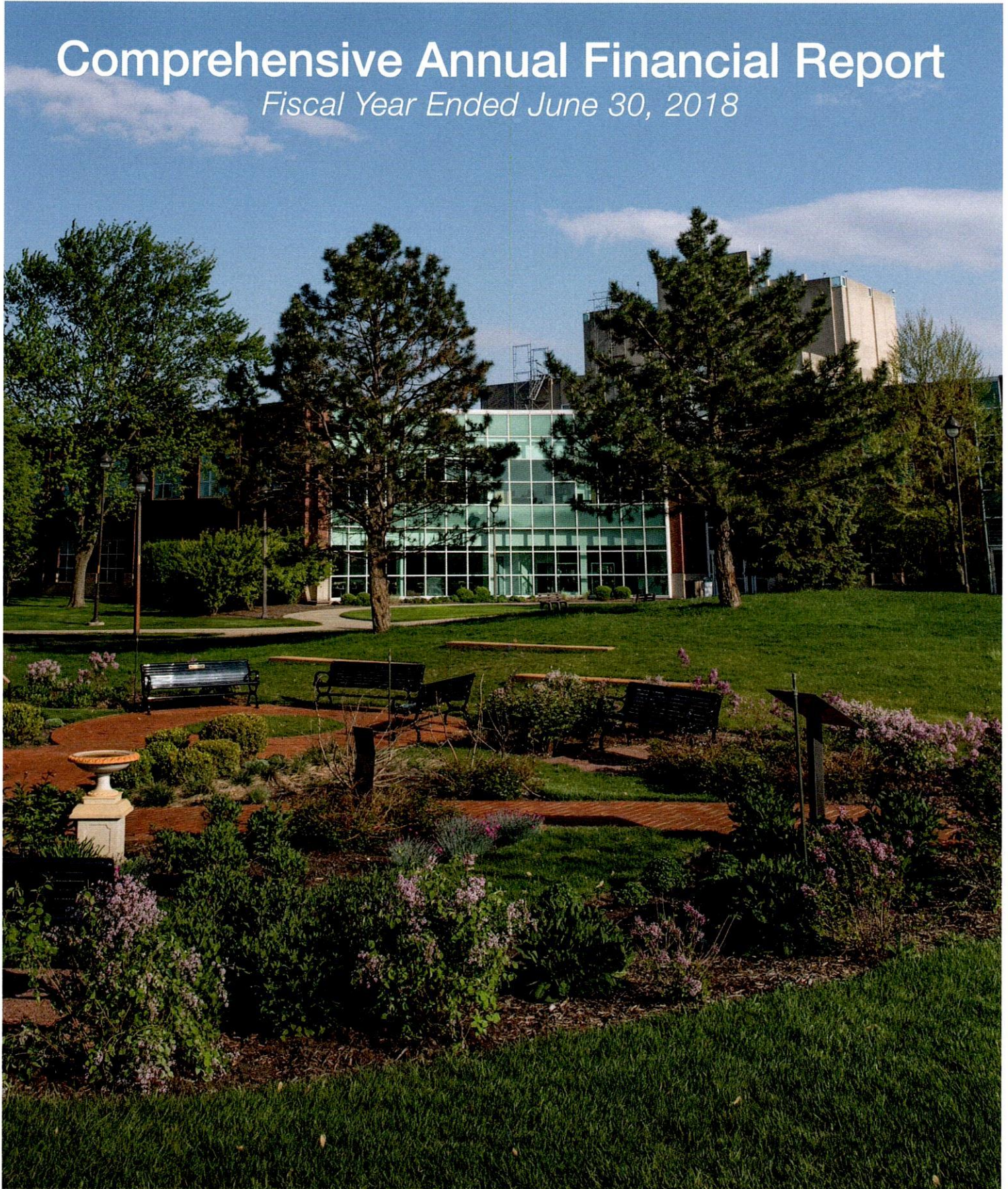


Moraine Valley Community College

COMMUNITY COLLEGE DISTRICT NUMBER 524, PALOS HILLS, IL

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



**MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
PALOS HILLS, ILLINOIS**

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

Prepared by:

Division of Finance

**Theresa O'Carroll
Vice President, Financial and Business Services
College Treasurer**

**Michael Cipolla
Controller**

**Andrew Wendt
Internal Auditor**

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
Palos Hills, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2018

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Palos Hills, Illinois

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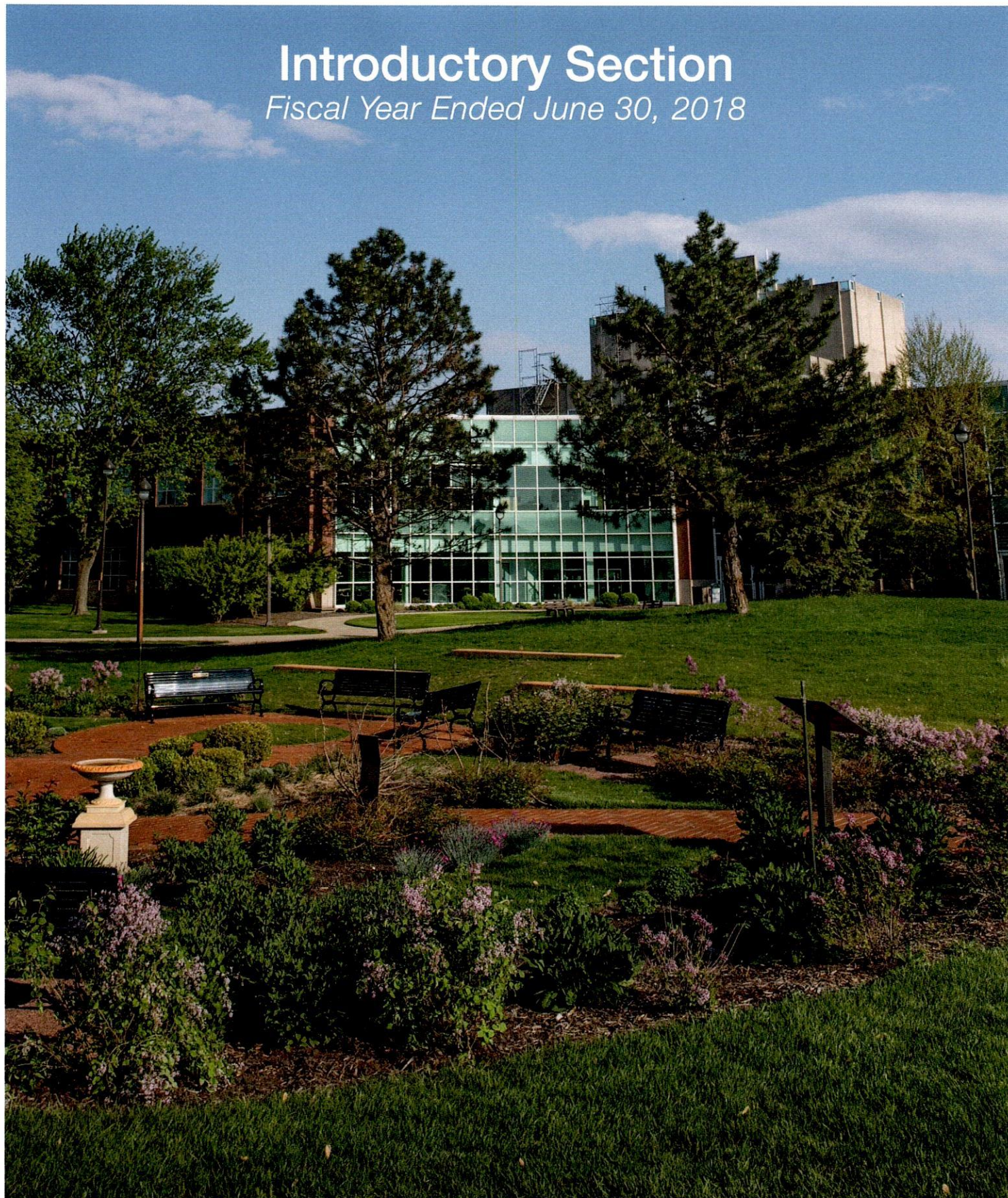
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Moraine Valley Community College

COMMUNITY COLLEGE DISTRICT NUMBER 524, PALOS HILLS, IL

Introductory Section

Fiscal Year Ended June 30, 2018





MORAIN VALLEY COMMUNITY COLLEGE

September 27, 2018

Board of Trustees Moraine Valley Community College and
Citizens of Moraine Valley Community College District Number 524:

FORMAL TRANSMITTAL OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

State law, as enacted in the Public Community College Act, requires community colleges to submit audited financial statements to the Illinois Community College Board (ICCB) by October 15th. The Comprehensive Annual Financial Report (CAFR) of Moraine Valley Community College - Community College District Number 524 (the College), County of Cook, State of Illinois, for the fiscal year ended June 30, 2018 is hereby submitted.

Management assumes full responsibility for both the completeness and accuracy of the information contained in this report based upon a comprehensive framework of internal controls it has established for this purpose. 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, changes in financial position and cash flows of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

RSM US LLP, a firm of licensed public accountants, has audited the financial statements of the College and has issued an unmodified (clean) opinion on the College's CAFR for the fiscal year ended June 30, 2018. The independent auditor's report is located at the front of the Financial Section of the report.

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (pages 25 – 36), which immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements and focuses on current activities, accounting changes and currently known facts.

PROFILE OF THE COLLEGE

Established in 1967, the College is located in the southwest portion of the County approximately 25 miles from Chicago's Loop. The College district covers 139 square miles, containing all or parts of 26 communities. The main campus is located in Palos Hills. The College also operates satellite facilities in Blue Island and in Tinley Park.

The College district is in all or part of the following 26 communities:

Alsip	Forest View	Palos Heights
Bedford Park	Hickory Hills	Palos Hills
Blue Island	Hometown	Palos Park
Bridgeview	Justice	Robbins
Burbank	Merrionette Park	Summit
Calumet Park	Oak Forest (11%)	Tinley Park (40%)
Chicago Ridge	Oak Lawn	Willow Springs (80%)
Crestwood	Orland Hills	Worth
Evergreen Park	Orland Park	

The College follows a master plan document with respect to the review of the existing facilities and land use on the campus, plus a solution of prioritized projects that respond to the challenges facing the College as it functions in a dynamic environment. The College operates a total of 15 buildings: 9 buildings are less than 15 years old, 4 buildings are between 20-30 years old, and 2 buildings are over 30 years old. The College will continue the master planning process to identify needs and strategically plan and organize those goals to give the College direction. The facilities master planning effort is required to integrate and balance academic priorities, financial strategies, and physical resource management that will allow the College to carry out its mission.

The College is recognized by the Illinois Community College Board and governed by a locally elected seven-member Board of Trustees and one elected, non-voting student representative. Total staff at the College numbers approximately 1,300 and includes administrators, full and part-time faculty members, counselors and advisors, classified staff, and various other professional and student employees.

Moraine Valley Community College's operating revenue is derived primarily from local property taxes and tuition and fees. Additionally, the College receives state allocations and grant funding from state and federal sources.

Moraine Valley's credit and noncredit annual enrollment is more than 28,000, making the College the second largest community college in Illinois. The College offers 142 degree and certificate programs, 817 credit courses, and 340 different noncredit courses. The College is also ranked nationally as first in multi-interdisciplinary studies (Associate in Science degree).

The College is accredited through the Higher Learning Commission. The College maintains its accredited status through participation in the Academic Quality Improvement Program (AQIP). The College holds the distinction of being one of 12 Vanguard Learning Colleges in North America, selected by the League for Innovation in the Community College.

Mission Statement

The College's mission is guided by the Illinois Public Community College Act, which established the statewide community college system. Simply stated, that mission is to serve the post-secondary educational needs of the residents of District 524.

The mission of our College is to educate the whole person in a learning-centered environment, recognizing our responsibilities to one another, to our community, and to the world we share. We value excellence in teaching, learning, and service as we maintain sensitivity to our role in a global, multicultural community. We are committed to continuous improvement and dedicated to providing accessible, affordable, and diverse learning opportunities and environments.

The College fulfills its educational mission through:

- **General Education** - Courses and concepts integrated into the curriculum that foster critical thinking and enable informed judgment and decision making
- **Transfer Programs** - Courses in arts, sciences, and business leading to an associate's degree and fulfilling the first two years of a bachelor's degree
- **Career Education** - Occupational courses and skill development that respond to industry and community needs and lead to professional credentials, a certificate or an Associate in Applied Science degree

- **Community Enrichment** - Opportunities for residents to engage in lifelong education and cultural enrichment in a learning community
- **Workforce Development** - Partnerships with and customized training for business, government, social, and civic institutions resulting in organizational and economic improvement
- **Student Development** - Programs and services to support and enhance academic, career, and personal growth and success for our diverse student population
- **Developmental and Enrichment Education** - Courses, programs, and services to support and advance academic success leading to high school equivalency, English language proficiency, or entry to college-level courses

Core Values

Integrity
Responsibility
Respect
Fairness
Diversity

Promise Statement

We promise to provide a student-centered environment and to focus all college staff and resources on student learning, student development, and student success.

Vision Statement

We envision a world-class college that meets current and emerging community needs for education and training through excellent service and outstanding programs offered in stimulating learning environments.

Strategic Priorities

As a learning-centered college, we dedicate all programs, services and resources to student success, with a commitment to continuously monitor, assess, and improve our performance.

Moraine Valley will:

- Strengthen its focus on students' college and career success
- Develop innovative programs and services to anticipate and meet current and future student, community and business needs
- Enhance its use of technology in teaching and learning, student services and operations
- Deepen its commitment to diversity and inclusion
- Continue to identify alternative revenue sources, maximize resources, contain costs, and keep tuition affordable

HIGHLIGHTS OF FISCAL YEAR 2018

Celebrating Student Success

Agree to Degree is Proving Effective

The Class of 2018 was the largest graduating class in the school's history, with more than 2,800 graduates earning over 3,000 degrees and certificates. Commencement also saw record numbers, with 600 graduates crossing the stage. These records are proof our Agree to Degree initiative that focuses on the benefits of completing a college credential is a success!

Technology Champion

The League for Innovation in the Community College presented the Terry O'Banion Student Technology Champion Award to a Moraine Valley student at its Innovations Conference in March. This award celebrates the achievements of community college students pursuing careers in technology fields and includes a \$2,500 scholarship. The recipient, a first-generation college student in the Information Management Systems program, has acquired eight industry certifications, four academic certificates and two associate degrees.

