,917	\$ 23,756,361,087	\$ 19,470,982,362

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

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

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 - 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.

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>2016</u>	<u>2015</u>
Balance, July 1	\$ 1,644,859	\$ 2,155,311
Claims incurred	10,773,505	9,767,934
Claims paid	<u>(10,198,746)</u>	<u>(10,278,386)</u>
Balance, June 30	<u>\$ 2,219,618</u>	<u>\$ 1,644,859</u>

Stop loss coverage limits for the year ended June 30, 2016, 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.

(Continued)

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 9 - CONTINGENT LIABILITIES AND COMMITMENTS

At June 30, 2016, the District is committed under construction contracts of approximately \$35,848,000.

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 10 - 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, 2016

NOTE 10 - 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 \$8,937 for the year ended June 30, 2016.

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, 2016

NOTE 10 - 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 2016, the amount authorized was \$289,650.

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 the programs, depending on the type of expense, and are based on full-time equivalents of personnel, hours of service by program area, or occupancy percentages.

Investments

Investments consist of the following as of June 30, 2016:

	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 249,227	\$ 249,227
U.S. Treasury and governmental agency obligations	3,365,945	3,378,729
Corporate and other obligations	3,563,625	3,559,640
Common stock and equity funds	<u>10,593,192</u>	<u>11,530,074</u>
Total Investments	<u>\$ 17,771,989</u>	<u>\$ 18,717,670</u>

The following schedule summarizes investment returns and their classification in the statement of activities for the year ended June 30, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividend income	\$ 296,709	\$ 108,040	\$ 404,749
Net realized and unrealized loss	<u>(294,237)</u>	<u>(99,477)</u>	<u>(393,714)</u>
Total investment return	<u>\$ 2,472</u>	<u>\$ 8,563</u>	<u>\$ 11,035</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 10 - 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, 2016 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	\$ 3,378,729	\$ 3,378,729
Corporate and other obligations	3,559,640	3,559,640
Common stock and equity funds	<u>11,530,075</u>	<u>11,530,075</u>
 Total Investments	 <u>\$ 18,468,444</u>	 <u>\$ 18,468,444</u>

Other Receivables

Other receivables are comprised of the following amounts at June 30, 2016:

Interest and dividends receivable on the Foundation's investments	\$ 10,423
Contributions receivable	54,169
Residential rentals due Foundation Housing. At June 30, 2016 rent receivables are \$50,201 this amount is reduced by an allowance for uncollectible rents of \$48,480.	1,721
Other	<u>1,900</u>
	<u>\$ 68,213</u>

The allowance for uncollectible rents was established by management of Foundation Housing and it represents rents which are thirty days or more past due. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for uncollectible rents, and the amount is removed from rent receivable.

Foundation Housing had gross rental revenue of \$948,443 for the year ended June 30, 2016. This amount was reduced by \$92,803 in uncollectible rents to reflect net rental revenue of \$855,640.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 10 - 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, 2016 is as follows:

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2016</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	4,901,575	381,953	-	5,283,528
Furniture and equipment	<u>325,463</u>	<u>1,810</u>	<u>-</u>	<u>327,273</u>
Total Accumulated Depreciation	<u>5,227,038</u>	<u>383,763</u>	<u>-</u>	<u>5,610,801</u>
Net Property and Equipment	<u>\$ 8,394,848</u>	<u>\$ (383,763)</u>	<u>\$ -</u>	<u>\$ 8,011,085</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.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 10 - COMPONENT UNIT (Continued)

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, 2016 were not made as scheduled. Partial payments of interest have been made as follows:

<u>Scheduled Debt Service</u>			<u>Actual Interest Due and Payments</u>			
<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Due</u>	<u>Payment Date</u>	<u>Amount</u>	<u>Unpaid Interest</u>
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

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 10 - 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, 2016, the balance of the 2002 Series Revenue Bonds is \$14,435,000.

As of June 30, 2016, total accrued interest for the 2002 Series Revenue Bonds is \$8,485,930.

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, 2015, 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, 2016.

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

<u>Year ended</u> <u>June 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2017	\$ 57,399	\$ 269,152	\$ 326,551
2018	56,154	22,011	78,165
2019	54,833	23,332	78,165
2020	53,433	24,732	78,165
2021	51,949	26,216	78,165
Thereafter	<u>469,180</u>	<u>775,045</u>	<u>1,244,225</u>
Total	<u>\$ 742,948</u>	<u>\$ 1,140,488</u>	<u>\$ 1,883,436</u>

Total accrued interest for the mortgage payable is \$875,366 at June 30, 2016.

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.

Tax returns filed by the Foundation are subject to examination by the Internal Revenue Service for up to three years from the extended due date of each return. Tax returns filed by the Foundation are no longer subject to examination for the fiscal years ended June 30, 2012 and prior.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 10 - COMPONENT UNIT (Continued)

Related Parties

The Foundation recognized \$424,605 of contribution income during the year ended June 30, 2016 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, 2016.

Commitments and Contingencies

Foundation Housing has entered into a property management agreement with Campus Evolution Villages, LLC. The property management fee is \$6,500 per month. Effective July 1, 2015 the monthly management fee was increased to \$7,000 per month if rental revenues exceed \$1,200,000 for the previous year. The contract terminates June 30, 2017. Payment of management fees is the responsibility of Foundation Housing and is without recourse to the Foundation.

Endowments and Net Asset Classifications

Changes in the endowment net assets for the year ended June 30, 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investment return:				
Investment income	\$ 296,686	\$ 108,040	\$ -	\$ 404,726
Net realized and unrealized appreciation (depreciation)	<u>(294,237)</u>	<u>(99,477)</u>	<u>-</u>	<u>(393,714)</u>
	2,449	8,563	-	11,012
Contributions	84,422	633,740	133,622	851,784
Appropriation of endowment assets for expenditure	<u>(594,675)</u>	<u>(442,777)</u>	<u>-</u>	<u>(1,037,452)</u>
Total changes in net assets	(507,804)	199,526	133,622	(174,656)
Endowment net assets, beginning of year, as previously reported	5,312,284	3,303,361	11,426,671	20,042,316
Prior period adjustment	<u>-</u>	<u>315,000</u>	<u>(315,000)</u>	<u>-</u>
Endowment net assets, beginning of year, as restated	<u>5,312,284</u>	<u>3,618,361</u>	<u>11,111,671</u>	<u>20,042,316</u>
Endowment net assets, end of year	<u>\$ 4,804,480</u>	<u>\$ 3,817,887</u>	<u>\$ 11,245,293</u>	<u>\$ 19,867,660</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 10 - COMPONENT UNIT (Continued)

The composition of net assets at June 30, 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 3,817,887	\$ 11,245,593	\$ 15,063,480
Board assigned endowment funds	<u>4,804,480</u>	<u>-</u>	<u>-</u>	<u>4,804,480</u>
Endowment net assets	4,804,480	3,817,887	11,245,593	19,867,960
Member equity - Foundation Housing	<u>(17,967,200)</u>	<u>-</u>	<u>-</u>	<u>(17,967,200)</u>
Net assets	<u>\$ (13,162,720)</u>	<u>\$ 3,817,887</u>	<u>\$ 11,245,593</u>	<u>\$ 1,900,760</u>

Temporarily Restricted and Permanently Restricted Net Assets

Temporarily and permanently restricted net assets as of June 30, 2016 are available for the following:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Academic support	\$ 1,043,244	\$ -
Student support	<u>2,774,643</u>	<u>11,245,593</u>
Total restricted net assets	<u>\$ 3,817,887</u>	<u>\$ 11,245,593</u>

Permanently restricted (endowed) net assets as of June 30, 2016 are restricted for investment in perpetuity, the income from which is expendable for student support.

Subsequent Event

On September 1, 2016 Foundation Housing did not make a scheduled payment to the Trustee on the Student Housing Revenue Bond Series 2002A and 2002B.

Prior Period Adjustment

The Foundation received a \$315,000 contribution during the year ended June 30, 2015 that was incorrectly reported as a permanently restricted contribution rather than as a temporarily restricted contribution. Net assets as of July 1, 2015 has been restated to properly report the contribution in temporarily restricted net assets. The correction has no effect on the Foundation's change in net assets for the year ended June 30, 2015.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2016

NOTE 11 - PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement is effective for the District's fiscal year ended June 30, 2017. This Statement will not have an effect on the financial statements of the District as the OPEB plan does not currently issue separate statements.

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. This Statement is effective for the District's fiscal year ended June 30, 2018. This Statement will have an effect on the District and the OPEB liability will be added to the Statement of Net Position.

In August 2015, the GASB issued Statement 77, *Tax Abatement Disclosures*. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement is effective for the District's fiscal year ended June 30, 2017. Management has not determined what impact, if any, this statement will have on its financial statements.