All-Sports Trophy Comes Home

Moraine Valley earned the Illinois Skyway Collegiate Conference All-Sports Trophy following the 2017-2018 season, making it the eighth time the Cyclones have earned this honor. The trophy recognizes the collective achievements of a college's sports teams and is awarded based on points the teams receive for their eight highest finishes at the end of the year. Additionally, a Moraine Valley coach was named Skyway Coach of the Year. Other Athletics highlights include:

- The women's soccer team won their third straight Illinois Skyway Collegiate Conference title, were the NJCAA Region IV Division I Champions, and competed at nationals in Florida for the third consecutive year.
- Men's cross country was Region IV champion, and the team advanced to the NJCAA tournament, finishing 32nd out of 44 teams. One team member finished 92nd, the first time a male runner in Division I finished in the top 100 runners. The team earned All-NJCAA Team designation from the National Junior College Cross Country Coaches Association for finishing with the second highest GPA among other Division I colleges.
- Two runners from the women's cross country team competed at nationals as individuals.
- A golf team member competed at the NJCAA Division II Golf Championship in Foley, Alabama.
- The women's basketball team set new school scoring records, breaking the high scoring record with 122- and 124-point games.
- Combining fall, winter and spring sports, 53 athletes were named to the All-Conference Team and 27 to the All-Region Team for their respective sports.
- The NJCAA recognized 28 student-athletes with the 2017-18 Academic Student-Athlete Award for their academic achievement. Additionally, 29 students were named Illinois Skyway Collegiate Conference (ISCC) All-Academic Athletes of the Year, and 29 freshmen were named All-Conference Freshmen Academic Athletes of the Year.

Speech Team Wins Gold

The Speech Team brought home the Gold Medal at both the Phi Rho Pi National and Region IV Speech Tournaments. Additionally, team members won three individual gold medals at the national tournament. During the season, the team won first place in three local competitions and fifth place in another competition in which they were the only community college participating.

Phi Theta Kappa ‘Distinguished’

The Alpha Iota Lambda chapter of the Phi Theta Kappa National Honor Society won the 2018 Distinguished Chapter Officer Team Award (for the second consecutive year) at the national conference.

Leading the State Honor Society

A Moraine Valley student was elected President of Phi Theta Kappa for Illinois. This is the first time one of the College’s students has held this position in this international honor society for two-year colleges.

Award-winning Students

- “The Mastodon,” Moraine Valley’s art and literary magazine, won eighth place in the Best of Show category for Literary Magazines at the Associated Collegiate Press National College Media Convention in Dallas, Texas.
- The Cheer Team won first place in their category at the American Cheer Power Patriotic Open Championship cheer competition.
- A Digital Art and Design student won the annual Juried Student Art Exhibition Poster/Postcard Design Competition. The winner’s artwork is used to market the exhibition to the community.
- A Moraine Valley student was a finalist in the Serbin Communications 38th Annual College & High School Photography Contest. This contest featured over 12,000 photograph entries from all over the world.
- Students participating in the Illinois Skyway Collegiate Conference Co-Curricular Competitions won five awards at the Jazz Festival, one award at the Writers Festival and Competition and seven awards at the STEM Poster Competition. Five students were selected for the Juried Art Competition, with two receiving awards.
- Moraine Valley students received scholarships from the Illinois Recreation Therapy Association, the South Suburban Professional Park and Recreation Association, the Hispanic Association of Colleges and Universities, and the Moraine Valley Faculty Association.

Students Get Political

Two students were among others from across the country invited to attend the 2017 Hyde Park Leadership Summit at the Roosevelt Institute in New York where they discussed student involvement, research and policy change. They attended the summer summit as representatives of the College’s Roosevelt Institute at Moraine Valley Political Activist Club, the first chapter of its kind at a community college in Illinois.

Leadership Cohort

Student Life and Student Success partnered to offer the Leadership Series Cohort, a semester-long program centered on students’ personal leadership abilities and aspirations. Throughout the program, 13 students from various clubs and organizations completed critical reflection pieces and engaged in hands-on activities.

Lobby Day

The Student Government Association attended the Illinois Community College Board Student Advocacy Day in Springfield to lobby legislators regarding MAP Grant allocations and show support for Bachelor of Science in Nursing degrees at community colleges.

Achieving Student Excellence in STEM

Moraine Valley is leading the way in STEM (Science, Technology, Engineering, Mathematics) efforts.

- Three students earned internship opportunities with Argonne National Laboratory, and two students participated in the National Science Foundation's Research Experiences for Undergraduates program.
- One student attended NASA's National Community College Aerospace Scholars program at Langley Research Center in Virginia. This student was one of 40 college students accepted.
- The first class of 11 Engineering Pathways students graduated and will seamlessly begin their studies at the College of Engineering at the University of Illinois at Urbana-Champaign in fall 2018.
- One student was a panelist for the Illinois Project Lead the Way meeting, where they shared their experience and educational journey while pursuing a degree in civil engineering.
- Students swept the Skyway STEM Research Competition winning first, second and third place in the engineering category (for the second consecutive year).
- Nearly 1,000 seventh grade students attended the second annual STEM Expo on campus.

Perfect Scores

- The Health Information Technology Program was recognized by the American Health Information Management Association for consistent high exam outcomes. Students have a 100 percent passing rate on their registration exams, topping the national average of 70 percent.
- Every 2017 graduate in the Respiratory Therapy program passed the board exam on the first attempt.
- Students in the Phlebotomy program passed the 2017 Phlebotomy Technician (PBT) American Society for Clinical Pathology (ASCP) exam at 100 percent. This is the first time in 20 years every Phlebotomy graduate who took the exam passed.
- Fire Academy graduates had a 100 percent pass rate on the State Fire Marshal credentialing exam.
- Every Addictions Studies student who met the requirements for entering the practicum was placed and successfully completed the experience.

Community Connections and Partnerships

College Hosted League Board Meeting

About 45 community college presidents and representatives descended on Chicago for the League for Innovation in the Community College fall board meeting in October. As the host college, Moraine Valley welcomed the guests to its campus where they enjoyed a creole lunch prepared by students in the Culinary Arts program and toured various buildings and programs led by college staff.

Illinois Bicentennial Partner

Moraine Valley is a partner organization in the State of Illinois Bicentennial Celebration. The College kicked off the partnership at Spring Fest and will continue to offer workshops and events through Dec. 3, 2018, the State's 200th birthday.

Visit from State Treasurer

Illinois State Treasurer Michael Frerichs visited with Dr. Sylvia Jenkins, College President, and Dr. Margaret Lehner, Vice President of Institutional Advancement and Executive Assistant to the President, to speak about his support for education. During his campus visit he discussed qualified-tuition programs, which allow participants to save money for future college expenses.

Athletics Launched Hall of Fame

Athletics inducted five alumni into its Hall of Fame during a ceremony in the Cyclone Center. The inaugural class includes basketball player Ephraim Eaddy; Douglas Gehrke, one of the first Athletics directors and coaches; softball and volleyball player Rosie Geraci, who also coached the softball team; LaVetta Mitchell, basketball player from the 1988-89 championship team; and Kay Schneegas, the first Women's Athletic coordinator, assisting Gehrke.

Night at the Museum

Two Moraine Valley welding instructors X-rayed century-old elephants at Chicago's Field Museum of Natural History as part of a museum restoration project.

Special Events Hosted by Students

- The volleyball team participated in the 37th annual fundraising event for Misericordia, volunteering for children's games and other activities.
- The 35th Annual Illinois Special Olympics Motor Activity Program was held in November with over 150 special athletes.
- The cross country teams again partnered with the Animal Welfare League to give some shelter dogs time to play and run on campus. They also volunteered at the Chicago Marathon where they staffed an aid station and handed out Gatorade to passing runners.
- The women's soccer team participated in a scrimmage game with Oak Park's District 97 soccer team, which included students with and without disabilities.
- Over 40 student clubs/organizations participated in fundraisers, toy, food, blood, and clothing drives to benefit campus initiatives and community and global organizations.

We're 'All Ears' for Disney

Moraine Valley was selected as a distinguished Disney College Program institution for its strong partnership over the last decade. The honor was awarded because of the large number of students who join and complete the program.

In the Driver's Seat

Corporate, Community and Continuing Education partnered with Professional Truck Driving School to launch two commercial driver's license certification programs.

Retail Certificate

Moraine Valley was one of 12 schools selected nationwide by the League for Innovation in the Community College to participate in a grant-funded program to offer the Retail Management Certificate program. The industry certificate prepares those already working in retail to move up into leadership positions and is offered in conjunction with the Western Association of Food Chains and a Brighter Futures grant.

Campus Abuzz for New Residents

A local beekeeper has partnered with the College to install and maintain an apiary in the Nature Study Area. The three beehives will benefit the environment and hopefully produce honey within the next three years.

Cybersecurity Challenge

Top cybersecurity talent from schools across the country convened at Moraine Valley for the annual U.S. Cyber Challenge Cyber Camp, a five-day intensive boot camp that included classes and a virtual “capture the flag” competition. The keynote speaker was Tony Scott, former United States Chief Information Officer under President Obama.

Chinese Delegation Visits

A delegation of about 20 representatives from the China Ministry of Education and Cisco Net Academy in China visited the Information Technology Department in November. The group chose Moraine Valley because of our partnership with Cisco and our reputation with dual credit programs and receiving numerous federal grants.

Building a Playground

Staff members at the Education Center at Blue Island volunteered with KaBOOM!, a nonprofit that partners with Target’s wellness program to create community spaces and to renovate a local park with a new playground. The volunteers assembled equipment, raked mulch, oversaw children’s activities, and served food to other helpers.

MACS Events Bring High School Students to Campus

As a partner of the Moraine Area Career System (MACS) organization, the College hosts numerous high school career competitions and events on our campus.

- Automotive
- Culinary Arts
- Health Care Career Day
- Welding

Enriching Campus Culture

Chosen Names

To create a more welcoming, supportive and respectful climate for everyone, students who prefer to go by a chosen name other than their legal name can do so on campus. The chosen name will be used on class rosters and Canvas, the College’s Learning Management System.

One Book Focuses on Sexual Assault

"We Believe You: Survivors of Campus Sexual Assault Speak Out" by Annie E. Clark and Andrea L. Pino was selected as the annual One Book, One College text. The book is a collection of true stories of campus sexual assault survivors. The Counseling and Career Development Center staff collaborated with the Library to bring more awareness to this important topic by offering 11 events throughout the year. Resources also were developed to help faculty connect the themes in the book to their curriculum.

Celebrating Campus Diversity

The Celebrating Diversity Committee hosted 25 diverse educational and social programs for students, faculty and staff. Hundreds enjoyed learning and engaging with each other at the following celebrations:

- Arab Heritage Month
- Asian Heritage Day
- Black History Month
- Disability Awareness Day
- Greek/Italian Heritage Day
- Hispanic Heritage Month
- LGBTQ Awareness Month
- Veteran's Day Celebration
- Women's Celebration Month

Inclusive Library

The Library's Diversity Committee was formed to develop and support diversity initiatives within the Library and initiate collaborations across campus. Online and in-person workshops focused on best practices for creating an inclusive Library, with a special focus on the importance of language.

Rare Celestial Event Fills Quad

Hundreds of students, employees and community members gathered on the quad to observe the solar eclipse. An adjunct biology instructor shared interesting facts about the rare event, and Student Life provided snacks and entertainment.

Muslim Voices in America

The Fine and Performing Arts Center curated a series of special events and performances as part of a program titled "Mosaics: Muslim Voices in America." Artists also presented residency activities, including classroom visits, interactive workshops, symposia, lectures, and social events. The overarching goal of this program is to increase cross-cultural knowledge and understanding by engaging young people and other audiences in performances and interdisciplinary activities that focus on arts and culture with roots in contemporary Muslim-majority regions of the world.

Energizing and Enhancing College Growth

Four alumni added to Hall of Fame

The Moraine Valley Foundation celebrated and inducted four alumni into the Hall of Fame: Theresa Hattar, senior account executive at Concierge Preferred; Jihad Matariyeh, Ph.D., dean of students at the Universal School; Debbie J. Izzo, registered nurse at Advocate Christ Medical Center; and Brian Hopkins, alderman of the 2nd Ward, City of Chicago.

Education Center at Blue Island Expands to Third Floor

Space on the third floor of the Education Center at Blue Island was renovated for Allied Health programs: Medical Terminology, Phlebotomy, Basic Nursing Assistant, and Nursing. The updated wing, which includes two classrooms, labs and a meeting room, allows the College to offer these critical programs to residents in one of the farthest corners of our district. A ribbon-cutting dedication ceremony was held in February to showcase the new area.

Continuous Improvement

Accreditation Visit

A team of five external reviewers from the Higher Learning Commission (HLC), Moraine Valley's regional accrediting agency, conducted an onsite Comprehensive Evaluation in early February. The purpose was to provide objective, public assurance the College meets, and will continue to meet, the HLC's Criteria for Accreditation. This evaluation included reviews of governance and administration, financial stability, student personnel services, institutional resources, student academic achievement, institutional effectiveness, and relationships with constituents inside and outside the institution. Nearly 300 internal and external stakeholders participated in two days of sessions involving discussions about how Moraine Valley complies with the HLC's Criteria for Accreditation. The College is currently fully accredited by the HLC, and this visit ensured we will be reaccredited for another 10 years.

Leadership Summit

Dr. Sylvia Jenkins inspired the 2018 Leadership Summit, an inaugural program focused on the next level of leadership development for the previous six cohorts of the Dr. Vernon O. Crawley Leadership Assembly. Over 80 attendees participated in activities centered on the theme "Discover Your True North."

Forward50

Dr. Normah Salleh-Barone, Vice President for Student Development, was one of 50 higher education leaders from across the country chosen to participate in Forward50, a committee assembled by the National Association of Student Financial Aid Administrators to share best practices and ideas on improving financial aid at the federal level. The committee will write four white papers on its recommendations in policy areas related to access, affordability, accountability, and transparency. These recommendations will be shared with Congress.

Withdrawal Pilot Top Innovation

A pilot program to prevent students from easily withdrawing from gateway courses won the College's Innovation of the Year Award. Two courses with high enrollment and drop-out rates were selected for the pilot. Students who wanted to withdraw from the course were required to meet with their instructor or a Student Success specialist to discuss possibilities for improving and support services. Data shows withdrawal rates decreased and success rates increased for both courses.

College 101 Textbook

Faculty and staff from various campus departments formed a committee to create and write a "homegrown" textbook for the College 101 course with content specific to Moraine Valley. "Strategies for College Success: Engage, Persist, Graduate" was published and is now an affordable option for students.

Building the Nation's Cybersecurity Workforce

The Center for Systems Security and Information Assurance (CSSIA) continued its national leadership in community college cybersecurity education. Accomplishments include:

- The department chair of Information Technology was invited to testify to the Congressional Subcommittee on Research and Technology Hearing—Mentoring, Training and Apprenticeships for STEM Education and Careers.
- Recognition by the National Security Agency as a Regional Resource Center for the agency's Center of Academic Excellence in Cyber Defense program.
- Hosting a cybersecurity camp for sixth, seventh and eighth grade students in summer 2017.

Technology Improvements Keep College Up-to-Date

- Updated over 1,000 computers, 100 tablets, 80 printers, 80 classroom projectors, and 170 phones through the College's Lifecycle Management Plan.
- Implemented the notification system for class cancellations.
- Launched the Panopto video management application.
- Implemented interactive digital signage for the Athletics Hall of Fame and the Library Study Room scheduling kiosk.
- Collaborated with the Police Department and Campus Operations to complete the life-safety project, a significant upgrade of the security camera system.

Student Retention a Priority for All

The College held its third annual Retention Conference for all faculty and staff in October. The agenda included motivational speakers and breakout sessions for conversations on how each department can contribute to retention.

Retention Academy Spurs Completion Innovation

The Completion Commitment launched the Retention Academy with funds from a Moraine Valley Foundation Innovation Grant. The academy is facilitating the research of 14 faculty and staff members who hope to impact student success and retention through projects that span a variety of topics.

ICCTA Award

The Illinois Community College Trustees Association presented Moraine Valley with the 2018 Equity and Diversity Award at its annual banquet. A Moraine Valley professor and department chair of Communications/Literature/Languages also won the Outstanding Full-Time Faculty Member Award. John Coleman, Moraine Valley Board of Trustees Chair, also received his first Trustee Education Award.

Respiratory Therapy Honored

For the first time, the Respiratory Therapy program received the Distinguished Registered Respiratory Therapist Credentialing Success Award from the Commission on Accreditation for Respiratory Care.

Health Sciences Receive Accreditation

In spring, the Respiratory Therapy Program received full continuing accreditation for the next 10 years, and the Phlebotomy Program received full continuing accreditation for the next five years in March.

Addictions Accreditation

The Illinois Certification Board reaccredited the Addiction Studies Program as an approved training site. It is one of only eight Advanced Training Programs in Illinois.

Police Department Ramps Up Safety

The Police Department conducted fully functional active shooter training. Officers were equipped with body cams and trained with Narcan Nasal Spray to quickly respond to opiate overdoses. The department also replaced expiring bulletproof vests.

Data Tool Wins State Award

The Office of Institutional Research and Planning won Best Presentation at the Illinois Association for Institutional Research conference for its innovative use of Tableau enrollment dashboards, which dynamically filter enrollments by various criteria. Research staff traveled to the National Association of Institutional Research Forum to present the dashboards as part of the Best Presentation accolades.

From a Distance

Interactive video technology allowed students at the Education Center at Blue Island to enroll in a Criminal Justice course being offered at the main campus in Palos Hills. Students at the extension center remotely joined the class in real time and could see and hear the instructor's lecture.

Financial Aid Credentialed

The Financial Aid Department received over 20 professional credentials from the National Association of Student Financial Aid Administrators.

Mobile Wi-Fi

The Library now offers mobile Wi-Fi hotspots for student check-out. Through Mobile Citizen, an organization dedicated to "social equity through access by providing low-cost wireless 4G internet exclusively to nonprofits, educational entities and social welfare agencies," the Library has received 10 devices students can use to access the online aspects of their coursework.

Moraine Valley an Arboretum

The number and variety of trees on campus has earned the College Arboretum Accreditation-Level I status through the ArbNet program, which is associated with The Morton Arboretum in Lisle, Illinois. Moraine Valley is the first community college and one of five colleges/universities in Illinois with this designation.

Children's Champion

The Illinois Association for the Education of Young Children named a childcare facilitator in our Children's Learning Center, a 2017 Children's Champion. The employee was nominated by the South Suburban Association of Young Children.

Employee Earns Supervisory State Award

A Moraine Valley job resource specialist was named the 2018 Student Employment Supervisor of the Year for the State of Illinois by the Midwest Association of Student Employment Administrators. This honor is given to one supervisor from colleges and universities around the state.

Come On In!

Over 500 people attended fall and spring Open Houses, and 43 families visited campus on High School Visit Day.

Dual Enrollment Up

The number of high school students in the Dual Enrollment Program increased 17 percent.

50th Anniversary

Still ‘Rock Solid’

Moraine Valley completed its 50th anniversary celebration at the end of 2017. The College has been “Rock Solid Since 1967!” setting a strong foundation for the community and its students. What started as classrooms in two leased warehouses in Alsip with administrative offices in Oak Lawn has grown into a sprawling campus in Palos Hills with 15 state-of-the-art buildings and many living-learning spaces, including a native prairie, arboretum, Shakespeare Garden, and so much more. Our extension sites – Southwest Education Center in Tinley Park and Education Center at Blue Island – are serving students on the far edges of our district. Enrollment the first year of classes was 1,218. Today, we are one of the largest community colleges in Illinois with an annual enrollment of 28,000 students!

Friendship Fest

Moraine Valley and its hometown of Palos Hills have been “friends” since we acquired the sod farm the College sits on today. To celebrate the anniversary with the residents of Palos Hills, the College staffed a booth at the annual Friendship Fest in July. Over four days, volunteers from across the College helped festival-goers create spin art, a popular activity from the 1960s. The College also sponsored a Veteran’s Ceremony at the festival during which members of the Moraine Chorale and Chamber Singers performed three patriotic songs and college employees who are veterans attended. Palos Hills dedicated its Sunday night fireworks show to Moraine Valley, and our president, Dr. Sylvia Jenkins, thanked the crowd for their support over the last five decades.

Students Celebrate at Welcome Days and Fall Fest

Students created spin art, painted pet rocks and enjoyed “tie-dye” cupcakes during the annual Student Life events.

Community Celebration

The Community Celebration was held on September 16, which coincided with the first day of classes in 1968. Over 1,000 people came to our campus for a car show, live bands, food trucks, kids’ activities, and more. A White Sox player signed autographs, and mascots from other area sports teams visited with families. Guests also could visit a memorabilia exhibit or record their own oral history about their experience at Moraine Valley. About 50 college retirees returned to catch up with old friends.

Government Resolutions

U.S. Congressman Daniel Lipinski presented the College with a congressional record recognizing the anniversary. Dozens of communities and high schools in Moraine Valley’s district acknowledged the 50th anniversary by issuing honorary resolutions.

Time Capsules

The College dug up and opened a time capsule from the 25th anniversary. Employees who were working at the College when that time capsule was buried revealed its contents, including a troll doll, floppy disk, peach-colored T-shirt, and old union contracts. Employees who were hired during 2017 then filled a new time capsule with 50 items such as athletics uniforms, a textbook and solar eclipse glasses. The time capsule is again buried and will be opened at the College’s 100th anniversary.

Local Economy

The College's district includes 26 communities in Cook County covering 139 square miles and is located in northeastern Illinois. Cook County is at the center of the nation's rail, air, freight and trucking systems. The County plays a critical role in maintaining a large, efficient transportation system and infrastructure that include many major expressways and commuter rail lines.

In Cook County, the unemployment rate decreased from 5.2 percent in June 2017 to 4.5 percent in June 2018. The median household income for the district was \$61,974 in 2016, based on U.S. Census Bureau estimates, compared to \$56,902 for all of Cook County and \$59,176 for the State of Illinois. Estimated per capita income for the district was \$28,913 in 2016 compared to \$32,179 for all of Cook County and \$31,502 for the State of Illinois.

The County has a very diverse economic base, comprised of construction and manufacturing, wholesale and retail trade and various service sectors. On the district's northern border is a large manufacturing corridor, while on the south side, office buildings and warehouses are developing along the I-80 corridor. A pro-business atmosphere, a commitment to a well-educated workforce and a modern transportation system make Cook County an ideal location for business expansion and relocation. The estimated population of District 524 is as follows:

<u>Year</u>	<u>Population</u>
2010	388,606 (actual)
2016	390,722 (estimated)

Financial Information

The College 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 the Governmental and Financial Accounting Standards Boards (GASB and FASB), and the Illinois Community College Board (ICCB).

The financial records of the College are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when an obligation has been incurred. The notes to the financial statements expand and explain the financial statements and the accounting principles applied.

Internal Controls

Management of the College is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the College are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Tests are made by the College's independent auditors to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the College has complied with applicable laws and regulations. The results of the tests for the fiscal year ended June 30, 2018 provided no instances of material weaknesses in the internal control structure.

Budgetary Controls

In addition, the College maintains budgetary controls. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established for each individual fund. The College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

Budget decisions are made in accordance with the College's Financial Plan and conform to the requirements as set forth in the Illinois Community College Board Fiscal Management Manual. Moraine Valley Community College's budgetary goals include the following:

- Annual expenditures not to exceed projected revenues. Expenditures shall be budgeted according to the College's strategic priorities.
- Adequate funding to address debt service, both current and long-term.
- Adequate reserves for maintenance and repairs to its existing facilities.
- Adequate reserves for acquisition, maintenance and replacement of capital equipment.
- Adequate reserves for strategic capital projects.
- Adequate funding levels to fulfill future terms and conditions of employment, including retirement benefits.
- Adequate allocations for special projects related to the strategic direction of the College.
- Appropriate allocations for contingencies (unforeseen events requiring expenditures of current resources).

Property Taxes

Taxes are collected on a calendar year basis; taxes levied in 2017 are collected in 2018. Legislation known as the Truth in Taxation Law limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105 percent of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. Current and historical information on property taxes is presented in the Statistical Section of this report.

Financial Planning

Long-term financial planning is performed on an ongoing basis. The controlling document is the College's 5-year financial plan which includes reserves by fund. Along with the adoption of the 2018 budget, a tuition increase of \$3 per credit hour for in district, a tuition increase of \$7 per credit hour for out of district, and a tuition increase of \$8 per credit hour for out of state/foreign were approved by the Board of Trustees.

Given the current economic environment, continued uncertainty with the state's proposed pension reform, and real estate tax cap legislation, the College's financial outlook remains challenging. The College is meeting these challenges through strategic tuition and fee increases, continuous process improvements to lower costs, development of marketing programs to build enrollment, and seeking additional grant and private funding to reduce operating costs. The College will continue to conserve resources through the application of financial controls and reduction in expenses, where possible, without affecting the quality of our educational programs.

After an extensive strategic planning process, the College completed its 2015-2019 Strategic Plan. The process began with an external scan to review regional, state and national environments to determine what forces or trends will impact the institution. Based on this research, the information was shared with more than 100 community, business, government, and education leaders to gather their input into the plan. The plan provides the College with a roadmap for enhancing student success during the 2015-2019 fiscal years. The plan was developed collaboratively among College staff, faculty, and community stakeholders who were involved in the process. The updated Strategic Plan includes five broad priorities and, within these priority areas, more specific strategic goals. The Strategic Plan was written in the spirit of continuous improvement. The major purpose of both strategic and annual planning at the College is to prepare for future challenges and to promote positive change.

OTHER INFORMATION

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the College most recently for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of a state or local government financial report. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the College most recently for its CAFR for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Excellence, the College must prepare its CAFR in an easily readable and efficiently organized manner. The CAFR is submitted to an ASBO Panel of Review. The panel of volunteers is comprised of professionals experienced in governmental accounting and auditing.

These awards are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet both programs' requirements, and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

Acknowledgements

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire Finance Division. Each member of the division has our sincere appreciation for the contributions made in the preparation of this report.

In closing, our thanks to the members of the Moraine Valley Board of Trustees, for without their leadership and support, the preparation of this report would not have been possible.

Respectfully submitted,



Sylvia Jenkins, Ph.D.
President



Theresa O'Carroll
Vice President, Financial and Business Services
College Treasurer

**MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524**

PRINCIPAL OFFICIALS
JUNE 30, 2018

BOARD OF TRUSTEES

	<u>Position</u>	<u>Term Expires</u>
Mr. John Coleman	Chairman	2023
Mr. Joseph P. Murphy	Vice Chairman	2019
Sandra S. Wagner	Secretary	2019
Daniel E. Casey	Trustee	2019
Kimberly A. Hastings	Trustee	2021
Brian O'Neill	Trustee	2023
Eileen M. O'Sullivan	Trustee	2019
Mason Folsom	Student Trustee	2019

OFFICERS OF THE COLLEGE

Dr. Sylvia Jenkins	President
Dr. Margaret Lehner	Vice President of Institutional Advancement and Executive Assistant to the President
Dr. Pamela Haney	Vice President of Academic Affairs
Dr. Normah Salleh-Barone	Vice President of Student Development
Mr. Richard Hendricks	Vice President of Administrative Services
Ms. Theresa O'Carroll	Vice President of Financial and Business Services and College Treasurer
Mr. Kamlesh Sanghvi	Chief Information Officer

OFFICIALS ISSUING REPORT

Ms. Theresa O'Carroll	Vice President of Business and Financial Services and College Treasurer
Mr. Michael Cipolla	Controller
Mr. Andrew Wendt	Internal Auditor

DIVISION ISSUING REPORT

Finance Division

Board of Trustees

PRESIDENT
Dr. Sylvia Jenkins

VICE PRESIDENT
Administrative Services
Richard Hendricks

Director
Campus Operations
Rick Brennan

Director
Human Resources
Lynn Harrington

Manager
Sustainability
Stephanie Presseller

Chief
Police Department
Patrick O'Connor

VICE PRESIDENT
Academic Affairs
Dr. Pamela Haney

Dean
Academic Development/
Outreach
Cynthia Anderson

Dean
Career Programs
Kiana Battle

Executive Director
Corporate, Community and
Continuing Education
Steven Papageorge