The Governmental Accounting Standards Board (GASB) has also approved GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, and GASB Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*. Application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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
College's Proportion of the Net Pension Liability	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	\$ 287,509,206	\$ 312,270,836
Total	\$ 287,509,206	\$ 312,270,836
College's Covered Employee Payroll	\$ 48,098,567	\$ 48,258,592
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%
SURS Plan Net Position as Percentage of Total Pension Liability	44.39%	42.37%

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
Federal, Trust , Grant and Other Contributions	\$ 109,727	\$ 133,906	\$ 142,648
Contribution in relation to Required Contribution	\$ 109,727	\$ 133,906	\$ 142,648
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College Covered Employee Payroll	\$ 921,301	\$ 1,143,518	\$ 1,124,098
Contributions as a Percentage of Covered Employee Payroll	11.91%	11.71%	12.69%
Additional Information:			
On-behalf Payments for Community College Health Insurance Program	\$ 221,116	\$ 225,093	\$ 234,920

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
June 30, 2016

Changes of benefit terms. There were no benefit changes recognized in the Total Pension Liability as of June 30, 2014

Changes in assumptions. In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every five years to determine the reasonableness of actuarial assumptions regarding 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. Main 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, 2016

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>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>	<u>2007</u>
Net investment in capital assets	\$ 59,918,761	\$ 43,104,748	\$ 42,082,724	\$ 42,670,587	\$ 44,041,375	\$ 43,664,450	\$ 35,546,906	\$ 34,794,317	\$ 33,077,483	\$ 28,128,309
Restricted - expendable	26,857,411	43,090,516	40,377,178	29,975,503	26,850,240	21,288,638	14,093,517	11,155,225	8,310,935	8,595,975
Unrestricted	<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>	<u>30,463,710</u>	<u>24,256,452</u>
Total primary government net position	<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>	<u>\$ 71,852,128</u>	<u>\$ 60,980,736</u>

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

SCHEDULE OF CHANGES IN NET POSITION (Unaudited)

Last Ten Fiscal Years

	<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>	<u>2007</u>
OPERATING REVENUES										
Tuition and fees	\$ 38,066,175	\$ 39,800,576	\$ 39,563,321	\$ 41,257,103	\$ 41,452,912	\$ 41,587,567	\$ 35,685,885	\$ 30,076,560	\$ 24,898,013	\$ 23,082,213
Less scholarships and allowances	(10,857,859)	(11,507,604)	(12,740,763)	(14,336,920)	(14,515,345)	(13,632,872)	(9,785,996)	(2,609,745)	(1,954,167)	(1,900,011)
Sales and service fees	8,208,864	8,395,997	8,960,890	9,253,543	8,997,381	8,783,273	8,893,707	7,847,125	7,516,907	7,063,603
Miscellaneous	911,193	863,638	1,075,404	1,841,921	1,382,708	1,390,842	1,467,287	1,890,377	1,798,400	1,652,089
Total Operating Revenues	<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>	<u>32,259,153</u>	<u>29,897,894</u>
OPERATING EXPENSES										
Instruction	44,703,665	44,138,188	44,110,666	44,104,295	43,315,720	43,502,676	40,100,718	37,200,339	33,754,814	31,993,631
Academic support	3,977,151	3,750,280	3,467,930	3,547,522	3,410,354	3,384,441	3,105,601	3,019,578	2,718,963	2,575,508
Student services	12,938,949	12,767,999	13,434,982	13,709,839	15,159,765	12,908,318	12,300,487	13,650,510	10,975,317	9,326,012
Public services	2,420,756	2,283,216	1,785,870	1,681,449	2,290,299	2,157,134	3,017,439	2,871,076	1,775,609	2,143,788
Operations and maintenance of plant	11,885,131	12,022,740	12,139,090	13,817,519	14,106,439	11,687,768	13,086,207	10,656,280	9,419,912	9,315,694
Independent operations	8,338,109	8,462,835	9,217,218	9,486,312	9,618,068	9,429,893	9,289,471	8,603,497	8,196,306	7,841,709
General administration	5,454,505	5,184,238	4,795,807	4,752,459	4,612,473	4,651,812	4,314,175	4,194,682	3,751,785	3,586,041
Institutional support	36,235,980	31,440,636	29,155,832	27,468,852	22,538,603	21,257,382	18,967,984	15,126,939	12,756,614	10,782,414
Depreciation	8,440,652	8,208,769	7,901,164	6,457,066	4,108,198	3,070,926	2,868,731	2,626,814	2,456,698	2,145,587
Total Operating Expenses	<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>	<u>85,806,018</u>	<u>79,710,384</u>
Operating Income (Loss)	<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>	<u>(53,546,865)</u>	<u>(49,812,490)</u>
NON-OPERATING REVENUES (EXPENSES)										
Property taxes	55,257,145	54,567,557	52,284,321	51,110,607	48,353,732	47,087,585	45,520,758	39,891,012	37,189,773	34,798,230
Corporate personal property replacement taxes	1,682,297	2,105,394	1,957,680	1,935,192	1,894,010	2,058,866	1,587,629	1,962,477	2,243,420	2,097,884
State and federal sources	48,678,974	51,096,524	49,099,795	47,719,323	45,961,911	48,675,479	37,342,993	26,100,981	21,371,673	19,676,647
Investment income	1,196,469	507,382	1,749,067	(22,665)	717,389	1,599,261	2,678,876	2,020,912	1,090,415	1,053,616
Interest expense	(9,877,216)	(11,265,782)	(11,102,121)	(10,067,119)	(7,863,800)	(7,659,096)	(9,105,679)	(2,953,128)	(514,766)	(577,374)
Loss on sale of capital assets	(146,175)	-	(55,250)	-	(47,598)	(115,154)	(133,075)	-	-	-
Total Non-Operating Revenues (Expenses)	<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>	<u>61,380,515</u>	<u>57,049,003</u>
Income Before Contributions	(1,275,031)	6,304,781	4,783,785	3,665,672	7,173,381	17,725,401	7,101,572	6,276,856	7,833,650	7,236,513
CAPITAL CONTRIBUTIONS										
State capital contributions	-	432,843	4,442,674	-	-	-	-	-	-	-
Capital contributions - donated property	22,000	15,945	23,000	-	89,700	22,000	10,100	20,015	3,037,742	8,000
Total Capital Contributions	<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>	<u>3,037,742</u>	<u>8,000</u>
Increase (Decrease) in Net Position	<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>	<u>\$ 10,871,392</u>	<u>\$ 7,244,513</u>

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

REPRESENTATIVE (DIRECT AND OVERLAPPING) TAX RATES (Unaudited)

<u>TAXING DISTRICTS</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>	<u>2007</u>	<u>2006</u>
Tax Rates:										
Direct:										
General Fund:										
Educational Accounts	\$ 0.1735	\$ 0.1747	\$ 0.1666	\$ 0.1552	\$ 0.1391	\$ 0.1291	\$ 0.1228	\$ 0.1176	\$ 0.1106	\$ 0.1109
Operations, Building and Maintenance Accounts	0.0898	0.0899	0.0853	0.0811	0.0717	0.0650	0.0589	0.0592	0.0611	0.0645
Debt service	0.0348	0.0340	0.0322	0.0290	0.0257	0.0233	0.0237	-	-	-
Audit Fund	0.0006	0.0006	0.0005	0.0005	0.0005	0.0005	0.0004	0.0004	0.0005	0.0005
Liability, Protection and Settlement Fund	0.0032	0.0032	0.0046	0.0047	0.0043	0.0039	0.0038	0.0075	0.0127	0.0129
Life Safety	<u>0.0059</u>	<u>0.0062</u>	<u>0.0062</u>	<u>0.0061</u>	<u>0.0053</u>	<u>0.0054</u>	<u>0.0050</u>	<u>0.0049</u>	<u>0.0051</u>	<u>0.0051</u>
JOLIET JUNIOR COLLEGE NO. 525	0.3078	0.3086	0.2954	0.2766	0.2466	0.2272	0.2146	0.1896	0.1900	0.1939
Overlapping:										
Will County	0.6358	0.6433	0.6216	0.5908	0.5551	0.5274	0.5024	0.4942	0.4943	0.5154
Will County Forest Preserve	0.1937	0.1977	0.1970	0.1859	0.1693	0.1567	0.1519	0.1445	0.1424	0.1369
Troy Township Road Funds	0.0977	0.0989	0.0958	0.0890	0.0817	0.0743	0.0687	0.0679	0.0717	0.0791
DuPage Township	0.0823	0.0824	0.0805	0.0769	0.0708	0.0662	0.0665	0.0633	0.0534	0.0545
Village of Bolingbrook	1.0963	0.9833	0.9823	0.8647	0.6968	0.6666	0.6202	0.6202	0.6095	0.6098
Bolingbrook Park District	0.6543	0.6704	0.6628	0.6235	0.5429	0.4842	0.4554	0.4351	0.4433	0.4470
Fountaindale Public Library	0.5835	0.5805	0.5630	0.5060	0.4365	0.4073	0.4045	0.3685	0.2838	0.2900
UD 365-U Valley View	<u>7.5388</u>	<u>7.6318</u>	<u>7.3668</u>	<u>6.7687</u>	<u>5.9062</u>	<u>5.2276</u>	<u>4.9435</u>	<u>4.5671</u>	<u>4.6476</u>	<u>4.7837</u>
Total	<u>\$ 11.1902</u>	<u>\$ 11.1969</u>	<u>\$ 10.8652</u>	<u>\$ 9.9821</u>	<u>\$ 8.7059</u>	<u>\$ 7.8375</u>	<u>\$ 7.4277</u>	<u>\$ 6.9504</u>	<u>\$ 6.9360</u>	<u>\$ 7.1103</u>

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 2015 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
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%
2007	14,565,762,858	2,137,094,400	2,640,132,438	355,639,649	19,698,629,345	0.1900	59,095,888,035	33.33%
2006	13,077,756,650	1,871,509,400	2,526,616,944	329,998,797	17,805,881,791	0.1939	53,417,645,373	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 2015 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
2015	2016	\$ 55,515,001	\$ 25,216,308	45.42%	\$ -	\$ 25,216,308	45.42%
2014	2015	54,603,348	24,904,287	45.61%	29,445,713	54,350,000	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%
2007	2008	37,422,299	16,145,796	43.14%	21,123,849	37,269,645	99.59%
2006	2007	34,538,141	14,873,294	43.06%	19,556,235	34,429,529	99.69%