Dean
Learning Enrichment
and College Readiness
Michael Morsches

Dean
Learning Resources Center
Terra Jacobson

Dean
Liberal Arts
Wally Frontczek

Dean,
Science Business and
Computer Technology
Ryan Nagle

VICE PRESIDENT
Student Development
Dr. Normah Salleh-Barone

Dean
Enrollment Services
Darryl Williams

Dean
Student Services
Chet Shaw

Dean
Student Engagement
Scott Friedman

Dean
Student Success
Jo Ann Jenkins

Dean
Students and Compliance Office
Kent Marshall

Director
Health Education & Wellness Center
Bill Finn

Director
Children's Learning Center
Denise Lumpkin

Director
Campus Rec/HFRC
Mike Schneider

Internal Auditor
Andrew Wendt

VICE PRESIDENT
COLLEGE TREASURER
Finance & Business Services
Theresa O'Carroll

Controller
Accounting, Grants,
Fixed Assets,
Accounts Payable
Michael Cipolla

Director
Payroll
Gina Dever

Student Accounts
Receivable Manager
Myra Koran

Director
Purchasing
Jane Bentley

Director
Auxiliary Services
Kashif Shah

INTERIM
VICE PRESIDENT
Institution & Advancement
Dr. Margaret Lehner

Director
Institutional Research and
Planning
Sadya Khan

Director
Marketing and
Communications
Clare Briner

Director
Resource Development and
Institutional Effectiveness
Sharon Katterman

CHIEF INFORMATION
OFFICER
Kamlesh Sanghvi

Specialist
Information Security
Lou Balek

Director
Application and Web Service
Sherita Tyler

Director
Client Services
Bill Helmold

Director
Infrastructure and
Network Services
Open

Director
IT Project Management
Denis Sage



Government Finance Officers Association

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

Presented to

**Moraine Valley Community College
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

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

Moraine Valley Community College

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

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



Anthony N. Dragona, Ed.D., RSBA
President

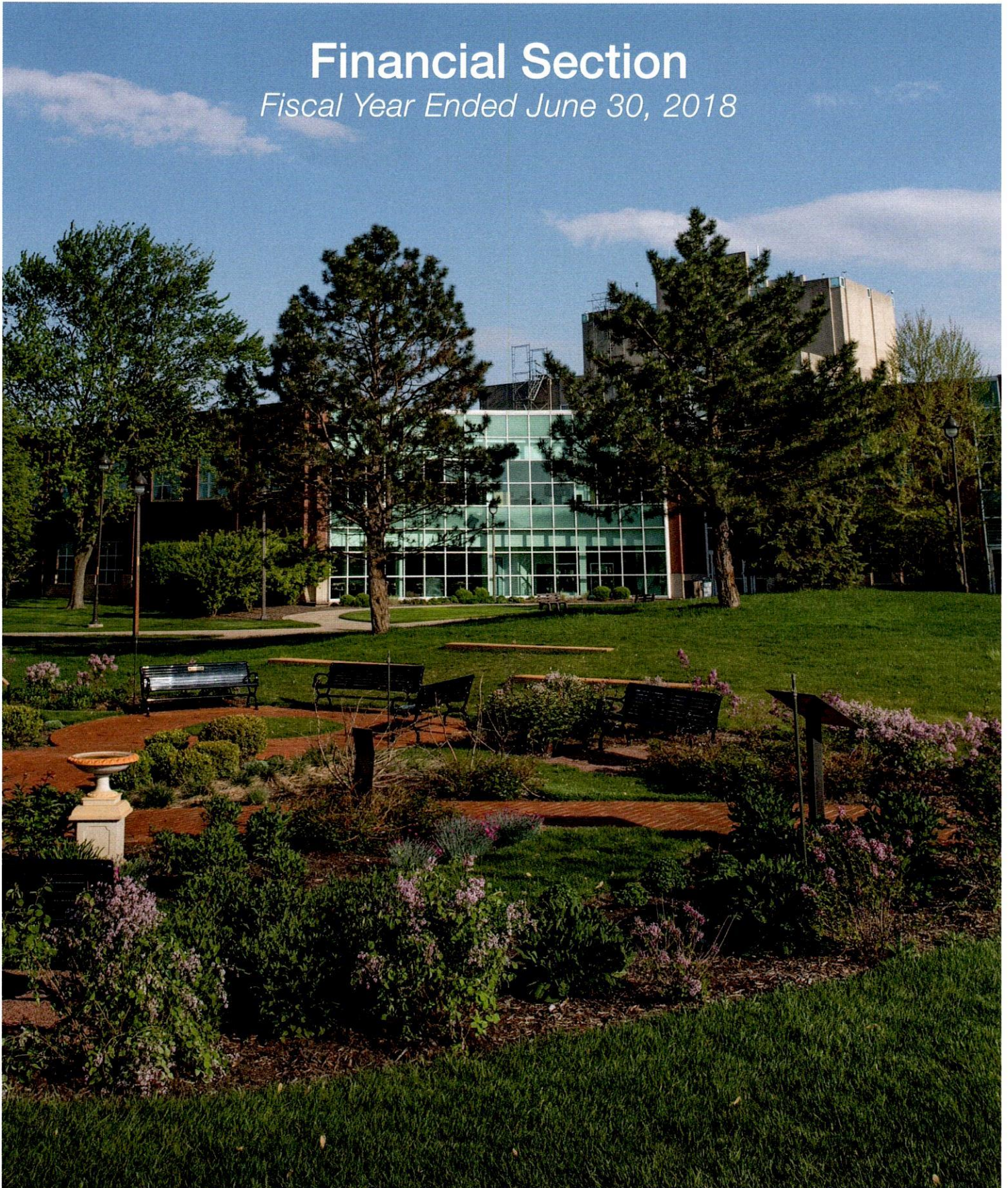
John D. Musso, CAE
Executive Director

Moraine Valley Community College

COMMUNITY COLLEGE DISTRICT NUMBER 524, PALOS HILLS, IL

Financial Section

Fiscal Year Ended June 30, 2018



Independent Auditor's Report

RSM US LLP

The Board of Trustees
Moraine Valley Community College –
Community College District Number 524
Palos Hills, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Moraine Valley Community College – Community College District Number 524 (the College) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of June 30, 2018, and the changes in its financial position and its cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended June 30, 2018, the College implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required a restatement to opening net position. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 25 through 36 and Schedule of the College's Proportionate Share of the Net Pension Liability, Schedule of College Contributions and Schedule of College's Proportionate Share of the Collective Net OPEB Liability on pages 74 through 76, and related notes to required supplementary information on pages 77 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The introductory section, supplementary information, statistical section, supplemental financial information, and Certification of Chargeback Reimbursement are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section, statistical section, and Certification of Chargeback Reimbursement have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2018, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control 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 College's internal control over financial reporting and compliance.

RSM VS LLP

Chicago, Illinois
September 27, 2018

**MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
JUNE 30, 2018**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)**

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION AND BACKGROUND

This section of Moraine Valley Community College – Community College District Number 524's (the College) Comprehensive Annual Financial Report presents management's discussion and analysis (MD&A) of the College's financial activity during the fiscal year ended June 30, 2018. Since this MD&A is designed to focus on current activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (pages 1 – 17), the College's financial statements (pages 37 – 40) and the notes to the financial statements (pages 41 – 73). Responsibility for the completeness and fairness of this information rests with the College.

USING THIS ANNUAL REPORT

The financial statements focus on the College as a whole and are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The financial statements consist of four primary parts: (1) statement of net position, (2) statement of revenues, expenses and changes in net position, (3) statement of cash flows and (4) notes to the financial statements. The financial statements are prepared on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, expenses are recorded when incurred and revenues are recognized when earned in accordance with generally accepted accounting principles.

The Statement of Net Position is presented in the format where assets plus deferred outflow of resources equal liabilities plus deferred inflow of resources plus net position. Assets and liabilities are presented in order of liquidity and are classified as current (convertible into cash within one year) and non-current. This statement combines and consolidates current financial resources (short-term spendable resources) with long-term capital assets and deferred inflow and outflow of resources. The focus on this statement is to show the overall liquidity and health of the College as of the end of the fiscal year.

The Statement of Revenues, Expenses and Changes in Net Position focuses on both the gross and net costs of College activities, which are supported substantially by property taxes, state and federal grants and contracts, student tuition and fees, and auxiliary enterprise revenues. This approach is intended to summarize and simplify the end user's analysis of the financial results of the various College services to students and the public.

The Statement of Cash Flows discloses net cash provided (or used) by operating, noncapital financing and capital financing activities, and investing activities. This statement shows the College's cash flows are sufficient to pay current liabilities.

The Notes to the Financial Statements are an integral part of the statements and describe the College's significant accounting policies. The reader is encouraged to review the notes in conjunction with management's discussion and analysis of the financial statements.

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

FINANCIAL HIGHLIGHTS

Net position as of June 30, 2017 was restated due to implementation of GASB Statement No. 75 (see Note 1 to the financial statements). Fiscal year 2017 balances in this section are shown as they were reported at the end of the prior fiscal year.

STATEMENT OF NET POSITION

The major components of Moraine Valley's assets, deferred outflows, liabilities, deferred inflows and net position as of June 30, 2018 and 2017 are as follows:

(\$ in millions)	2018	2017	Increase (Decrease)	Percent Change
Assets				
Current and Other Assets	\$ 130.4	\$ 162.9	\$ (32.5)	(20.0%)
Capital Assets, Net of Depreciation	179.7	183.8	(4.1)	(2.2%)
Total Assets	310.1	346.7	(36.6)	(10.6%)
Deferred Outflow of Resources	2.2	0.2	2.0	1,000.0%
Liabilities				
Current Liabilities	16.2	15.8	0.4	2.5%
Non-Current Liabilities	128.7	136.3	(7.6)	(5.6%)
Total Liabilities	144.9	152.1	(7.2)	(4.7%)
Deferred Inflow of Resources	23.1	18.0	5.1	28.3%
Net Position				
Net Investment in Capital Assets	89.6	89.6	-	0.0%
Restricted Net Position	12.0	11.3	0.7	6.2%
Unrestricted Net Position	42.7	75.9	(33.2)	(43.7%)
Total Net Position	\$ 144.3	\$ 176.8	\$ (32.5)	(18.4%)

Fiscal Year 2018 Compared to Fiscal Year 2017

Assets

Total current and other assets decreased \$32.5 million as compared to prior year. The decrease primarily is attributable to a decrease in investments restricted for debt service. These investments were used to call and pay off a portion of the College's bonds before the scheduled maturity dates. This decrease was partially offset by the College receiving its fiscal year 2017 equalization grant and base operating grant payments in fiscal year 2018.

Capital assets, net of accumulated depreciation, decreased \$4.1 million. The College added \$3.3 million in depreciated capital assets offset by an additional \$7.4 million in accumulated depreciation. Refer to the capital assets section on page 34 of this MD&A for further discussion on capital assets.

(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Deferred Outflow of Resources

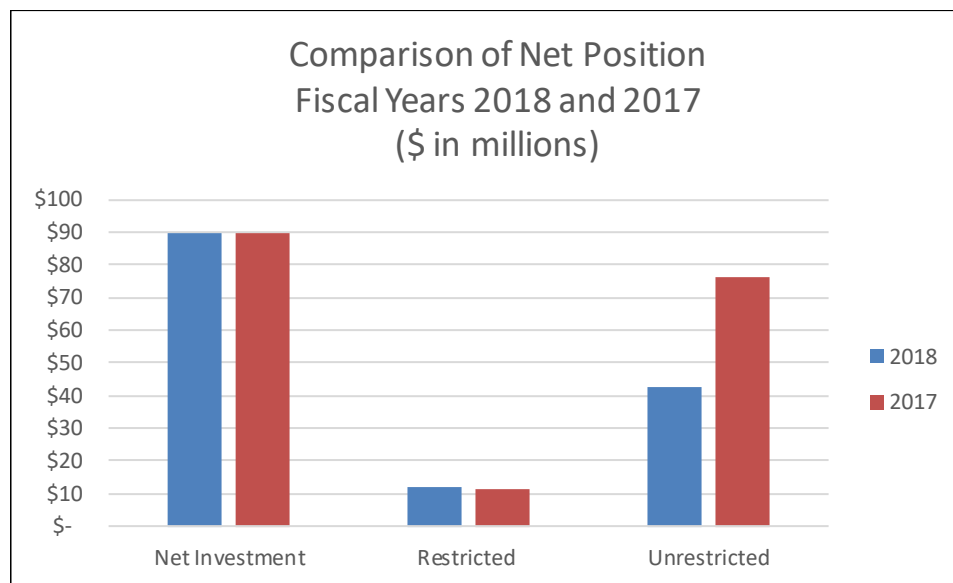
Deferred outflow of resources related to Other Post-Employment Benefits (OPEB) increased by \$2.0 million in fiscal year 2018 due to the implementation of GASB Statement No. 75. The deferred outflow of resources category also includes contributions to the State Universities Retirement System (SURS) after the pension liability measurement date. The College is required to make these contributions, which will be expensed in the next fiscal year, for grant funded employees.

Liabilities

Current liabilities increased \$0.4 million compared to the prior year due to increases in accounts payable and accrued payroll. Non-current liabilities decreased \$7.6 million in fiscal year 2018 compared to fiscal year 2017. The primary reason for the decrease is a reduction in long-term bonds payable of \$51.3 million offset by an increase in net OPEB liability of \$44.7 million due to the implementation of GASB Statement No. 75. Further discussion on long-term debt can be found on pages 34-35.

Deferred Inflow of Resources

The deferred inflow of resources increased \$5.1 million over the prior year due to a new deferred inflow of resources related to OPEB of \$3.8 million, a new unamortized gain on refunding of \$0.6 million, and an increase in the property tax revenues levied in calendar 2017 that are not collected until fiscal year 2019 of \$0.7 million. This increase primarily reflects the annual Consumer Price Index (CPI) growth in the property tax levy.



Net Position

Total net position decreased \$32.5 million from prior year. Unrestricted net position decreased \$33.2 million primarily due to the implementation of GASB Statement No. 75 which caused a decrease of \$42.3 million. This was offset by the College receiving fiscal year 2017 state funding in the 2018 fiscal year due to the impasse with the state budget in fiscal year 2017. This caused an overall increase in net position of \$9.7 million from operating and non-operating revenues and expenses.

(Continued)

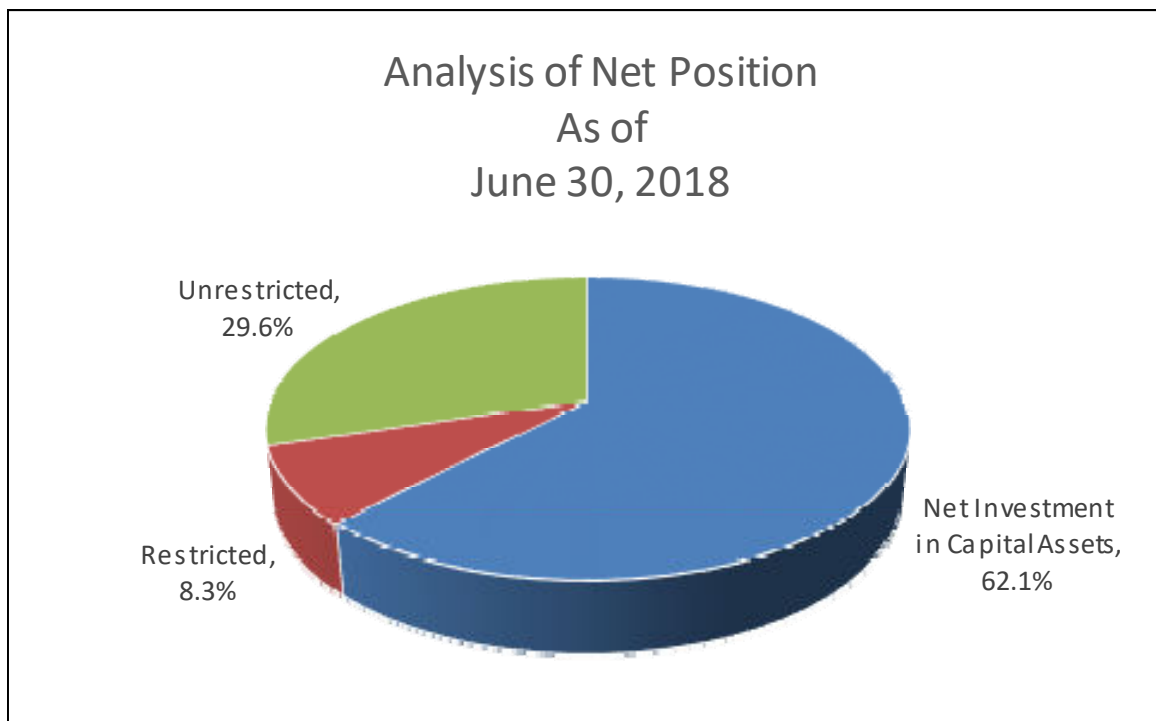
MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Current Ratio

The College had a current ratio of 6.41 times at June 30, 2018. The current ratio is total current assets divided by total current liabilities. For every dollar of current liabilities, the College has \$6.41 in current assets. This indicates that the College is financially secure on a short-term basis and is capable of paying its current obligations.

ANALYSIS OF NET POSITION

(\$ in millions)	2018	2017	Increase (Decrease)	Percent Change
Net Position				
Net Investment in Capital Assets	\$ 89.6	\$ 89.6	\$ -	0.0%
Restricted Net Position	12.0	11.3	0.7	6.2%
Unrestricted Net Position	42.7	75.9	(33.2)	(43.7%)
Total Net Position	<u>\$ 144.3</u>	<u>\$ 176.8</u>	<u>\$ (32.5)</u>	<u>(18.4%)</u>



(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Fiscal Year 2018 Compared to Fiscal Year 2017

Changes in net position are an indicator of a governmental entity's financial position. The College's combined net position decreased 18.4 percent or \$32.5 million. Unrestricted net position decreased \$33.2 million. This is the result of a \$42.3 million decrease due to the implementation of GASB Statement No. 75 to add the net OPEB liability to the Statement of Net Position. This was partially offset by an overall net \$9.7 million of revenues over expenses due to the timing of state funding. Restricted net position increased \$0.7 million from the previous fiscal year primarily due to an increase of \$0.8 million in debt service, offset by small increases and decreases in the other categories. As the College makes annual debt service payments, the amount of funds available for future debt payments will continue to decrease. Net investment in capital assets stayed consistent with the prior year attributable to an increase in overall investment of capital assets during fiscal year 2018 net of the decreased debt outstanding as of the end of the fiscal year.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The following tables present the statement of revenues, expenses and changes in net position for the College for fiscal years 2018 and 2017:

	Changes in Net Position	
	Years Ended June 30,	
	(in millions)	
<u>(\$ in millions)</u>	<u>2018</u>	<u>2017</u>
Total revenue	\$ 164.9	\$ 138.9
Total expenses	155.2	142.2
Increase in net position	<u>\$ 9.7</u>	<u>\$ (3.3)</u>

(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

(\$ in millions)	2018	2017	Increase (Decrease)	Percent Change
Operating Revenues				
Tuition and Fees	\$ 29.2	\$ 31.7	\$ (2.5)	(7.9%)
Auxiliary Enterprise Revenue	8.5	7.9	0.6	7.6%
Other Operating Revenues	2.0	2.3	(0.3)	(13.0%)
Total Operating Revenues	39.7	41.9	(2.2)	(5.3%)
Less Operating Expenses	150.5	137.1	13.4	9.8%
Operating Income (Loss)	(110.8)	(95.2)	15.6	(16.4%)
Non-operating Revenues (Expenses)				
State Sources	63.8	37.1	26.7	72.0%
Property Taxes	36.8	36.9	(0.1)	(0.3%)
Federal Grants and Contracts	21.8	21.4	0.4	1.9%
Local Sources	0.6	0.6	-	0.0%
Investment income	2.2	1.0	1.2	120.0%
Interest on Capital Asset Related Debt	(4.7)	(5.1)	(0.4)	7.8%
Total Non-operating Revenues (Expenses)	120.5	91.9	28.6	31.1%
Increase (Decrease) in Net Position	9.7	(3.3)	13.0	(393.9%)
Net position , Beginning of Year (as restated)*	134.6	180.1	(45.5)	(25.3%)
Net position , End of Year	\$ 144.3	\$ 176.8	\$ (32.5)	(18.4%)

*The beginning balance for 2018 has been restated for the implementation of GASB Statement No. 75.

Revenues

Operating and non-operating revenues totaled \$164.9 million for fiscal year 2018, an increase of \$26.0 million over fiscal year 2017 mostly attributable to the timing of payments received from the state. The largest component of total fiscal year 2018 revenues, \$63.8 million, is from state sources which comprises 38.7 percent of total revenues. Local property tax revenues totaled \$36.8 million in fiscal year 2018 and represent the second largest component of total revenues at 22.3 percent. Revenues from student tuition and fees were \$29.2 million in fiscal year 2018 and represent the third largest component of total revenues at 17.7 percent. Federal revenues were \$21.8 million, accounting for 13.2 percent of total fiscal year 2018 revenues.

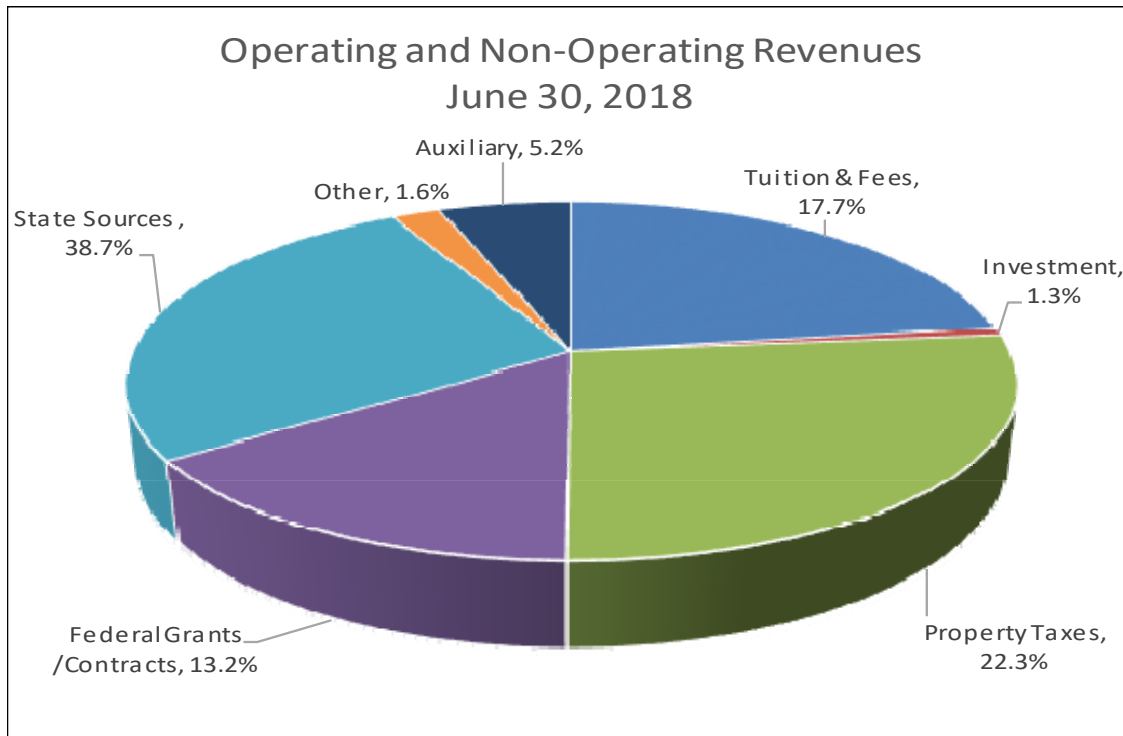
Operating revenues from tuition and fees decreased \$2.5 million from the previous year. This decrease is attributed to decreased enrollment in fiscal year 2018 compared to fiscal year 2017. Generally Accepted Accounting Principles (GAAP) require colleges to report tuition and fees funded by state and federal financial awards as non-operating revenues and not as tuition. The amount of state and federal scholarships applied to tuition was \$20.9 million in fiscal year 2018 compared to \$21.6 million in fiscal year 2017. The table below summarizes total gross tuition and fees revenues before reclassifying the federal and state financial aid awards to non-operating revenues. As shown in the table below, student tuition and fees before adjustment were \$50.1 million for fiscal year 2018, or \$3.2 million lower than fiscal year 2017.

(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

(\$ in millions)	2018	2017	Increase (Decrease)	Percent Change
Student Tuition and Fees	\$ 50.1	\$ 53.3	\$ (3.2)	(6.0%)
Federal and State Awards	(20.9)	(21.6)	(0.7)	(3.2%)
Student Tuition and Fees, Net	\$ 29.2	\$ 31.7	\$ (2.5)	(7.9%)

Total non-operating revenues and expenses increased \$28.6 million overall. State revenues increased \$26.7 million overall. The largest component was a \$21.6 million increase in the total state payments received for base operating, equalization and MAP grants. Federal grants and contracts increased by \$0.4 million, and investment income increased by \$1.2 million.



MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

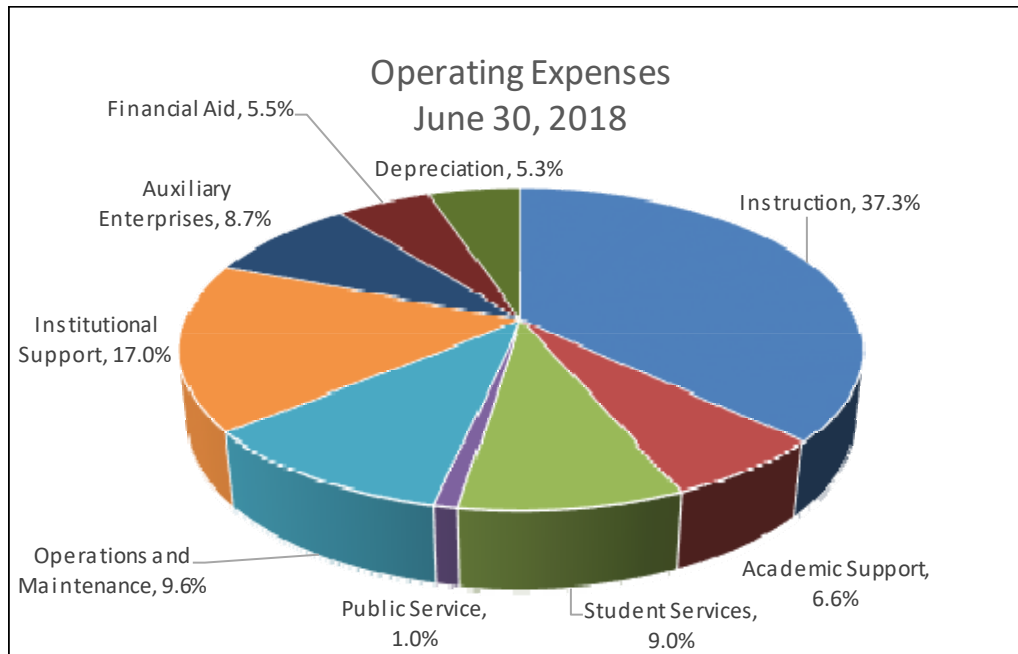
Operating Expenses

Operating expenses as of June 30, 2018 increased \$13.4 million or approximately 9.8 percent over fiscal year 2017. Instructional expenses increased \$5.6 million overall, resulting primarily from contractual salary increases and on-behalf contributions from the state for the College Health Insurance Plan (CIP). Public Services expenses increased by \$1.0 million due to additional grants received in this category, which led to additional expenses associated with the grants. Institutional Support expenses increased \$2.4 million due to additional spending on computer equipment and software and additional CIP on-behalf contributions. The SURS on-behalf payment allocation to this function increased as well in the current year. Financial Aid increased by \$2.9 million due to an increase in Monetary Award Program (MAP) grants received from the state.

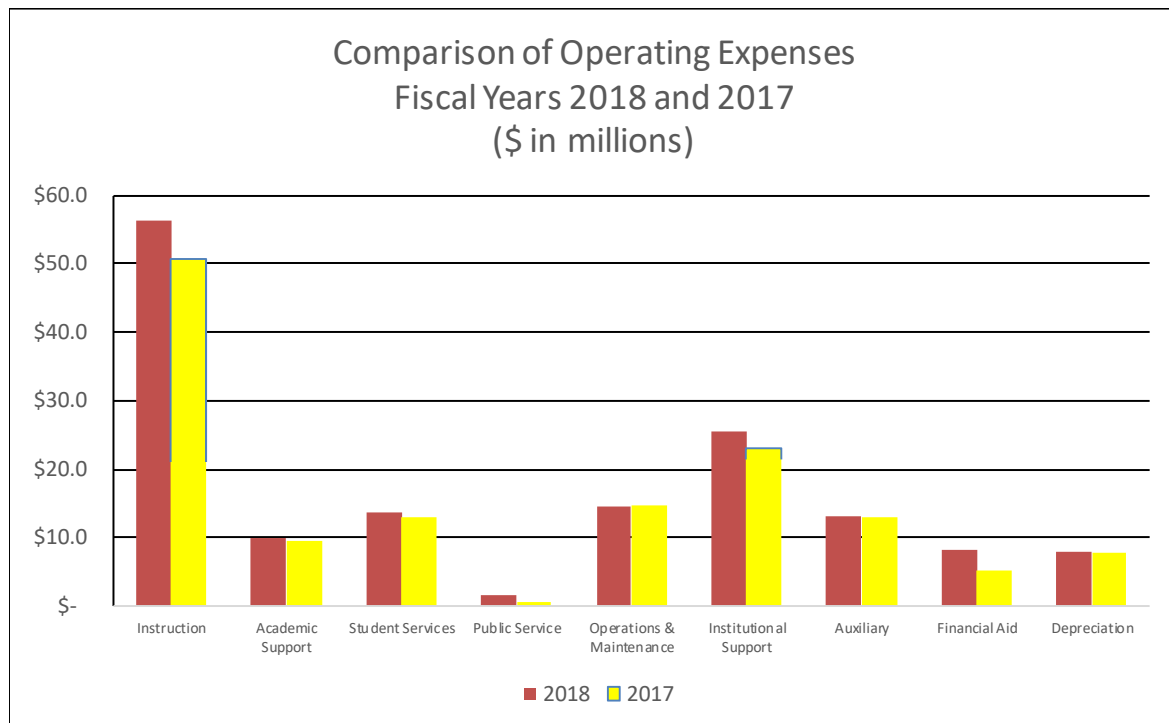
(\$ in millions)	2018	2017	Increase (Decrease)	Percent Change
Operating Expenses				
Instruction	\$ 56.2	\$ 50.6	\$ 5.6	11.1%
Academic Support	9.9	9.4	0.5	5.3%
Student Services	13.6	12.9	0.7	5.4%
Public Service	1.5	0.5	1.0	200.0%
Operations and Maintenance	14.5	14.6	(0.1)	(0.7%)
Institutional Support	25.5	23.1	2.4	10.4%
Auxiliary Enterprises	13.1	12.9	0.2	1.6%
Financial Aid	8.2	5.3	2.9	54.7%
Depreciation	8.0	7.8	0.2	2.6%
Total Operating Expenses	\$ 150.5	\$ 137.1	\$ 13.4	9.8%

(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018



As shown in the operating expenses chart, fiscal year 2018 instruction costs were \$56.2 million. This category represents all of the direct costs associated with teaching students and is the largest component of operating expenses, accounting for 37.3 percent of total operating expenses. Financial aid expense represents the portion of financial aid that is refunded back to the student after tuition and fees.