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 2015 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			2016			2007		
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	\$ 943,220,554	1	5.23%	\$ 331,776,345	1	1.86%
Exxon Mobil Corp.	Will County	Refining plant	371,635,201	2	2.06%	142,014,873	2	0.80%
PDV Midwest Refining	Will County	Refining plant	234,928,771	3	1.30%	76,187,200	4	0.43%
Equistar Chemicals LP	Grundy County	Plastic compounds and ethylene pallets	88,855,894	4	0.49%	119,567,530	3	0.67%
Aux Sable Liquid Products LP	Grundy	Natural gas liquids (ethane, propane, normal butane, iso-butane and natural gasoline)	81,569,395	5	0.45%	69,381,230	5	0.39%
Wal Mart	Will County Grundy County	Discount department stores	77,874,145	6	0.43%	-	-	-
Centerpoint Properties	Will County	Industrial properties	62,801,067	7	0.35%	-	-	-
Hart I55 Industrial LLC	Will County	Industrial properties	51,811,539	8	0.29%	-	-	0.00%
Duke Realty LP	Will County Kendall County	Industrial properties	44,965,782	9	0.25%	-	-	-
Prologis IL	Will County Grundy County	Warehouses	39,077,581	10	0.22%	-	-	-
Catellus Dev Corp	Will County Grundy County	Industrial properties & warehouses	-	-	0.00%	52,966,640	6	0.30%
Industrial Prop Funds I, II, III, IV	Will County	Industrial properties	-	-	0.00%	29,186,694	7	0.16%
Midwest Generation	Grundy County Will County	Electrical utility plant	-	-	-	27,780,159	8	0.16%
Calpine Morris LLC	Grundy County	Morris Energy - industrial property	-	-	-	26,535,250	9	0.15%
Target Corporation	Will County	Discount Department Stores	-	-	-	26,511,740	10	0.15%
			<u>\$ 1,996,739,929</u>		<u>11.07%</u>	<u>\$ 901,907,661</u>		<u>5.07%</u>

Note: The tax levy for 2015 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
2016	\$ 115.00	\$ 125.42	N/A	278,386
2015	115.00	118.77	N/A	295,200
2014	111.00	112.75	22.63	314,842
2013	107.00	107.89	21.25	342,467
2012	103.00	103.89	22.42	351,842
2011	103.00	98.26	24.97	355,567
2010	93.00	88.95	28.76	321,300
2009	88.00	84.04	33.81	288,411
2008	76.00	78.62	32.87	260,332
2007	73.00	74.04	31.97	248,207
2006	71.00	69.92	31.20	230,398

Source: District records

N/A - State has not yet made this rate available.

**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	Bonds Paid from Restricted Resources	Total	Per Capita	Percentage of Personal Income
	General Obligation Debt Certificates	General Obligation Bonds										
2016	\$ -	80,378,795	\$ 80,378,795	0.446%	\$ 108.83	\$ 135,228,694	\$ -	\$ -	\$ (22,490,000)	\$ 193,117,489	\$ 261.46	N/A
2015	-	82,941,010	82,941,010	0.469%	112.29	138,294,039	-	-	(22,490,000)	198,745,049	269.08	0.614%
2014	-	85,188,225	85,188,225	0.477%	115.34	141,089,403	-	-	(22,490,000)	203,787,628	275.91	0.612%
2013	1,125,000	87,135,440	88,260,440	0.473%	119.50	80,671,405	-	-	(8,390,000)	160,541,845	217.36	0.486%
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%
2008	6,771,614	-	6,771,614	0.034%	9.44	860,000	208,286	2,520,000	-	10,359,900	14.44	0.040%
2007	7,878,770	-	7,878,770	0.044%	11.21	1,265,000	308,355	2,870,000	-	12,322,125	17.53	0.051%

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>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>	<u>2007</u>
Assessed Value	\$ 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	\$ 19,698,629,345	\$ 17,805,881,791
Debt Limit - 2.875% of assessed value	518,657,271	508,787,667	513,189,467	536,788,204	567,454,530	598,524,605	612,603,433	609,508,758	566,335,594	511,919,101
Less applicable debt:										
General obligation bonds	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	6,771,614	7,878,770
Legal Debt Margin	<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>	<u>\$ 559,563,980</u>	<u>\$ 504,040,331</u>
Total net debt applicable to the limit as a percentage of debt limit	<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>	<u>1.20%</u>	<u>1.54%</u>

Sources: District records

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

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT (Unaudited)
(As of June 30, 2016)

<u>Overlapping Agencies</u>	Assessed Value in District	Outstanding Bonds	Applicable to District	
			Percent	Amount
Cook County	\$708,614,057	\$3,362,051,750 (1)	0.534%	\$17,949,994
Cook County Forest Preserve	708,614,057	116,060,000 (4)	0.534%	619,644
Grundy County	1,732,285,653	10,640,000 (3)	97.957%	10,422,646
Kankakee County	594,341	0 (4)(6)	0.034%	0
Kendall County	377,684,880	0 (4)	14.314%	0
Kendall County Forest Preserve	377,684,880	44,985,000	14.314%	6,439,018
LaSalle County	21,532,261	0 (4)(6)	0.905%	0
Will County	14,986,421,246	0 (4)	81.178%	0
Will County Forest Preserve	14,986,421,246	124,699,710 (5)	81.178%	101,228,980
Municipalities:				
Bolingbrook	1,675,439,198	180,726,399 (5)	89.982%	162,620,505
Braceville	100	0 (4)	100.000%	0
Carbon Hill	100	0 (4)	100.000%	0
Channahon	100	13,330,000	100.000%	13,330,000
Coal City	100	4,517,478 (4)	100.000%	4,517,478
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
Gardner	100	0 (4)	100.000%	0
Homer Glen	832,665,694	11,400,000	96.889%	11,045,346
Joliet	100	8,845,000	100.000%	8,845,000
Lemont	521,320,229	0 (4)	99.659%	0
Lockport	100	1,992,416 (4)(5)	100.000%	1,992,416
Manhattan	100	11,480,000	100.000%	11,480,000
Minooka	100	3,125,000 (4)	100.000%	3,125,000
Mokena	100	1,370,000 (4)	100.000%	1,370,000
Morris	100	0 (4)	100.000%	0
Naperville	48,785,300	165,255,000	0.777%	1,284,031
New Lenox	100	50,280,000 (4)	100.000%	50,280,000
Newark	100	0 (4)	100.000%	0
Orland Park	19,361,588	87,365,000	0.992%	866,573
Plainfield	1,071,359,118	31,305,000 (4)	88.402%	27,674,215
Romeoville	100	81,570,884 (4)(5)(6)	100.000%	81,570,884
Shorewood	100	327,000 (4)	100.000%	327,000
Tinley Park	330,446,430	29,945,000	25.030%	7,495,144
Willow Springs	989,756	1,264,715 (4)	0.639%	8,083
Wilmington	100	147,000 (4)	100.000%	147,000
Woodridge	72,603,717	0 (6)	6.924%	0
Yorkville	286,355	6,155,000 (4)	0.068%	4,185
Fire Protection Districts:				
Channahon	100	0 (4)	100.000%	0
Homer Township	100	0 (4)	100.000%	0
Lemont	897,264,904	0 (4)	83.901%	0
Minooka	100	0 (4)	100.000%	0
Plainfield	1,303,214,123	0 (4)	89.265%	0
Libraries:				
Fossil Ridge Library	644,910,580	0 (4)	91.990%	0
Fountaindale	1,710,101,892	34,250,000	95.287%	32,635,763
Homer	1,274,766,819	0 (4)	99.999%	0
Lemont	708,614,057	2,800,000	96.164%	2,692,603
New Lenox	100	3,715,000	100.000%	3,715,000
White Oak (DesPlaines Valley)	1,185,587,763	22,070,000	67.017%	14,790,564

(continued)

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

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT (Unaudited)
(As of June 30, 2016)
(continued)

Overlapping Agencies	Assessed Value in District	Outstanding Bonds	Applicable to District	
			Percent	Amount
Miscellaneous:				
Metropolitan Water Reclamation District of Greater Chicago	708,614,057	2,629,938,992 (2)	0.544%	14,301,608
Homer Township	100	0 (4)	100.000%	0
Lemont Township	100	1,485,000	100.000%	1,485,000
New Lenox Township	100	0 (4)	100.000%	0
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	990,000	100.000%	990,000
Will County SSA #2	100	426,072 (2)	100.000%	426,072
Park Districts:				
Bolingbrook	1,677,026,496	20,290,000 (4)	91.790%	18,624,171
Braidwood	100	467,000	100.000%	467,000
Channahon	100	783,395 (4)	100.000%	783,395
Frankfort	699,876,220	435,000	99.959%	434,820
Frankfort Square	467,983,719	1,577,598 (4)(5)	93.239%	1,470,930
Godley	100	1,000,000	100.000%	1,000,000
Joliet	100	21,925,000 (4)	100.000%	21,925,000
Lemont	735,522,237	11,923,000	96.189%	11,468,662
Lockport	100	5,336,614 (5)	100.000%	5,336,614
Manhattan	100	0 (4)	100.000%	0
Mokena Community	907,151,702	6,383,000	99.510%	6,351,704
Naperville	48,785,300	23,930,000 (4)	0.752%	179,930
New Lenox Community	100	357,000	100.000%	357,000
Oswegoland	17,961,758	9,740,000	1.454%	141,620
Peotone	100	690,000	100.000%	690,000
Plainfield	2,265,504,141	3,569,000	97.671%	3,485,867
Tinley Park	125,115,366	9,036,000	10.581%	956,117
Wilmington (was Island)	100	94,000	100.000%	94,000
Woodridge	66,124,117	2,930,000 (4)	6.166%	180,664
School Districts:				
USD #1	100	38,230,000	100.000%	38,230,000
#2 (MVK)	90,640,085	1,405,000	99.751%	1,401,497
HSD #18	101,100,837	450,000	94.635%	425,858
#24	35,272,045	880,000	89.159%	784,595
#30-C	100	72,915,000	100.000%	72,915,000
#54	100	21,360,000	100.000%	21,360,000
#60-C	100	9,400,000	100.000%	9,400,000
#65	15,576,266	200,000	28.606%	57,211
#66	72,692,545	1,220,000	99.518%	1,214,117
#70-C	100	345,000 (4)	100.000%	345,000
#72-C	100	180,000	100.000%	180,000
HSD #73	100	755,000	100.000%	755,000
SD #75	100	222,000	100.000%	222,000
#81	100	0 (4)	100.000%	0
#84	100	1,500,000 (4)	100.000%	1,500,000
#86	100	45,941,790 (5)	100.000%	45,941,790
#88	100	1,364,000	100.000%	1,364,000
#88-A	100	21,605,000	100.000%	21,605,000
#89	100	0 (4)	100.000%	0
SD #90 (Grundy & Kendall Cos.)	100	185,000	100.000%	185,000
HSD #90 (Livingston County)	38,235,089	720,000 (4)	17.610%	126,792
SD 90 (Taft)	100	2,895,000 (4)	100.000%	2,895,000
#91	100	4,397,900 (4)	100.000%	4,397,900
#92	100	7,180,000	100.000%	7,180,000
HSD #101	100	2,910,000 (4)	100.000%	2,910,000