(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

STATEMENT OF NET CAPITAL ASSETS AND LONG-TERM DEBT

(\$ in millions)	2018	2017	Increase (Decrease)	Percent Change
Capital Assets				
Construction in Progress	\$ 1.5	\$ 1.2	\$ 0.3	25.0%
Land and Improvements	23.7	23.7	-	0.0%
Building and Improvements	230.9	228.8	2.1	0.9%
Equipment	8.1	8.0	0.1	1.3%
Technology	8.4	7.6	0.8	10.5%
Total	272.6	269.3	3.3	1.2%
Less Accumulated Depreciation	(92.9)	(85.5)	7.4	(8.7%)
Net Capital Assets	\$ 179.7	\$ 183.8	\$ (4.1)	(2.2%)

(\$ in millions)	2018	2017	Increase (Decrease)	Percent Change
Long-Term Debt				
General Obligation Bonds	\$ 88.1	\$ 138.8	\$ (50.7)	(36.5%)
Bond Premium	1.5	3.5	(2.0)	(57.1%)
Bond Discount	-	(1.5)	1.5	(100.0%)
Total Bonds, net	89.6	140.8	(51.2)	(36.4%)
Compensated Absences & Retirement Benefit Obligations	1.8	2.1	(0.3)	(14.3%)
Net OPEB Liability*	44.7	42.3	2.4	5.7%
Total Long-Term Debt	\$ 136.1	\$ 142.9	\$ (51.5)	(36.0%)

*The 2017 liability has been restated for the implementation of GASB Statement No. 75.

Fiscal Year 2018 Compared to Fiscal Year 2017

As of June 30, 2018, the College had a \$272.6 million investment in capital assets, and \$92.9 million in accumulated depreciation for total net capital assets of \$179.7 million. Net capital assets decreased \$4.1 million during fiscal year 2018. Construction in Progress increased \$0.3 million due to completion of five projects and starting three new projects in fiscal year 2018. Building and Building Improvements increased \$2.1 million, of which \$1.7 million was for Nursing Lab Renovations to the Blue Island building, and \$0.4 million for a new roof on building F. Equipment purchases included new vehicles, five air conditioners, and other equipment totaling \$0.4 million. This was offset by equipment disposals of \$0.3 million, which netted to an increase of \$0.1 million. Technology increased \$0.8 million which included upgrading the exterior campus cameras, purchasing new software programs, and other technical equipment. Accumulated depreciation increased \$7.4 million resulting from current year depreciation less disposals. More detailed information about capital assets is presented in Note 6 to the financial statements.

(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

STATEMENT OF NET CAPITAL ASSETS AND LONG-TERM DEBT

During fiscal year 2018, bonds payable decreased by \$50.7 million. This is attributable to the College calling its 2007B bonds early and paying off \$45.1 million of the balance. The remaining decrease is from the regularly scheduled payments on the outstanding bonds. In addition, the College issued series 2018 bonds for \$2.1 million that refunded the remaining portion of the 2006 and 2007B bonds. See Note 5 to the financial statements for more information.

The College also implemented GASB Statement No. 75, which resulted in the College recognizing a \$44.7 million net OPEB liability in current year related to the College proportionate share of the State of Illinois' Community College Health Insurance Program (CIP). This detailed information about the College's OPEB liability is presented in Note 8 to the financial statements.

CURRENT ISSUES

The Board of Trustees passed a \$97.5 million operating budget for fiscal year 2019. The Board of Trustees passed a \$3 per credit hour tuition increase effective for the fall 2018 semester. Management has seen credit hour and head count decreases over the past several years. 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 College projects balanced budgets in the foreseeable future.

After going for over two years without a full State budget, the House and Senate overrode the governor's veto and approved SB 6 which included appropriations for fiscal year 2017 and 2018. The effective date of the appropriation was July 6, 2017. Due to the language contained in GASB Statement No. 33 which conveys that the appropriation did not occur prior to the end of the 2017 fiscal year, the State did not have a liability to pay the College. Therefore, the College was unable to recognize and record a receivable in fiscal year 2017. Instead, the College recorded the revenue when it was received in the current fiscal year. The College was appropriated a \$4.5 million base operating grant and a \$5.0 million equalization grant for fiscal year 2017 that was recorded in fiscal year 2018. In addition, the College was appropriated a \$7.4 million base operating grant and \$4.5 million equalization grant for fiscal year 2018.

The College negotiated new contracts with College faculty, support staff, and police bargaining units in fiscal year 2018 that will run through fiscal year 2022. The contract with adjunct faculty is in place through fiscal year 2019.

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Proceeds from local taxes represent approximately 22 percent of the revenues the College receives to fund its Education and Operations and Maintenance needs. The overall equalized assessed valuation (EAV) in Cook County increased by 5.1 percent this year, largely due to the reassessment of the South and West portions of the County, which saw assessed values increase by 13.5 percent. The City of Chicago and northern suburbs, which were not reassessed this year saw increases in EAV of 3.7 percent and 1.8 percent, primarily due to the increase in the equalizer. Moraine Valley Community College district's EAV increased 15.3 percent for tax year 2017 after an increase of 4.6 percent for tax year 2016. With housing values now stabilizing, coupled with the increased EAV due to the reassessment for properties in the south suburbs which fall into the college's district, the College expects to see future increases in the Districts Equalized Assessed Valuation. The Property Tax Extension Limitation Law (PTELL), also known as the tax cap law, limits the increase in revenue that qualifying districts may collect to the rate of inflation. Next year, it is expected the CPI will limit tax revenues to an increase of 2.9 percent. The College continues to track residential and commercial property values and economic activity in the residential and office construction sectors to forecast future funding impacts on the College.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide its bondholders, customers and other interested parties with a general overview of Moraine Valley Community College's finances and to show Moraine Valley Community College's accountability for the revenues it receives. If you have questions about this report or need additional information, contact Michael Cipolla at 9000 W. College Parkway, Palos Hills, IL 60465, (708) 974-4300.

**MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
JUNE 30, 2018**

BASIC FINANCIAL STATEMENTS

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 16,703,343
Short-term Investments	61,900,361
Property Tax Receivable	18,270,950
Tuition and Fees Receivable	3,183,852
Other Accounts Receivable	376,841
Interest Receivable	562,421
Intergovernmental Receivable	997,942
Inventory	1,003,326
Prepaid Expenses	920,565

Total Current Assets

103,919,601

Non-current Assets:

Long-term Investments	26,520,998
Capital Assets, not being depreciated	8,068,034
Capital Assets, net of accumulated depreciation	171,619,420

Total Non-current Assets

206,208,452

Total Assets

310,128,053

DEFERRED OUTFLOW OF RESOURCES

Deferred Outflows Related to OPEB

1,981,542

Deferred Pension Expense

174,102

Total Deferred Outflow of Resources

2,155,644

LIABILITIES

Current Liabilities:

Accounts Payable	1,294,937
Accrued Payroll	3,010,668
Accrued Compensated Absences	1,114,890
Accrued Interest Payable	214,658
Accrued Retirement Benefit Obligations	176,190
Intergovernmental Payables	189,861
Unearned Tuition and Fees Revenue	4,122,558
Current Portion of Long-term Obligations	6,005,000
Other Current Liabilities	74,728

Total Current Liabilities

16,203,490

Non-current Liabilities:

Accrued Compensated Absences	371,630
Net OPEB Liability	44,667,920
Accrued Retirement Benefit Obligations	173,847
Long-term Bonds Payable	83,528,071

Total Non-current Liabilities

128,741,468

Total Liabilities

144,944,958

DEFERRED INFLOW OF RESOURCES

Deferred Inflows Related to OPEB

3,847,690

Unamortized Gain on Refunding

565,297

Deferred Property Tax Revenue

18,646,471

Total Deferred Inflow of Resources

23,059,458

NET POSITION

Net Investment in Capital Assets

89,589,086

Restricted:

Scholarships	528,148
Capital Projects	1,912,832
Debt Service	3,992,718
Technology Projects	3,741,809
Liability Insurance Purposes	1,666,304
Audit Purposes	161,906

Unrestricted

42,686,478

Total Net Position

\$ 144,279,281

See accompanying notes to basic financial statements.

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2018

REVENUES

Operating Revenues	
Tuition and Fees, net of scholarship allowances of \$20,937,278	\$ 29,217,252
Auxiliary Enterprise Revenue	8,475,861
Other Operating Revenues	1,979,267
Total Operating Revenues	<u>39,672,380</u>

EXPENSES

Operating Expenses	
Instruction	56,186,068
Academic Support	9,923,811
Student Services	13,639,009
Public Service	1,442,863
Operations and Maintenance	14,497,186
Institutional Support	25,478,038
Auxiliary Enterprises	13,110,752
Financial Aid	8,225,850
Depreciation	8,032,094
Total Operating Expenses	<u>150,535,671</u>
OPERATING INCOME (LOSS)	<u>(110,863,291)</u>

NON-OPERATING REVENUES (EXPENSES)

State Sources	63,769,017
Property Taxes	36,846,539
Federal Grants and Contracts	21,871,273
Local Sources	608,129
Investment Income	2,188,332
Interest on Capital Asset Related Debt	(4,575,679)
Loss on Disposal of Capital Assets	(128,610)
Total Non-operating Revenues (Expenses)	<u>120,579,001</u>

Increase in Net Position	9,715,710
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Net Position - Beginning of Year (as Restated)	<u>134,563,571</u>
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Net Position - End of Year	<u><u>\$ 144,279,281</u></u>
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MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and Fees	\$ 28,845,614
Sales and Services	10,475,229
Payments to:	
Employees	(70,248,051)
Suppliers	(23,916,665)
Students	(8,225,850)
Net Cash Used by Operating Activities	<u>(63,069,723)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Sources	28,731,450
Property Taxes	36,746,662
Local Sources	608,129
Federal Grants and Contracts	21,834,314
Net Cash Provided by Noncapital Financing Activities	<u>87,920,555</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Proceeds from Bond Refunding	2,050,000
Premium from Bond Issuance	154,831
Purchases of Capital Assets and Construction	(3,985,043)
Principal Paid on Capital Debt	(52,838,712)
Interest Paid on Capital Debt	(4,953,173)
Net Cash Used by Capital Financing Activities	<u>(59,572,097)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	178,311,325
Interest on Investments	(44,924)
Purchases of Investments	(140,036,978)
Net Cash Provided by Investing Activities	<u>38,229,423</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	3,508,158
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CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	13,195,185
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 16,703,343</u>

See accompanying notes to basic financial statements.

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018

RECONCILIATION OF NET OPERATING REVENUES/(EXPENSES)
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	\$ (110,863,291)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation Expense	8,032,094
State Universities Retirement Payment	31,142,266
OPEB on Behalf Payment	3,895,301
Changes in Assets and Liabilities:	
Tuition and Fees Receivable, Net	208,922
Inventories and Other Assets	(8,344)
Accounts Payable and Accrued Liabilities	244,515
Accrued Salaries and Wages	65,162
Prepaid Expenses	524,031
Unearned Tuition and Fees Revenue	(580,560)
State Universities Retirement Pension Expense	(8,767)
Changes in OPEB Liability, Deferred Inflows, and Deferred Outflows	4,278,948
Net Cash Used by Operating Activities	<u><u>\$ (63,069,723)</u></u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Decrease in fair value of investments	\$ (383,259)
Loss on disposal of capital assets	(128,610)
State on-behalf payments for fringe benefits	35,037,567
Amortization of bond premiums and discounts	(165,064)

See accompanying notes to basic financial statements.

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Moraine Valley Community College - Community College District Number 524 (the College) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to government units, as well as those prescribed by the Illinois Community College Board (ICCB), as set forth in the ICCB Fiscal Management Manual. The College's reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the significant accounting policies.

A. Reporting Entity:

As defined by GASB Statement No. 14, *The Financial Reporting Entity*, and amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the College as the financial reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement Nos. 14, 39, and 61.

The primary criterion for including a potential component unit within the reporting entity under GASB Statement No. 14, as amended by GASB Statement No. 61, is the financial accountability that the elected officials of the primary government have for the component unit. The criteria used in assessing financial accountability consist of (1) the primary government is financially accountable if it appoints a voting majority of the organization's governing body *and* (a) it is able to impose its will on that organization *or* (b) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government; *and* (2) the primary government is financially accountable if the organization is fiscally dependent on *and* there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Based on this criteria, the College is not financially accountable for any other organizations.

Additionally, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provides guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College. Generally, it requires reporting, as a component unit, an organization that raises and holds significant economic resources for the direct benefit of a government unit. The Moraine Valley Foundation is a legally separate, tax exempt organization that acts as a fundraising organization to supplement the resources that are available to the College in support of its programs. These resources are not considered significant to the operations of the College. Accordingly, the Foundation is not reported as a component unit of the College.

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation:

GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following three net position categories:

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation and outstanding debt obligations, attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: Consists of net position that has constraints placed on its 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. When both restricted and unrestricted resources are available for use, it is generally the College's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted Net Position: Net position that is not subject to externally imposed situations. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

GASB Statement No. 35 also requires the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows to be reported on an entity-wide basis. These basic financial statements report information on all of the activities of the College. The effect of interfund activity has been removed from these statements.

C. Measurement Focus and Basis of Accounting:

For financial statement reporting purposes, Moraine Valley Community College is considered a special purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the College have been prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. All intra-agency and intra-fund transactions have been eliminated.

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

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All College activities are accounted for on a financial resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with these activities are included on the Statement of Net Position. The College's operating statement presents increases (revenues) and decreases (expenses) in net position. Depreciation of all exhaustible capital assets is charged as an expense against operations.

D. Receivables

Receivables include (1) property taxes, net of allowance, (2) government claims associated with state and federal funding, (3) tuition and fees, net of allowance, (4) other receivable balances associated with accounts receivable from vendors and (5) accrued interest. Receivables are recorded net of estimated uncollectible amounts. The College provides allowances for uncollectible student accounts for any outstanding receivable. The total allowance at June 30, 2018 was \$16,706,196. Balances in excess of seven years are fully reserved. During the fiscal year, the College did not write-off any student receivables.