(continued)

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

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT (Unaudited)
(As of June 30, 2016)
(continued)

Overlapping Agencies	Assessed Value in District	Outstanding Bonds	Applicable to District	
			Percent	Amount
HSD#111	100	63,065,000 (4)	100.000%	63,065,000
#113A	708,587,697	11,016,049 (5)	72.578%	7,995,173
#114	100	10,579,778 (5)	100.000%	10,579,778
USD #115	15,284,901	76,119,503 (5)	2.108%	1,604,295
#122	100	142,504,950 (5)	100.000%	142,504,950
#157C	752,042,147	21,465,000	99.996%	21,464,098
#159	100	9,074,854 (5)	100.000%	9,074,854
HSD 160	90,715,030	3,205,000 (4)	13.812%	442,668
#161	100	52,715,232 (5)	100.000%	52,715,232
#201-C	100	75,844,860 (5)	100.000%	75,844,860
#202-U	100	263,745,000 (4)	100.000%	263,745,000
HSD #204	100	95,760,000	100.000%	95,760,000
USD #204-U	1,310,300	229,765,000 (4)	0.028%	63,415
HSD #205	100	6,735,000	100.000%	6,735,000
USD #207-U	100	21,550,000 (4)	100.000%	21,550,000
USD #209-U	100	30,711,692 (5)	100.000%	30,711,692
CCSD #210	1,391,425	450,000	2.505%	11,273
HSD #210 (Lemont)	708,614,057	46,355,000	71.771%	33,269,447
HSD #210 (Lincolnway)	100	253,069,161 (5)	100.000%	253,069,161
HSD 230	100	195,000 (4)	100.000%	195,000
# 232	100	1,000,000	100.000%	1,000,000
#308-U	8,558,122	332,118,255 (4)(5)	0.509%	1,689,818
USD #365-U	100	159,776,123 (5)	100.000%	159,776,123
SD #426	10,233	0 (4)	0.050%	0
SD #429	1,249,895	570,000	0.731%	4,165
Total Overlapping Agencies				2,177,418,739
<u>Direct Debt</u>				
Joliet Junior Community College 525	18,040,252,901	79,505,000 (4)	100.000%	79,505,000
TOTAL DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT				\$ 2,256,923,739

- (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.

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	
2016	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	\$ 74,641,793	\$ 69,137,932	\$ 5,503,861	\$ 440,000	\$ 19,800	\$ 459,800	11.97
2008	69,820,145	63,654,881	6,165,264	420,000	38,700	458,700	13.44
2007	62,825,378	56,462,223	6,363,155	405,000	56,925	461,925	13.78

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	
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***

Fiscal Year	Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
				Principal	Interest	Total	
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	
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
2008	12,024,950	9,563,072	2,461,878	350,000	180,565	530,565	4.64
2007	11,631,848	9,107,418	2,524,430	325,000	203,178	528,178	4.78

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 and 2013A 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
2015	738,600	N/A	N/A	6.3%
2014	738,600	\$ 32,347,725,600	\$ 43,796	7.8%
2013	738,600	33,319,723,200	45,112	9.7%
2012	738,600	33,039,793,800	44,733	9.4%
2011	738,600	30,973,929,600	41,936	10.6%
2010	738,600	29,471,617,200	39,902	10.8%
2009	733,672	28,258,844,424	38,517	10.7%
2008	727,074	27,967,628,484	38,466	6.2%
2007	717,650	26,163,366,050	36,457	4.8%
2006	703,000	24,028,540,000	34,180	4.3%

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

Employer	2016		2007	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Plainfield School District	3,013	0.837%	-	-
Presence Saint Joseph Medical Center	2,430	0.675%	2,764	0.814%
Silver Cross Hospital	2,350	0.653%	1,865	0.550%
Will County	2,269	0.630%	2,287	0.674%
Exelon	1,687	0.469%	1,430	0.421%
Amazon Fulfillment	1,500	0.417%	-	-
Ozinga Brothers Inc.	1,500	0.417%	-	-
Joliet Junior College	1,413	0.393%	1,296	0.382%
Valley View School District 365U	1,300	0.361%	1,580	0.466%
Trinity Services	1,200	0.333%	-	-
Harrah's Joliet Casino	-	0.000%	1,123	0.331%
Caterpillar Inc.	-	-	1,119	0.330%
Illinois Department of Corrections	-	-	1,300	0.383%
Argosy Casino Joliet (Empress)	-	-	985	0.290%

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>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>	<u>2007</u>
Faculty										
Full-time	220	221	221	221	218	218	213	214	209	199
Part-time	460	500	500	525	550	550	550	550	520	520
Staff										
Full-time	293	288	288	289	283	281	278	265	247	252
Part-time	345	349	344	348	339	307	297	291	270	263
Administrators/Professional										
Full-time	86	85	80	78	81	81	76	76	80	71
Part-time	9	9	9	9	9	6	8	6	9	9
Total Employees										
Part-time	814	858	853	882	898	863	855	847	799	792
Full-time	599	594	589	588	582	580	567	555	536	522

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	
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
2008	13,149	7,879	41%	59%	41%	59%	59%	23%	1%	17%	27
2007	12,924	7,592	42%	58%	39%	61%	56%	25%	2%	17%	27

Source: District records.

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

SCHEDULE OF CAPITAL ASSET INFORMATION (Unaudited)

Last Ten Fiscal Years

	<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>	<u>2007</u>
Buildings:										
Permanent	19	19	19	19	18	17	16	16	16	15
Temporary	-	-	-	-	-	-	6	6	6	6
Total Acres	471	471	471	471	471	471	471	471	471	471
Net Assignable Square Feet:										
Classrooms and general use	385,943	380,343	380,343	273,392	258,206	241,173	266,351	265,671	265,671	241,370
Laboratory	227,230	226,330	226,330	226,014	221,617	190,013	160,943	160,943	160,943	160,943
Office	138,898	139,022	139,022	143,700	149,868	100,129	100,140	100,020	100,020	99,508
Support functions	<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>	<u>40,817</u>	<u>40,817</u>
Total	<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>	<u>567,451</u>	<u>542,638</u>
Parking capacity	5,384	5,384	5,384	5,384	5,384	4,278	4,235	4,101	4,101	3,976

Source: District records

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

MISCELLANEOUS STATISTICS (Unaudited)
June 30, 2016

Year Founded 1901

District Data

Population 738,600

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)

	2016	2015
Faculty	220	221
Administrators/Professional	86	85
Support Staff	293	288

Degree and Certificates Awarded

	FY 2016	FY 2015
AA, AS and AGS	948	1019
AAS	634	638
Certificates	713	585

Source: District records.

SPECIAL REPORTS SECTION

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
BALANCE SHEET - BY ACCOUNTS
June 30, 2016
(Unaudited)

	Current Accounts		Plant Accounts			Total
	Unrestricted	Restricted	Maintenance (Restricted)	Investment in Plant	Eliminations	
Assets						
Cash and cash equivalents	\$ 35,498,654	\$ -	\$ -	\$ 26,593,847	\$ (26,593,847)	\$ 35,498,654
Investments	1,024,713	-	-	-	-	1,024,713
Restricted cash and cash equivalents	-	2,143,523	-	-	-	2,143,523
Restricted investments	-	345,615	-	-	-	345,615
Receivables						
Property taxes, net	25,698,506	3,342,061	564,188	-	-	29,604,755
Government claims and grants	347,037	2,403,452	-	-	-	2,750,489
Student tuition and fees, net	10,292,524	-	-	-	-	10,292,524
Accrued interest	13,172	408,376	106,705	-	-	528,253
Other, net	5,490	-	-	-	-	5,490
Due from other accounts	18,921,915	4,123	16,790,944	-	(35,716,982)	-
Prepaid items	1,102,645	-	-	-	-	1,102,645
Inventories	986,266	-	-	-	-	986,266
Total Current Assets	93,890,922	8,647,150	17,461,837	26,593,847	(62,310,829)	84,282,927
Long term investments	5,107,211	-	-	-	-	5,107,211
Restricted cash and cash equivalents	-	-	18,870,881	-	-	18,870,881
Restricted investments	-	23,875,685	23,173,404	-	-	47,049,089
Capital assets, Net						
Land	-	-	-	4,534,357	-	4,534,357
Construction in progress	-	-	-	62,035,485	-	62,035,485
Depreciable buildings, property and equipment, net	-	-	-	154,544,572	-	154,544,572
Note receivable from component unit, less allowance of \$1,104,988	-	-	-	35,500	-	35,500
TOTAL ASSETS	\$ 98,998,133	\$ 32,522,835	\$ 59,506,122	\$ 247,743,761	\$ (62,310,829)	\$ 376,460,022
Liabilities and Account Balances						
Liabilities						
Accounts payable	\$ 856,189	\$ 202,195	\$ 7,695,762	\$ -	\$ -	\$ 8,754,146
Accrued salaries and related costs	3,618,691	73,832	-	-	-	3,692,523
Accrued interest	-	591,005	-	-	-	591,005
Other liabilities	179,277	-	-	-	-	179,277
Unearned revenue						
Tuition and fees	12,854,322	-	2,211,101	-	-	15,065,423
Government claims and grants	-	11,648	-	-	-	11,648
Due to other accounts	35,716,982	-	-	-	(35,716,982)	-
Claims payable	2,219,618	-	-	-	-	2,219,618
Current portion of long-term obligations	1,010,343	6,476	-	5,635,000	487,569	7,139,388
Total Current Liabilities	56,455,422	885,156	9,906,863	5,635,000	(35,229,413)	37,653,028
Long-term obligations	632,061	3,190	-	182,190,000	27,294,921	210,120,172
Total Liabilities	57,087,483	888,346	9,906,863	187,825,000	(7,934,492)	247,773,200
Account Balances						
Net investment in capital assets	-	-	-	59,918,761	-	59,918,761
Restricted for, Expendable						
Capital projects	-	-	49,599,259	-	(30,500,652)	19,098,607
Debt service	-	29,035,606	-	-	(23,875,685)	5,159,921
Instructional	-	2,598,883	-	-	-	2,598,883
Unrestricted	41,910,650	-	-	-	-	41,910,650
Total Account Balances	41,910,650	31,634,489	49,599,259	59,918,761	(54,376,337)	128,686,822
TOTAL LIABILITIES AND ACCOUNT BALANCES	\$ 98,998,133	\$ 32,522,835	\$ 59,506,122	\$ 247,743,761	\$ (62,310,829)	\$ 376,460,022

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN ACCOUNT BALANCES - BY ACCOUNTS
Year ended June 30, 2016
(Unaudited)

	Current Accounts		Plant Accounts		Eliminations	Total
	Unrestricted	Restricted	Operations and			
			Maintenance (Restricted)	Investment in Plant		
Revenues						
Property taxes	\$ 47,959,963	\$ 6,241,417	\$ 1,055,765	\$ -	\$ -	\$ 55,257,145
Corporate personal property replacement taxes	1,682,297	-	-	-	-	1,682,297
Tuition and fees	32,641,980	-	5,424,195	-	-	38,066,175
Less scholarships and allowances	-	-	-	-	(10,857,859)	(10,857,859)
Sales and service fees	20,262,956	-	-	25,378,840	(37,432,932)	8,208,864
State and federal sources	2,197,799	46,481,175	-	-	-	48,678,974
Investment income	145,428	890,793	160,248	-	-	1,196,469
Miscellaneous	612,433	84,940	228,820	-	(15,000)	911,193
Total Revenues	<u>105,502,856</u>	<u>53,698,325</u>	<u>6,869,028</u>	<u>25,378,840</u>	<u>(48,305,791)</u>	<u>143,143,258</u>
Expenses						
Current						
Instruction	44,062,408	2,353,291	-	-	(1,712,034)	44,703,665
Academic support	3,989,206	7,036	-	-	(19,091)	3,977,151
Student services	7,200,706	13,896,717	-	-	(8,158,474)	12,938,949
Public services	275,736	2,207,064	-	-	(62,044)	2,420,756
Operation and						
maintenance plant	11,627,952	-	27,635,034	-	(27,377,855)	11,885,131
Independent operation	20,066,775	16,035	-	-	(11,744,701)	8,338,109
General administration	5,465,303	14,893	-	-	(25,691)	5,454,505
Institutional support	10,959,104	26,877,825	10,759,631	-	(12,360,580)	36,235,980
Depreciation	12,351	-	-	8,428,301	-	8,440,652
Debt Service						
Principal	-	5,240,000	-	-	(5,240,000)	-
Interest and fees	-	12,265,690	-	-	(2,388,474)	9,877,216
Total Expenses	<u>103,659,541</u>	<u>62,878,551</u>	<u>38,394,665</u>	<u>8,428,301</u>	<u>(69,088,944)</u>	<u>144,272,114</u>
Revenues over (under) expenses	1,843,315	(9,180,226)	(31,525,637)	16,950,539	20,783,153	(1,128,856)
Non-Mandatory Transfers						
State capital contributions	-	-	-	-	-	-
Capital contribution - donated property	-	-	-	22,000	-	22,000
Loss on sale of capital assets	(58,231)	-	-	(87,944)	-	(146,175)
Transfers in	1,097,050	9,061,918	3,775,000	-	(13,933,968)	-
Transfers (out)	<u>(4,786,655)</u>	<u>(510,000)</u>	<u>(8,637,313)</u>	<u>-</u>	<u>13,933,968</u>	<u>-</u>
Revenues and transfers in over (under) expenses and transfers (out)	(1,904,521)	(628,308)	(36,387,950)	16,884,595	20,783,153	(1,253,031)
Account Balances:						
July 1, 2015	<u>43,815,171</u>	<u>32,262,797</u>	<u>85,987,209</u>	<u>43,034,166</u>	<u>(75,159,490)</u>	<u>129,939,853</u>
June 30, 2016	<u>\$ 41,910,650</u>	<u>\$ 31,634,489</u>	<u>\$ 49,599,259</u>	<u>\$ 59,918,761</u>	<u>\$ (54,376,337)</u>	<u>\$ 128,686,822</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
COMBINING BALANCE SHEET - CURRENT UNRESTRICTED ACCOUNTS
June 30, 2016
(Unaudited)

	Education	Operations and Maintenance	Audit	Liability Protection and Settlement	Self Insurance	Working Cash	Auxiliary	Total
Assets								
Cash and cash equivalents	\$ 30,341,752	\$ 603,155	\$ 114,092	\$ 1,170,088	\$ 20,341	\$ 3,193,849	\$ 55,377	\$ 35,498,654
Investments	1,764,147	-	-	-	1,259,908	3,107,869	-	6,131,924
Receivables								
Property taxes	16,698,707	8,639,229	55,387	305,183	-	-	-	25,698,506
Government claims and grants	347,037	-	-	-	-	-	-	347,037
Student tuition and fees	10,177,773	6,627	-	-	-	-	108,124	10,292,524
Accrued interest	5,949	-	-	-	3,148	4,075	-	13,172
Other	5,165	325	-	-	-	-	-	5,490
Due from other accounts	3,731,000	-	-	-	8,066,807	-	7,124,108	18,921,915
Prepaid items	791,756	-	-	10,599	41,799	-	258,491	1,102,645
Inventories	26,980	-	-	-	-	-	959,286	986,266
TOTAL ASSETS	\$ 63,890,266	\$ 9,249,336	\$ 169,479	\$ 1,485,870	\$ 9,392,003	\$ 6,305,793	\$ 8,505,386	\$ 98,998,133
Liabilities and Account Balance								
Liabilities								
Accounts payable	\$ 339,748	\$ 161,335	\$ 15,000	\$ 1,472	\$ -	\$ -	\$ 338,634	\$ 856,189
Accrued salaries and related costs	3,313,812	260,260	-	-	-	-	44,619	3,618,691
Other liabilities	168,551	-	-	-	-	-	10,726	179,277
Deferred revenue, tuition and fees	11,416,786	-	-	-	-	-	1,437,536	12,854,322
Due to other accounts	31,985,982	3,731,000	-	-	-	-	-	35,716,982
Compensated absences	697,766	197,296	-	-	-	-	82,652	977,714
Early retirement benefits	407,813	-	-	-	256,877	-	-	664,690
Claims payable	-	-	-	-	2,219,618	-	-	2,219,618
Total Liabilities	48,330,458	4,349,891	15,000	1,472	2,476,495	-	1,914,167	57,087,483
Account Balance, unrestricted	15,559,808	4,899,445	154,479	1,484,398	6,915,508	6,305,793	6,591,219	41,910,650
TOTAL LIABILITIES AND ACCOUNT BALANCE	\$ 63,890,266	\$ 9,249,336	\$ 169,479	\$ 1,485,870	\$ 9,392,003	\$ 6,305,793	\$ 8,505,386	\$ 98,998,133

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN CURRENT UNRESTRICTED ACCOUNT BALANCES
Year ended June 30, 2016
(Unaudited)

	Education	Operations and Maintenance	Audit	Liability Protection and Settlement	Self Insurance	Working Cash	Auxiliary	Total
Revenues								
Property taxes	\$ 31,162,100	\$ 16,121,930	\$ 103,781	\$ 572,152	\$ -	\$ -	\$ -	\$ 47,959,963
Corporate personal property replacement taxes	1,682,297	-	-	-	-	-	-	1,682,297
Tuition and fees	25,789,112	-	-	-	-	-	6,852,868	32,641,980
Sales and service fees	-	201,513	-	-	12,648,516	-	7,412,927	20,262,956
State and federal sources	2,197,799	-	-	-	-	-	-	2,197,799
Investment income	94,110	-	-	-	12,720	38,598	-	145,428
Miscellaneous	430,511	11,942	-	-	-	-	169,980	612,433
Total Revenues	<u>61,355,929</u>	<u>16,335,385</u>	<u>103,781</u>	<u>572,152</u>	<u>12,661,236</u>	<u>38,598</u>	<u>14,435,775</u>	<u>105,502,856</u>
Expenses								
Current								
Instruction	40,522,083	-	-	-	-	-	3,540,325	44,062,408
Academic support	3,470,869	-	-	-	-	-	518,337	3,989,206
Student services	7,081,182	-	-	-	-	-	119,524	7,200,706
Public services	52,520	-	-	-	-	-	223,216	275,736
Operation and maintenance plant	-	11,627,952	-	-	-	-	-	11,627,952
Independent operation	-	-	-	-	11,732,293	-	8,334,482	20,066,775
General administration	5,403,799	-	-	61,504	-	-	-	5,465,303
Institutional support	8,063,675	639,965	78,935	502,366	-	-	1,674,163	10,959,104
Depreciation	-	-	-	-	-	-	12,351	12,351
Total Expenses	<u>64,594,128</u>	<u>12,267,917</u>	<u>78,935</u>	<u>563,870</u>	<u>11,732,293</u>	<u>-</u>	<u>14,422,398</u>	<u>103,659,541</u>
Revenues over (under) expenses	(3,238,199)	4,067,468	24,846	8,282	928,943	38,598	13,377	1,843,315
NON-MANDATORY TRANSFERS								
Loss on sale of capital assets	-	-	-	-	-	-	(58,231)	(58,231)
Transfers in	697,047	-	-	-	-	-	400,003	1,097,050
Transfers (out)	(574,711)	(3,775,000)	-	-	-	-	(436,944)	(4,786,655)
Revenues and transfers in over (under) expenses and transfers (out)	(3,115,863)	292,468	24,846	8,282	928,943	38,598	(81,795)	(1,904,521)
Account Balances:								
July 1, 2015	18,675,671	4,606,977	129,633	1,476,116	5,986,565	6,267,195	6,673,014	43,815,171
June 30, 2016	<u>\$ 15,559,808</u>	<u>\$ 4,899,445</u>	<u>\$ 154,479</u>	<u>\$ 1,484,398</u>	<u>\$ 6,915,508</u>	<u>\$ 6,305,793</u>	<u>\$ 6,591,219</u>	<u>\$ 41,910,650</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
COMBINING BALANCE SHEET - CURRENT RESTRICTED ACCOUNTS
June 30, 2016
(Unaudited)