E. Capital Assets:

Capital assets include property, plant, equipment, and infrastructure assets, such as roads and sidewalks. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life are not capitalized.

Property, plant, and equipment of the College over the following thresholds are depreciated using the straight-line method over the following useful lives:

	<u>Useful Life</u>	<u>Thresholds</u>
Land	Not Depreciated	\$ 25,000
Buildings	50 years	50,000
Building and Land Improvements	20 years	25,000
Equipment	10 years	10,000
Computer Technology	8 years	10,000

Included with the College's computer technology capital assets, the College has capitalized an intangible asset, computer software. The College follows the same capitalization policy, estimated useful life, and method of depreciation for its intangible asset as it does for its computer technology capital assets.

Depreciation expense for 2018 was \$8,032,094.

F. Inventory:

Inventories are reported at the lower of cost or market on the FIFO (first-in, first-out) basis. Inventories represent items held for resale by the College's Auxiliary Enterprises.

G. Unearned Revenues:

Unearned revenues include: (1) amounts received for tuition and fee revenues collected during the fiscal year which relate to the subsequent fiscal year, and (2) amounts received from grant and contract sponsors that have not yet been earned.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Deferred Outflow/Inflow of Resources:

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College reports resources associated with imposed nonexchange revenue transactions that are received or reported as a receivable before the period for which property taxes are levied as deferred inflow of resources. These amounts are deferred and recognized as revenues in the succeeding year when services financed by the levy are being provided.

I. Federal Financial Assistance Programs:

The College participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study Program and Federal Direct Loan Program. Federal Programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Uniform Administrative Audit Requirements for Federal Awards, and the Compliance Supplement.

J. Property Tax Revenue Recognition:

The College's property taxes are levied each calendar year on all taxable real property located within the College's district. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board of Trustees resolution, 50 percent of property taxes extended for the 2017 tax year and collected in 2018 are recorded as revenue in fiscal year 2018. The remaining 50 percent of revenue related to the 2017 tax year extension and collected in 2018 has been deferred and will be recorded as revenue in fiscal year 2019.

The County Assessor is responsible for assessment of all taxable real property within Cook County except for certain railroad property, which is assessed directly by the State. The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to each unit its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year, generally on March 1 and August 1 of each year. The first installment is an estimated bill and is 55 percent of the prior year's tax bill. The second installment is based on the current levy, assessment, equalization, and certificate to limit levy, if any; changes from the prior year will be reflected in the second installment bill.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1 of the levy year. Tax bills are levied in December by passage of a Tax Levy Ordinance. Public Act 89-1 placed limitations on the annual growth of most local governments' property tax collections. Currently, the limitation is the lesser of 5 percent or the rate of inflation, measured by the Consumer Price Index. The personal property replacement tax is recorded on the accrual basis based on the amounts held by the State.

K. Compensated Absences:

The College records a liability for employees' vacation leave earned, but not taken. Employees are allowed to carry over a limited number of vacation days from year to year. At June 30, 2018, the College has recorded a vacation liability of \$1,486,520. The College considers \$1,114,890 of this liability current as of June 30, 2018.

The College has no commitment for accumulated sick leave and no liability is recorded. Employees who retire are given credit for unused sick leave towards years of service in the State Universities Retirement System (SURS or the System) pension plan.

L. Classification of Revenues:

Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, and (2) sales and services of auxiliary enterprises. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, and (3) most federal, state and local grants and contracts.

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

M. Cash and Investments:

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the College considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments - Non-negotiable certificates of deposit, repurchase agreements, and money market investments with a maturity of less than one year at date of purchase are stated at amortized cost. U.S. Treasury – State, Local and U.S. Government Securities (SLUGs) investments are valued at cost. All other investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. On-Behalf Payments for Fringe Benefits and Salaries:

The College recognizes as revenues and expenses contributions made by the State of Illinois to the State Universities Retirement System on behalf of the College's employees, as well as to the Community College Health Insurance Program. In fiscal year 2018, the State made contributions of \$30,919,133 and \$223,133, respectively, for these programs (See Note 7 and Note 8).

In addition, the College recognized on-behalf revenues and expenses for the proportionate share of the State's OPEB expense for the Community Health Insurance Program. This amounted to an additional \$3,895,301 in revenues and expenses in the current fiscal year.

O. Pensions:

For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the plan net position of SURS 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.

P. Postemployment Benefits Other than Pensions:

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

Q. Premiums, Discounts and Issuance Costs:

Bond premiums are deferred and amortized over the life of the bonds using the sum of the bonds outstanding method, which approximates the effective interest method. Long-term obligations (general obligation bonds) are reported net of the applicable bond premium. Bond issuance costs are expensed at the time the debt is issued.

R. Use of Estimates:

College management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ.

S. Early Retirement Incentive Program:

In addition to the retirement benefits provided by the College described in Note 7, the College provides voluntary retirement benefits to certain classes of employees. These include employer paid voluntary retirement stipends as well as a health care supplement.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Faculty and Administrative and Professional Staff - Full-time faculty and professional staff who are at least 55 years of age, have at least 15 years of continuous service with the College, and are able to retire according to SURS are eligible for early retirement remuneration. Compensation will be made in accordance with employment agreements.

2013-2015

The full-time faculty and professional staff's postretirement benefit program consists of a \$5,000 insurance supplement for five years to subsidize the state retiree health insurance program. Faculty participation is limited to 4 participants over the length of the contract and professional staff participation is limited to 4 participants.

2015-2018

The full-time faculty and professional staff's postretirement benefit program consists of a \$5,000 insurance supplement for four years to subsidize the state retiree health insurance program. Faculty participation is limited to 6 participants over the length of the contract and professional staff participation is limited to 6 participants.

Support Staff and Administrative Classified Staff - Support staff and administrative classified staff who are at least 55 years of age, have at least 14 years of continuous service with the College, and are able to retire according to SURS are eligible for early retirement remuneration. Compensation will be made in accordance with employment agreements.

2013-2015

Support staff and administrative classified staff are eligible for a \$5,000 insurance supplement for five years. Participation is limited to 8 support staff and 4 classified employees.

2015-2018

Support staff and administrative classified staff are eligible for a \$5,000 insurance supplement for four years. Participation is limited to 12 support staff and 4 classified employees.

As of June 30, 2018, the College was obligated to pay 37 employees as part of the plans with payments due through 2022. The net present value of the College's liability at June 30, 2018 was \$350,037. The College considers \$176,190 of this liability current as of June 30, 2018.

T. Restatement:

The College's net position has been restated as of June 30, 2017. The restatement is a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In accordance with GASB Statement No. 75, the College now reports a net OPEB liability on its financial statements, as well as deferred outflows of resources and deferred inflows of resources for its proportionate share of the State of Illinois Community College Health Insurance Security Fund (CIP). In addition, the impact of implementing this statement resulted in a restatement of the beginning net position to adjust for the OPEB liability and deferred outflows of resources for OPEB contributions made subsequent to the measurement date that would have been reported in previous years. Restatement of the beginning balances for other deferred outflows of resources and deferred inflows of resources related to OPEB was not done because it was not practical to determine all such amounts.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

The College's net position as of June 30, 2017 has been restated as follows:

Net position, July 1, 2017	\$ 176,818,691
Net OPEB liability	(42,467,622)
Deferred outflow of resources - OPEB contributions subsequent to the measurement date	212,502
Net position as restated, July 1, 2017	<u>\$ 134,563,571</u>

NOTE 2 - BUDGET AND BUDGETARY ACCOUNTING

The College follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. Management submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- B. Budget hearings are conducted.
- C. The budget is legally enacted through the passage of an ordinance.
- D. The President may from time to time make transfers between the various items in any fund not exceeding in the aggregate 10 percent of the total of any fund set forth in the budget.
- E. The Board may from time to time amend the budget by the same procedure as is herein provided for its original adoption.

Budgets are adopted on a basis consistent with GAAP. The budget was adopted and approved by the Board of Trustees on September 19, 2017. Appropriations (i.e., budget) lapse at year-end.

NOTE 3 - INSURANCE AND RISK MANAGEMENT

The College participates in the Illinois Community College Risk Management Consortium (the Consortium), which was established in 1981 by several Chicago area community colleges as a means of reducing the cost of general liability insurance. The Consortium is a public entity risk pool currently operating as a common risk management and insurance program for the member colleges. The main purpose of the Consortium is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. Coverages include all property, excess liability (\$21,000,000), and workers' compensation. No settlement has exceeded coverage since establishment of the Consortium. The College joined the consortium in fiscal year 2004. Since the Consortium required initial payments to cover substantially any losses to be incurred for that policy year, the College anticipates no future liabilities for incurred losses. The policy is annual and renewable on July 1. The College's level of coverage has not changed for the past three years.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 3 - INSURANCE AND RISK MANAGEMENT (Concluded)

During fiscal year 2012, the College joined the Community College Health Care Consortium which administers benefit programs offered by members. It functions solely to administer, process, and direct payment of employees' insurance coverage for medical and prescription drugs. The College pays the Community College Health Care Consortium a monthly premium based on the number of participants and the type of coverage that has been elected. The College maintains voluntary, fully insured dental coverage through a third-party administrator for its dental insurance. The College currently allocates all expenses associated with the employee health plans to each of the College's individual subfunds. Claims and expenses are reported when incurred. To limit its exposure of risk, the Consortium maintains a specific excess policy that provides coverage in excess of \$225,000 per employee for medical claims. The amount of settlements has not exceeded insurance coverage in each of the past three years.

Changes in the balances of health care claim liabilities during the past two years are as follows. This liability, if present at year-end, is included within accounts payable on the Statement of Net Position.

	2018	2017
Liability for health care costs at July 1	\$ -	\$ -
Incurrd claims	9,824,592	8,664,312
Payments on claims	(9,824,592)	(8,664,312)
Liability for health care costs at June 30	<u>\$ -</u>	<u>\$ -</u>

The amount of premiums paid by the College to the Community College Health Care Consortium exceeded the amount of claims incurred during fiscal year 2018 and estimated amount of claims incurred but not reported as of June 30, 2018, resulting in no additional liabilities for incurred losses as of year-end.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS

A. Cash:

The carrying amount of cash was \$15,690,058 at June 30, 2018, while the bank balances were \$18,538,968. As of June 30, 2018, all bank account balances were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the United States Government, United States Government Agencies, Certificates of Deposit or with letters of credit issued by the Federal Home Loan Bank held in the College's name by financial institutions acting as the College's agent.

B. Investments:

The investments which the College may purchase are limited by Illinois law to the following: (1) securities which are fully guaranteed by the U.S. Government as to principal and interest; (2) certain U.S. Government Agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a Federal corporation; (4) certain short-term obligations of corporations (commercial paper) rated not less than A-1 or P-1 or an equivalent rating by at least two of the major rating services; (5) fully collateralized repurchase agreements; (6) the Illinois Public's Treasurer's Investment Pool; (7) the Illinois School District Liquid Asset Fund Plus; (8) Municipal Bonds rated within the three highest general classifications established by at least one major rating service; and (9) money market accounts and certain other instruments.

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code. The investment fund is controlled by and for Illinois public funds managers and finance officers to enhance investment opportunity. Investments in IMET are valued at IMET's share price, which is the price the investment could be sold for.

C. Certificates of Deposit:

Certificates of Deposit amounted to \$60,827,107 at June 30, 2018. In accordance with College policy, Certificates of Deposit were collateralized with securities of the U.S. Government in an amount equal to 110 percent of the funds on deposit. All investment collateral is held in safekeeping in the College's name by financial institutions acting as the College's agent. Collateral is priced to market monthly and monitored regularly with additional collateral requested as necessary.

The following schedule reports the reported values and maturities (using the segmented time distribution method) for the College's certificates of deposits and investments at June 30, 2018.

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Type	Investment Reported Value	Investment Maturities	
		Less than One Year	One to Five Years
Certificates of Deposit	\$ 60,827,107	\$ 57,911,845	\$ 2,915,262
Investments:			
U.S. Agencies	21,562,346	996,940	20,565,406
U.S. Treasury – State, Local and U.S. Government Securities (SLUGs)	2,984,347	2,984,347	-
Repurchase Agreements	1,013,285	1,013,285	-
Money Market Mutual Fund	3,047,559	3,047,559	-
Total	<u>\$ 89,434,644</u>	<u>\$ 65,953,976</u>	<u>\$ 23,480,668</u>

D. Interest Rate Risk:

The College's formal investment policy, to the extent possible, attempts to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the College will not directly invest in securities maturing more than five years from the date of purchase. Reserve funds may be invested in securities exceeding one year if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. Except for the investment of bond proceeds and capital construction funds, no more than 40 percent of the College's total investments shall be invested in securities maturing more than one year from the date of purchase.

E. Credit Risk:

The College has no formal policy relating to specific investment related risk. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The primary objective, in order of priority, shall be:

- Legality - conformance with federal, state and other legal requirements
- Safety - preservation of capital and protection of investment principal
- Liquidity - maintenance of sufficient liquidity to meet operating requirements
- Yield - attainment of market rates of return

The portfolio is reviewed periodically as to its effectiveness in meeting the College's needs for safety, liquidity, rate of return, diversification and its general performance.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Credit ratings for the College's investments in debt securities as described by Standard & Poor's and Moody's at June 30, 2018 (excluding investments in U.S. Treasuries which are not considered to have credit risk) are as follows:

Disclosure Rating for Debt Securities (S&P/Moody's) (As a percentage of total fair value for debt securities)				
Investment Type	AA/Aaa	A/A3	BBB-Baa3	N/R
U.S. Agencies	100%	0%	0%	0%
U.S. Treasury - SLUGs	0%	0%	0%	100%
Repurchase Agreements	0%	0%	0%	100%
Money Market Mutual Fund	100%	0%	0%	0%

F. Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The following is the College's policy relating to custodial credit risk.

All security transactions, including collateral for repurchase agreements, entered into by the College shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by an independent third-party custodian designated by the Treasurer. The safekeeping department of the bank designated will be considered to be a third party for the purposes of safekeeping of securities. Securities purchased through a broker/dealer may be held by the broker as long as they are registered in the name of the College and they meet other credit requirements.

Banks that place purchased securities or securities that are provided as collateral by that bank into that bank's Trust Department shall be considered to have complied with the third-party safekeeping requirements. Financial institutions must collateralize all deposits in excess of \$250,000 to 110 percent of market value.

Acceptable collateral will include the following:

1. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued which are guaranteed by the full faith and credit of the United States of America as to principal and interest
2. Bonds issued by Moraine Valley Community College
3. Obligations of United States Government Agencies

All investments requiring collateral in accordance with the above section shall be witnessed by a written agreement and held at an independent, third-party institution in the name of the College.