	<u>Restricted Purpose</u>	<u>General Obligation Bond (Alternate Revenue Source)</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 142,696	\$ 2,000,827	\$ 2,143,523
Investments	345,615	23,875,685	24,221,300
Receivables			
Property taxes	-	3,342,061	3,342,061
Government claims and grants	2,403,452	-	2,403,452
Accrued interest	338	408,038	408,376
Due from other accounts	4,123	-	4,123
 TOTAL ASSETS	 \$ 2,896,224	 \$ 29,626,611	 \$ 32,522,835
 Liabilities and Account Balance			
Liabilities			
Accounts payable	\$ 202,195	\$ -	\$ 202,195
Accrued salaries and related costs	73,832	-	73,832
Accrued interest	-	591,005	591,005
Deferred revenue			
Government claims and grants	11,648	-	11,648
Compensated absences	9,666	-	9,666
Total Liabilities	297,341	591,005	888,346
 Account Balance			
Restricted For, Expendable			
Debt service	-	29,035,606	29,035,606
Instructional	2,598,883	-	2,598,883
Total Account Balance	2,598,883	29,035,606	31,634,489
 TOTAL LIABILITIES AND ACCOUNT BALANCE	 \$ 2,896,224	 \$ 29,626,611	 \$ 32,522,835

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
CURRENT RESTRICTED ACCOUNT BALANCES
Year ended June 30, 2016
(Unaudited)

	Restricted Purpose	General Obligation Bond (Alternate Revenue Source)	Total
Revenues			
Property taxes	\$ -	\$ 6,241,417	\$ 6,241,417
State sources	28,235,851	-	28,235,851
Federal sources	16,602,494	1,642,830	18,245,324
Investment income	-	890,793	890,793
Miscellaneous	84,940	-	84,940
Total Revenues	<u>44,923,285</u>	<u>8,775,040</u>	<u>53,698,325</u>
Expenses			
Current			
Instruction	2,353,291	-	2,353,291
Academic support	7,036	-	7,036
Student services	13,896,717	-	13,896,717
Public services	2,207,064	-	2,207,064
Operation and maintenance plant	-	-	-
Independent operation	16,035	-	16,035
General administration	14,893	-	14,893
Institutional support	26,877,825	-	26,877,825
Debt Service			
Principal	-	5,240,000	5,240,000
Interest and fees	-	12,265,690	12,265,690
Total Expenses	<u>45,372,861</u>	<u>17,505,690</u>	<u>62,878,551</u>
Revenues (under) expenses	(449,576)	(8,730,650)	(9,180,226)
Non-Mandatory Transfers			
Transfers in	424,605	8,637,313	9,061,918
Transfers (out)	<u>(510,000)</u>	<u>-</u>	<u>(510,000)</u>
Revenues and transfers in over (under) expenses and transfers (out)	(534,971)	(93,337)	(628,308)
Account Balances:			
July 1, 2015	<u>3,133,854</u>	<u>29,128,943</u>	<u>32,262,797</u>
June 30, 2016	<u>\$ 2,598,883</u>	<u>\$ 29,035,606</u>	<u>\$ 31,634,489</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
Year ended June 30, 2016

	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, 2015	\$ 18,675,671	\$ 4,606,977	\$ 85,987,209	\$ 29,128,943	\$ 6,673,014	\$ 3,133,854	\$ 129,633	\$ 1,476,116	\$ 6,267,195	\$ 5,986,565	\$ 162,065,177
REVENUES											
Local tax revenue	31,162,100	16,121,930	1,055,765	6,241,417	-	-	103,781	572,152	-	-	55,257,145
All other local revenue	1,682,297	-	-	-	-	-	-	-	-	-	1,682,297
ICCB grants	2,139,220	-	-	-	-	590,720	-	-	-	-	2,729,940
All other state revenue	-	-	-	-	-	1,191,911	-	-	-	-	1,191,911
Federal revenue	58,579	-	-	1,642,830	-	16,602,494	-	-	-	-	18,303,903
Student tuition and fees	25,789,112	-	5,424,195	-	6,852,868	-	-	-	-	-	38,066,175
All other revenue	524,621	213,455	389,068	890,793	7,582,907	84,940	-	-	38,598	12,661,236	22,385,618
Total Revenue	<u>61,355,929</u>	<u>16,335,385</u>	<u>6,869,028</u>	<u>8,775,040</u>	<u>14,435,775</u>	<u>18,470,065</u>	<u>103,781</u>	<u>572,152</u>	<u>38,598</u>	<u>12,661,236</u>	<u>139,616,989</u>
EXPENDITURES											
BY PROGRAM											
Instruction	39,336,755	-	-	-	3,540,325	2,353,291	-	-	-	-	45,230,371
Academic support	3,470,869	-	-	-	518,337	7,036	-	-	-	-	3,996,242
Student services	6,835,943	-	-	-	119,524	279,177	-	-	-	-	7,234,644
Public services/continuing education	-	-	-	-	223,216	2,207,064	-	-	-	-	2,430,280
Independent operations	-	-	-	-	8,346,833	16,035	-	-	-	11,732,293	20,095,161
Operations and maintenance	-	11,627,952	27,635,034	-	-	-	-	-	-	-	39,262,986
General administration	5,403,799	-	-	-	-	14,893	-	61,504	-	-	5,480,196
Institutional support	6,530,218	639,965	10,759,631	17,505,690	1,674,163	424,605	78,935	502,366	-	-	38,115,573
Scholarships, grants and waivers	3,016,544	-	-	-	-	13,617,540	-	-	-	-	16,634,084
Total Expenditures	<u>64,594,128</u>	<u>12,267,917</u>	<u>38,394,665</u>	<u>17,505,690</u>	<u>14,422,398</u>	<u>18,919,641</u>	<u>78,935</u>	<u>563,870</u>	<u>-</u>	<u>11,732,293</u>	<u>178,479,537</u>
Net transfers in (out)	<u>122,336</u>	<u>(3,775,000)</u>	<u>(4,862,313)</u>	<u>8,637,313</u>	<u>(36,941)</u>	<u>(85,395)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Account Balance, June 30, 2016	\$ <u>15,559,808</u>	\$ <u>4,899,445</u>	\$ <u>49,599,259</u>	\$ <u>29,035,606</u>	\$ <u>6,649,450</u>	\$ <u>2,598,883</u>	\$ <u>154,479</u>	\$ <u>1,484,398</u>	\$ <u>6,305,793</u>	\$ <u>6,915,508</u>	\$ <u>123,202,629</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

SUMMARY OF CAPITAL ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2
June 30, 2016

	Capital Asset and Debt <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Capital Asset and Debt <u>June 30, 2016</u>
Capital Assets				
Land	\$ 4,534,357	\$ -	\$ -	\$ 4,534,357
Land improvements	18,450,355	291,946	58,000	18,684,301
Buildings and improvements	168,808,832	7,112,658	126,388	175,795,102
Furniture and equipment	21,570,156	971,626	796,454	21,745,328
Construction in process	<u>29,840,291</u>	<u>39,111,489</u>	<u>6,916,295</u>	<u>62,035,485</u>
	243,203,991	47,487,719	7,897,137	282,794,573
Accumulated depreciation	<u>54,059,174</u>	<u>8,440,653</u>	<u>819,668</u>	<u>61,680,159</u>
 TOTAL	 <u>\$ 189,144,817</u>	 <u>\$ 39,047,066</u>	 <u>\$ 7,077,469</u>	 <u>\$ 221,114,414</u>
Debt				
General obligation bonds 2008 (alternate revenue source)	\$ 66,600,000	\$ -	\$ 2,645,000	\$ 63,955,000
Premium on bonds	776,204	-	59,708	716,496
General obligation bonds 2009	82,000,000	-	2,495,000	79,505,000
Premium on bonds	941,010	-	67,215	873,795
General obligation refunding bonds 2012 (alternate revenue source)	9,140,000	-	100,000	9,040,000
Premium on bonds	425,347	-	32,719	392,628
General obligation refunding bonds 2013A (alternate revenue source)	14,115,000	-	-	14,115,000
Premium on bonds	1,523,456	-	169,273	1,354,183
General obligation bonds 2013B (alternate revenue source)	44,365,000	-	-	44,365,000
Premium on bonds	1,349,042	-	58,654	1,290,388
Compensated absences	1,048,018	1,232,519	1,293,157	987,380
Early retirement benefits	<u>810,073</u>	<u>32,813</u>	<u>178,196</u>	<u>664,690</u>
 TOTAL	 <u>\$ 223,093,150</u>	 <u>\$ 1,265,332</u>	 <u>\$ 7,098,922</u>	 <u>\$ 217,259,560</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
Year ended June 30, 2016

	Education Accounts	Operations and Maintenance Accounts	Total
REVENUES			
Local Government			
Local taxes	\$ 31,162,100	\$ 16,121,930	\$ 47,284,030
Payments in lieu of taxes	1,682,297	-	1,682,297
Chargeback revenue	62,005	-	62,005
Total Local Government	<u>32,906,402</u>	<u>16,121,930</u>	<u>49,028,332</u>
STATE GOVERNMENT			
ICCB Credit Hour Grants	2,139,220	-	2,139,220
ICCB Career and Technical Education	-	-	-
Other	-	-	-
Total State Government	<u>2,139,220</u>	<u>-</u>	<u>2,139,220</u>
FEDERAL GOVERNMENT			
Department of Education	58,579	-	58,579
Department of Homeland Security	-	-	-
Total Federal Government	<u>58,579</u>	<u>-</u>	<u>58,579</u>
STUDENT TUITION AND FEES			
Tuition less tuition refunds	25,493,470	-	25,493,470
Fees	233,637	-	233,637
Total Tuition and Fees	<u>25,727,107</u>	<u>-</u>	<u>25,727,107</u>
OTHER SOURCES			
Facilities revenue	-	201,513	201,513
Investment revenue	94,110	-	94,110
Other revenue	430,511	11,942	442,453
Total Other Sources	<u>524,621</u>	<u>213,455</u>	<u>738,076</u>
Transfers	<u>697,047</u>	<u>-</u>	<u>697,047</u>
Total Revenues	62,052,976	16,335,385	78,388,361
Less: Nonoperating item			
Tuition chargeback	<u>(62,005)</u>	<u>-</u>	<u>(62,005)</u>
ADJUSTED REVENUES	<u>\$ 61,990,971</u>	<u>\$ 16,335,385</u>	<u>\$ 78,326,356</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3 (CONTINUED)
Year ended June 30, 2016

	<u>Education Accounts</u>	<u>Operations and Maintenance Accounts</u>	<u>Total</u>
EXPENDITURES			
By Program:			
Instruction	\$ 39,336,755	\$ -	\$ 39,336,755
Academic support	3,470,869	-	3,470,869
Student services	6,835,943	-	6,835,943
Public service	-	-	-
Operations and maintenance	-	11,627,952	11,627,952
General administration	5,403,799	-	5,403,799
Institutional support	6,530,218	639,965	7,170,183
Scholarships, grants and waivers	3,016,544	-	3,016,544
Transfers	<u>574,711</u>	<u>3,775,000</u>	<u>4,349,711</u>
Total Expenditures	65,168,839	16,042,917	81,211,756
Less: Nonoperating item - tuition chargebacks			
	-	-	-
Transfers to nonoperating accounts	<u>(574,711)</u>	<u>(3,775,000)</u>	<u>(4,349,711)</u>
ADJUSTED EXPENDITURES	<u>\$ 64,594,128</u>	<u>\$ 12,267,917</u>	<u>\$ 76,862,045</u>
By Object:			
Salaries	\$ 46,478,900	\$ 6,860,447	\$ 53,339,347
Employee benefits	10,258,172	1,923,633	12,181,805
Contractual services	1,035,849	532,431	1,568,280
Material and supplies	2,146,706	691,147	2,837,853
Conferences and meetings	565,514	50,066	615,580
Fixed charges	487,850	4,736	492,586
Utilities	-	1,986,281	1,986,281
Capital outlay	-	219,176	219,176
Other	3,621,137	-	3,621,137
Transfers	<u>574,711</u>	<u>3,775,000</u>	<u>4,349,711</u>
Total Expenditures	65,168,839	16,042,917	81,211,756
Less: Nonoperating item - tuition chargebacks			
	-	-	-
Transfers to nonoperating accounts	<u>(574,711)</u>	<u>(3,775,000)</u>	<u>(4,349,711)</u>
ADJUSTED EXPENDITURES	<u>\$ 64,594,128</u>	<u>\$ 12,267,917</u>	<u>\$ 76,862,045</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

RESTRICTED PURPOSE FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
Year ended June 30, 2016

REVENUES

State Government	
Illinois Community College Board:	
Adult Education - State Basic	\$ 371,044
Adult Education - Performance	219,676
Illinois Student Assistance Commission	1,035,222
Other sources	<u>156,689</u>
Total State Government	<u>1,782,631</u>
Federal Government	
Dept. of Education	14,379,160
Dept. of Health and Human Services	101,498
Dept. of Labor	1,894,088
Dept. of Transportation	53,056
Dept. of Justice	65,515
Other	<u>109,177</u>
Total Federal Government	<u>16,602,494</u>
Other Sources	
Other	<u>84,940</u>
Total Other Sources	<u>84,940</u>
Transfers	<u>424,605</u>
TOTAL REVENUES	<u>\$ 18,894,670</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

RESTRICTED PURPOSE FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4 (CONTINUED)
Year ended June 30, 2016

EXPENDITURES

By Program:

Instruction	\$ 2,353,291
Academic support	7,036
Student support	279,177
Public services	2,207,064
Independent operation	16,035
Operations and maintenance	-
General administration	14,893
Institutional support	424,605
Scholarships, grants and waivers	13,617,540
Transfers	<u>510,000</u>

TOTAL EXPENDITURES BY PROGRAM \$ 19,429,641

By Object:

Salaries	\$ 2,908,360
Employee benefits	683,707
Contractual services	189,782
General materials and supplies	523,617
Conference and meeting expenses	168,291
Fixed charges	17,285
Utilities	233
Capital outlay	169,770
Other	14,258,596
Transfers	<u>510,000</u>

TOTAL EXPENDITURES BY OBJECT \$ 19,429,641

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

CURRENT FUNDS EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
Year ended June 30, 2016

INSTRUCTION

Instructional programs	\$ 39,336,755
Instructional support	<u>5,893,616</u>
Total Instruction	<u>45,230,371</u>

PUBLIC SERVICES

Community education	<u>2,430,280</u>
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ACADEMIC SUPPORT

Learning Resource Center	981,231
Instructional Materials Center	424,659
Educational Media Services	301,833
Academic computing support	717,768
Academic administration and planning	101,708
Other academic support	<u>1,469,043</u>
Total Academic Support	<u>3,996,242</u>

STUDENT SERVICES SUPPORT

Admissions and records	1,797,633
Counseling and career services	2,189,926
Financial aid administration	805,647
Other student services support	<u>2,441,438</u>
Total Student Services Support	<u>7,234,644</u>

OPERATIONS AND MAINTENANCE OF PLANT

Maintenance	1,522,856
Custodial services	3,004,646
Grounds maintenance	1,415,667
Campus Security	2,469,175
Transportation	86,331
Utilities	2,224,316
Administration	<u>904,961</u>
Total Operations and Maintenance of Plant	<u>11,627,952</u>

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

CURRENT FUNDS EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5 (CONTINUED)
Year ended June 30, 2016

GENERAL ADMINISTRATION

Executive management	\$ 817,658
Fiscal operations	1,748,200
Community relations	1,333,160
Administrative support services	1,504,781
Other	<u>76,397</u>
Total General Administration	<u>5,480,196</u>

INSTITUTIONAL SUPPORT

Board of trustees	220,871
General institution	3,328,054
Institutional research	271,713
Administrative data processing	3,808,056
Other	<u>3,221,558</u>
Total Institutional Support	<u>9,850,252</u>

SCHOLARSHIPS, GRANTS AND WAIVERS

16,634,084

AUXILIARY SERVICES

Independent operation	<u>20,095,161</u>
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TOTAL CURRENT FUNDS EXPENDITURES

\$ 122,579,182

* 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, 2016

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 2017

All Noncapital Audit Operating Expenditures
for Fiscal Year 2016 From All Revenue Sources:

Educational Account	\$ 64,591,600
Operations and Maintenance Account	12,094,385
Restricted Purposes Fund	23,604,943
Audit Fund	78,935
Liability, Protection and Settlement Fund	563,870
Debt Service Funds	17,505,690
Operation and Maintenance Fund (Restricted)	670,880
Auxiliary Enterprise Fund (subsidy only)	<u>2,470,168</u>

TOTAL NONCAPITAL EXPENDITURES \$ 121,580,471

Depreciation on capital outlay expenditures
(equipment, buildings, and fixed equipment paid)
from sources other than state and federal funds

8,052,109

TOTAL COSTS INCLUDED 129,632,580

Total certified semester credit hours for FY 2016

263,007

PER CAPITA COST

492.89

All FY 2016 state and federal operating grants
for noncapital expenditures, except ICCB grants

-

FY 2016 state and federal grants per semester
credit hour

-

District's average ICCB grant rate (excluding
equalization grants) for FY 2017

-

District's student tuition and fee rate per
semester credit hour for FY 2017

(125.00)

Chargeback reimbursement per semester credit
credit hour

\$ -

Approved: 
Chief Fiscal Officer

Date: 9-29-2016

Approved: 
Chief Executive Officer

Date: 9-29-16

**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

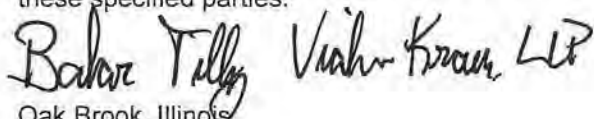
We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, of Joliet Junior College – Community College District No. 525 (the "District") for the year ended June 30, 2016. The Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed is 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 89 and 90 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.



Oak Brook, Illinois
September 29, 2016

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
June 30, 2016

Categories	Apportionment Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	24,698.0	-	77,518.0	-	70,602.0	-	172,818.0	-
Business Occupational	821.0	-	4,562.5	-	4,766.5	-	10,150.0	-
Technical Occupational	1,755.0	-	12,010.0	-	12,893.0	-	26,658.0	-
Health Occupations	1,761.0	-	6,721.5	-	7,625.0	-	16,107.5	-
Remedial/Developmental	2,484.0	-	13,589.0	-	9,004.0	-	25,077.0	-
Adult Basic Education/ Adult Secondary Education	-	2,061.0	-	4,779.0	-	5,356.0	-	12,196.0
Total Credit Hours Verified	31,519.0	2,061.0	114,401.0	4,779.0	104,890.5	5,356.0	250,810.5	12,196.0

	Attending In-District	Attending Out-Of-District on Chargeback or Contractual Agreement	Total
Reimbursable Semester Credit Hours	252,955.0	421.5	253,376.5
	Dual Credit	Dual Enrollment	Total
Reimbursable Semester Credit Hours (All Terms)	15,796.0	400.0	16,196.0

District's Prior Year Equalized Assessed Valuation - 2015

Will County	\$ 15,054,518,164
Grundy County	1,745,792,783
Cook County	710,891,142
Livingston County	128,321,978
Kendall County	377,972,021
LaSalle County	22,162,472
Kankakee County	594,341
TOTAL	\$ 18,040,252,901

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, 2016

	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	172,818.0	172,818.0	-	-	-	-
Business Occupational	10,150.0	10,150.0	-	-	-	-
Technical Occupational	26,658.0	26,658.0	-	-	-	-
Health Occupations	16,107.5	16,107.5	-	-	-	-
Remedial/Developmental	25,077.0	25,077.0	-	-	-	-
Adult Basic Education/Adult Secondary Education	-	-	-	12,196.0	12,196.0	-
Total	<u>250,810.5</u>	<u>250,810.5</u>	<u>-</u>	<u>12,196.0</u>	<u>12,196.0</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	252,955.0	252,955.0	-
Out-of-District on Chargeback or Contractual Agreement	421.5	421.5	-
	<u>Total Reimbursable</u>	<u>Total Reimbursable Certified to ICCB</u>	<u>Difference</u>
Dual Credit	15,796.0	15,796.0	-
Dual Enrollment	400.0	400.0	-

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
RESIDENCY POLICY (UNAUDITED)
June 30, 2016

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)

<u>TAX LEVY YEAR</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>	<u>2007</u>	<u>2006</u>
Assessed Valuation:										
Will County	\$ 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	\$ 16,534,910,793	\$ 14,863,882,795
Grundy County	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	1,836,955,036	1,762,421,854
Cook County	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	849,389,721	782,823,670
Livingston County	128,321,978	130,913,095	135,129,678	139,132,599	141,716,706	140,139,219	116,237,372	112,139,061	105,999,749	102,631,215
Kendall County	377,972,021	351,153,144	343,315,735	352,676,497	369,284,162	408,694,865	420,300,593	403,060,198	361,371,994	284,933,602
LaSalle County	22,162,472	22,111,583	22,023,544	22,250,453	22,731,762	22,773,620	13,072,938	10,173,110	9,534,600	8,819,385
Kankakee County	594,341	567,228	560,139	570,614	565,794	577,029	567,878	495,524	467,452	369,270
TOTAL	\$ 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	\$ 19,698,629,345	\$ 17,805,881,791
Tax Rates:										
General Fund:										
Educational Accounts	0.1735	0.1747	0.1666	0.1552	0.1391	0.1291	0.1228	0.1176	0.1106	0.1109
Operations, Building and Maintenance Accounts	0.0898	0.0899	0.0853	0.0811	0.0717	0.0650	0.0589	0.0592	0.0611	0.0645
Debt service	0.0348	0.0340	0.0322	0.0290	0.0257	0.0233	0.0237	-	-	-
Audit Fund	0.0006	0.0006	0.0005	0.0005	0.0005	0.0005	0.0004	0.0004	0.0005	0.0005
Liability, Protection and Settlement Fund	0.0032	0.0032	0.0046	0.0047	0.0043	0.0039	0.0038	0.0075	0.0127	0.0129
Life Safety	0.0059	0.0062	0.0062	0.0061	0.0053	0.0054	0.0050	0.0049	0.0051	0.0051
TOTAL	0.3078	0.3086	0.2954	0.2766	0.2466	0.2272	0.2146	0.1896	0.1900	0.1939
Tax Extensions:										
General Fund:										
Educational Accounts	\$ 31,305,750	\$ 30,908,252	\$ 29,732,333	\$ 28,974,434	\$ 27,449,763	\$ 26,868,215	\$ 26,171,376	\$ 24,941,905	\$ 21,786,022	\$ 19,752,667
Operations, Building and Maintenance Accounts	16,197,594	15,908,346	15,232,409	15,145,028	14,147,138	13,543,827	12,543,661	12,551,285	12,032,315	11,489,213
Debt service	6,272,053	6,022,677	5,747,931	5,412,553	5,081,176	4,858,538	5,039,433	-	-	-
Audit Fund	105,290	103,567	89,430	92,962	97,633	101,006	85,145	83,591	94,207	87,272
Liability, Protection and Settlement Fund	574,139	565,435	824,121	868,313	842,229	804,148	819,820	1,582,802	2,507,902	2,299,755
Life Safety	1,060,175	1,095,071	1,107,042	1,129,871	1,053,979	1,121,023	1,065,406	1,039,320	1,001,853	909,234
TOTAL	\$ 55,515,001	\$ 54,603,348	\$ 52,733,266	\$ 51,623,161	\$ 48,671,918	\$ 47,296,757	\$ 45,724,841	\$ 40,198,903	\$ 37,422,299	\$ 34,538,141
Tax collections	\$ 25,216,308	\$ 54,350,000	\$ 52,584,615	\$ 51,321,101	\$ 48,042,862	\$ 46,966,219	\$ 45,253,617	\$ 39,834,732	\$ 37,269,645	\$ 34,429,529
Percent collected	45.42%	99.54%	99.72%	99.41%	98.71%	99.30%	98.97%	99.09%	99.59%	99.69%

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) ("Grant Program"), and the related notes to the financial statements, as of and for the year ended June 30, 2016, 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) as of June 30, 2016, 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, 2016, 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 September 29, 2016 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.


Balaz Tully, Vice President, LLP
Oak Brook, Illinois
September 29, 2016

**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) ("Grant Program") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Grant Program's financial statements, and have issued our report thereon dated September 29, 2016. 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, 2016, 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 Program 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 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.



Oak Brook, Illinois
September 29, 2016

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525

BALANCE SHEET
STATE ADULT EDUCATION GRANT PROGRAM
(STATE BASIC AND PERFORMANCE)
June 30, 2016

	<u>State Basic</u>	<u>Performance</u>	<u>Total</u>
Assets			
Due from ICCB	\$ 371,044	\$ 219,676	\$ 590,720
Liabilities and Program Balance			
Liabilities,			
Accrued salary	\$ 2,315	\$ 1,993	\$ 4,308
Due to the College	<u>368,729</u>	<u>217,683</u>	<u>586,412</u>
	<u>371,044</u>	<u>219,676</u>	<u>590,720</u>
Program Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Program Balance	<u>\$ 371,044</u>	<u>\$ 219,676</u>	<u>\$ 590,720</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, 2016

	<u>State Basic</u>	<u>Performance</u>	<u>Total</u>
Revenues, state sources	\$ 371,044	\$ 219,676	\$ 590,720
Expenditures,			
Current year's grant:			
Foreign language GED instruction	-	-	-
Instruction	296,230	13,680	309,910
Social work services	5,551	-	5,551
Guidance services	25,004	-	25,004
Assistive and adaptive equipment	-	-	-
Assessment and testing	13,583	-	13,583
Student transportation services	-	4,646	4,646
Literacy services	-	27,929	27,929
Child care services	-	4,482	4,482
Total Instruction and Student Services	<u>340,368</u>	<u>50,737</u>	<u>391,105</u>
Program Support:			
Improvement of instructional services	1,015	7,171	8,186
General administration	20,251	1,705	21,956
Operation and maintenance of plant	9,410	-	9,410
Workforce coordination	-	-	-
Data and information services	-	160,063	160,063
Total Program Support	<u>30,676</u>	<u>168,939</u>	<u>199,615</u>
Total Expenditures	<u>371,044</u>	<u>219,676</u>	<u>590,720</u>
Revenue over (under) expenditures	-	-	-
Program Balance:			
July 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2016	<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, 2016

	<u>Expenditures</u>	<u>Percentage</u>
State Basic		
Instruction (45% Minimum Required)	\$ 296,230	80%
General Administration (15% Maximum Allowed)	20,251	5%

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
GRANT PROGRAMS
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: The accompanying statements include only those transactions resulting from the State Adult Education. 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, 2016.

Encumbrances: Funds obligated for goods prior to June 30, 2016, for which goods are received subsequent to year-end but prior to August 31, 2016, 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.

**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 April 7, 2015 through June 30, 2016, 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 April 7, 2015 through June 30, 2016, 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 April 7, 2015 through June 30, 2016 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 Voth-Kraus, LLP

Oak Brook, Illinois
September 29, 2016

**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 April 7, 2015 through June 30, 2016.

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 April 7, 2015 through June 30, 2016. 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, 2015, 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.



Oak Brook, Illinois
September 29, 2016

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 April 7, 2015 and Ending June 30, 2016

	Actual	Budget	Variance Favorable (Unfavorable)
Revenues	\$ 12,677	\$ 12,677	\$ -
Expenses			
Student salaries	12,177	12,177	-
Audit	500	500	-
Total Expenses	12,677	12,677	-
Excess of revenues over (expenses)	-	\$ -	\$ -
Net Position:			
Beginning	-		
Ending	\$ -		

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
NOTES TO FINANCIAL STATEMENTS
Period Starting April 7, 2015 and Ending June 30, 2016

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, 2016. 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 April 7, 2015 to June 30, 2016.

NOTE 3 - BALANCE SHEET

There are no year-end balances to report on the balance sheet for the Illinois Cooperative Work Study Program grant program. Accordingly, no balance sheets are presented for this grant program.