The only exception to this collateralization policy is limited to funds invested for capital construction projects which the College Treasurer will be authorized to determine appropriate collateralization levels based on cash flow needs necessary for the College to complete construction projects.

Except for the College's \$2,984,347 investment in U.S. Treasury - SLUGs, the College was fully collateralized as of June 30, 2018.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS (Concluded)

G. Concentration of Credit Risk:

The total deposits in any one financial institution may not exceed 75 percent of the capital stock and surplus of that institution, in accordance with the most recent call report of that institution. Further, unless specifically authorized by the Board of Trustees, the Treasurer shall not have deposits in excess of \$22,000,000 in any one financial institution regardless of the calculation mentioned in this section.

More than 5 percent of investments (other than United States Government and United States Government Guaranteed Obligations) are invested in the following issuer:

<u>Investment</u>	<u>Percentage</u>
Federal Home Loan Mortgage Corporation	41.93%
Federal Home Loan Bank Note	19.67%
Federal National Mortgage Association	6.89%
Federal Farms Credit Bank	6.88%

H. Reconciliation:

The following is a reconciliation of Deposits and Investments to the Statement of Net Position:

<u>Deposits and Investments</u>	<u>June 30, 2018</u>
Cash	\$ 15,690,058
Certificates of Deposit	60,827,107
Investments	
SLUGs	2,984,347
U.S. Agencies	21,562,346
Repurchase Agreements	1,013,285
Money Market Mutual Fund	3,047,559
Totals	<u>\$ 105,124,702</u>

<u>Statement of Net Position</u>	
Cash and Cash Equivalents	\$ 16,703,343
Short-term Investments	61,900,361
Long-term Investments	26,520,998
Totals	<u>\$ 105,124,702</u>

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS

A schedule of the College's long-term debt activity for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018	Due within one year
General Obligation Bonds	\$ 138,835,000	\$ 2,050,000	\$ (52,810,000)	\$ 88,075,000	\$ 6,005,000
Add: Bond Premium	3,502,185	154,831	(2,198,945)	1,458,071	-
Less: Bond Discount	(1,460,677)	-	1,460,677	-	-
Compensated Absences	1,504,197	1,110,471	(1,128,148)	1,486,520	1,114,890
Net OPEB Liability*	42,467,622	2,200,298	-	44,667,920	-
Retirement Benefit Obligation	520,942	65,095	(236,000)	350,037	176,190
Total	<u>\$ 185,369,269</u>	<u>\$ 5,580,695</u>	<u>\$ (54,912,416)</u>	<u>\$ 136,037,548</u>	<u>\$ 7,296,080</u>

* Balance of Net OPEB Liability as of July 1, 2017 is shown as restated due to the implementation of GASB Statement No. 75.

In addition to the principal retired during the year, the College incurred interest expense of \$4,575,679 on General Obligation Bonds. See Note 1, pages 45-47, for more information on compensated absences and retirement benefit obligations.

The General Obligation Bonds Repayment Schedule at June 30, 2018 is as follows:

In April 2012, the College issued Community College Bonds Series 2012A in the amount of \$9,505,000 in order to advance refund a portion of the District's outstanding General Obligation Community College Bonds, Series 2007B. Repayment of these bonds will be funded through an ad valorem tax levy on all of the taxable property located within the College district.

Bond Issue Date	April 3, 2012
Current Portion	\$135,000
Long-term Portion	\$9,235,000
Interest Rate	2.00% to 3.00%
Final Payment Date	December 1, 2025
Payment Dates	June 1 and December 1, as set forth below

(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

Year Ending June 30	Principal	Interest	Total Debt Service
2019	\$ 135,000	\$ 275,600	\$ 410,600
2020	140,000	272,850	412,850
2021	140,000	270,050	410,050
2022	145,000	266,475	411,475
2023	150,000	262,050	412,050
2024-2026	8,660,000	578,550	9,238,550
Totals	<u>\$ 9,370,000</u>	<u>\$ 1,925,575</u>	<u>\$ 11,295,575</u>

In February 2012, the College issued Community College Bonds Series 2012B in the amount of \$15,885,000 in order to advance refund a portion of the District's outstanding General Obligation Community College Bonds, Series 2007B. Repayment of these bonds will be funded through an ad valorem tax levy on all of the taxable property located within the College district.

Bond Issue Date	February 22, 2012
Current Portion	\$4,780,000
Long-term Portion	\$9,940,000
Interest Rate	0.89% to 4.00%
Final Payment Date	December 1, 2020
Payment Dates	June 1 and December 1, as set forth below

Year Ending June 30	Principal	Interest	Total Debt Service
2019	\$ 4,780,000	\$ 285,478	\$ 5,065,478
2020	4,880,000	183,916	5,063,916
2021	5,060,000	66,033	5,126,033
Totals	<u>\$ 14,720,000</u>	<u>\$ 535,427</u>	<u>\$ 15,255,427</u>

(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

In May 2012, the College issued Community College Bonds Series 2012C in the amount of \$23,605,000 in order to advance refund a portion of the District's outstanding General Obligation Community College Bonds, Series 2007B. Repayment of these bonds will be funded through an ad valorem tax levy on all of the taxable property located within the College district.

Bond Issue Date	May 23, 2012
Current Portion	\$200,000
Long-term Portion	\$21,940,000
Interest Rate	0.79% to 3.25%
Final Payment Date	December 1, 2024
Payment Dates	June 1 and December 1, as set forth below

Year Ending June 30	Principal	Interest	Total Debt Service
2019	\$ 200,000	\$ 661,559	\$ 861,559
2020	205,000	657,373	862,373
2021	210,000	652,378	862,378
2022	5,405,000	573,469	5,978,469
2023	6,105,000	406,599	6,511,599
2024-2025	10,015,000	276,596	10,291,596
Totals	<u>\$ 22,140,000</u>	<u>\$ 3,227,974</u>	<u>\$ 25,367,974</u>

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

In October 2012, the College issued Community College Bonds Series 2012D in the amount of \$5,400,000. Proceeds of the Bonds were used to (i) build and equip a new health education and wellness center, (ii) capitalize interest on the Bonds through June 1, 2014, and (iii) pay certain costs associated with the issuance of the Bonds.

Bond Issue Date	October 18, 2012
Current Portion	\$680,000
Long-term Portion	\$2,140,000
Interest Rate	2.25% to 2.40%
Final Payment Date	June 1, 2022
Payment Dates	June 1, as set forth below

Year Ending June 30	Principal	Interest	Total Debt Service
2019	\$ 680,000	\$ 64,545	\$ 744,545
2020	695,000	49,245	744,245
2021	715,000	33,608	748,608
2022	730,000	17,520	747,520
Totals	<u>\$ 2,820,000</u>	<u>\$ 164,918</u>	<u>\$ 2,984,918</u>

In December 2012, the College issued Community College Bonds Series 2013 in the amount of \$28,290,000. Proceeds of the Bonds were used to (i) build and equip a new health education and wellness center, (ii) capitalize interest on the Bonds through June 1, 2014, and (iii) pay certain costs associated with the issuance of the Bonds.

Bond Issue Date	December 11, 2012
Current Portion	\$210,000
Long-term Portion	\$27,295,000
Interest Rate	2.00% to 4.00%
Final Payment Date	June 1, 2042
Payment Dates	June 1, as set forth below

(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

Year Ending June 30	Principal	Interest	Total Debt Service
2019	\$ 210,000	\$ 900,638	\$ 1,110,638
2020	210,000	896,438	1,106,438
2021	210,000	892,238	1,102,238
2022	220,000	888,038	1,108,038
2023	970,000	883,638	1,853,638
2024-2028	5,190,000	4,077,501	9,267,501
2029-2033	6,195,000	3,072,270	9,267,270
2034-2038	7,445,000	1,819,651	9,264,651
2039-2042	6,855,000	563,620	7,418,620
Totals	<u>\$ 27,505,000</u>	<u>\$ 13,994,032</u>	<u>\$ 41,499,032</u>

In December 2015, the College issued Community College Bonds Series 2015 in the amount of \$9,620,000 in order to currently refund a portion of the District's outstanding General Obligation Community College Bonds, Series 2006. The purpose of the refunding is to realize debt service savings for the College. The aggregate difference in debt service between the refunding debt and the refunded debt is a \$1,521,622 savings, and the economic gain on the transaction was \$1,262,933.

Bond Issue Date	December 8, 2015
Current Portion	\$ -
Long-term Portion	\$9,470,000
Interest Rate	3.0%
Final Payment Date	December 1, 2026
Payment Dates	June 1 and December 1, as set forth below

Year Ending June 30	Principal	Interest	Total Debt Service
2019	\$ -	\$ 284,100	\$ 284,100
2020	-	284,100	284,100
2021	-	284,100	284,100
2022	-	284,100	284,100
2023	-	284,100	284,100
2024-2027	9,470,000	963,450	10,433,450
Totals	<u>\$ 9,470,000</u>	<u>\$ 2,383,950</u>	<u>\$ 11,853,950</u>

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

In June 2018, the College issued Community College Bonds Series 2018 in the amount of \$2,050,000 in order to currently refund a portion of the District's outstanding General Obligation Community College Bonds, Series 2006 and 2007B. The purpose of the refunding is to realize debt service savings for the College. The aggregate difference in debt service between the refunding debt and the refunded debt is a \$607,006 savings, and the economic gain on the transaction was \$153,399.

Bond Issue Date	June 12, 2018
Current Portion	\$ -
Long-term Portion	\$2,050,000
Interest Rate	4.0%
Final Payment Date	December 1, 2025
Payment Dates	June 1 and December 1, as set forth below

Year Ending June 30	Principal	Interest	Total Debt Service
2019	\$ -	\$ 79,494	\$ 79,494
2020	-	82,000	82,000
2021	-	82,000	82,000
2022	405,000	73,900	478,900
2023	-	65,800	65,800
2024-2026	1,645,000	106,300	1,751,300
Totals	<u>\$ 2,050,000</u>	<u>\$ 489,494</u>	<u>\$ 2,539,494</u>

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 5 - LONG-TERM OBLIGATIONS (Concluded)

The College has pledged revenues to repay certain bond issues. The pledges will remain until all bonds are retired. The amount of pledges remaining as of June 30, 2018 is as follows:

Debt Issue	Pledged Revenue Source	Pledge Remaining	Commitment End Date	Percentage of Revenue Pledged
2012D	Construction/Infrastructure and Membership Fees	\$ 2,820,000	2022	18.36%
2013	Construction/Infrastructure and Membership Fees	27,505,000	2042	27.37%
Debt Issue	Pledged Revenue Source	Pledge Revenue	Principal and Interest Retired	
2012D	Construction/Infrastructure and Membership Fees	\$ 4,054,488	\$ 744,507	
2013	Construction/Infrastructure and Membership Fees	4,054,488	1,109,738	

NOTE 6 - CAPITAL ASSETS

The following table presents the changes in the various capital asset categories for fiscal year 2018:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Capital Assets, not Being Depreciated				
Land	\$ 6,618,969	\$ -	\$ -	\$ 6,618,969
Construction in Progress	1,219,666	3,631,188	3,401,789	1,449,065
Total Capital Assets, not Being Depreciated	7,838,635	3,631,188	3,401,789	8,068,034
Capital Assets, Being Depreciated				
Land Improvements	17,096,430	-	-	17,096,430
Buildings and Improvements	228,705,618	2,439,851	236,357	230,909,112
Equipment	8,025,705	458,090	351,859	8,131,936
Technology	7,605,221	952,389	125,225	8,432,385
Total Capital Assets, Being Depreciated	261,432,974	3,850,330	713,441	264,569,863
Total Cost	\$ 269,271,609	\$ 7,481,518	\$ 4,115,230	\$ 272,637,897

(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 6 - CAPITAL ASSETS (Concluded)

A summary of changes in the accumulated depreciation by asset categories for fiscal year 2018 follows:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Land Improvements	\$ 6,978,628	\$ 732,230	\$ -	\$ 7,710,858
Buildings and Improvements	68,877,241	5,770,127	105,377	74,541,991
Equipment	4,276,387	632,586	303,953	4,605,020
Technology	5,320,648	897,151	125,225	6,092,574
Total Accumulated Depreciation	<u>85,452,904</u>	<u>8,032,094</u>	<u>534,555</u>	<u>92,950,443</u>
Net Capital Assets	<u>\$ 183,818,705</u>			<u>\$ 179,687,454</u>

NOTE 7 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

Contributions: The State of Illinois is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 7 - DEFINED BENEFIT PENSION PLAN (Continued)

Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of SURS to reach 90 percent of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal years 2017 and 2018, respectively, was 12.53 percent and 12.46 percent 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 percent 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 percent during the final rate of earnings period). There were no such liabilities for the College at year-end.

For 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.

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

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

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability recognized for the College is \$0. The proportionate share of the State's net pension liability associated with the College is \$326,514,892 or 1.2814 percent. The net pension liability and the total pension liability as of June 30, 2017 was determined based on the June 30, 2016 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported employee contributions made to SURS during fiscal year 2017.

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

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 7 - DEFINED BENEFIT PENSION PLAN (Continued)

Employer Proportionate Share of Pension Expense: The employer's proportionate share of collective pension expense is recognized as on-behalf payments as both revenue and expenditure in the College's financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported employee contributions made to SURS during fiscal year 2017. As a result, the College recognized an estimated on-behalf revenue and pension expense of \$30,919,133 for the fiscal year ended June 30, 2018.

Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions: Deferred outflows of resources are the consumption of net position by SURS that is applicable to future reporting periods. SURS collective deferred outflows and deferred inflows of resources by sources are as follows:

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

SURS collective deferred outflows and deferred inflows of resources by year to be recognized in future pension expenses are as follows:

Year Ending June 30	Net Deferred Outflow of Resources
2018	\$ 55,589,850
2019	187,874,276
2020	90,475,551
2021	(155,949,656)
Total	<u>\$ 177,990,021</u>

Employer Deferral of Fiscal Year 2018 Pension Expense

The College paid \$174,102 in federal, trust or grant contributions for the fiscal year ended June 30, 2018. These contributions were made subsequent to the pension liability measurement date of June 30, 2017, and are recognized as Deferred Outflow of Resources as of June 30, 2018.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 7 - DEFINED BENEFIT PENSION PLAN (Continued)

Assumptions and Other Inputs

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2017, these best estimates are summarized in the following table:

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

(Continued)

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 7 - DEFINED BENEFIT PENSION PLAN (Concluded)

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

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

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

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

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

Plan Description: The College participates in the State of Illinois' Community College Health Insurance Program (CIP), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the state. The benefits, employer, employee, retiree and state contributions are dictated by ILCS through the State Group Insurance Act of 1971 (the Act) and can only be changed by the Illinois General Assembly. Separate financial statements, including required supplementary information, may be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue East, Springfield, Illinois 62763.

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MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Benefits Provided: CIP provides health, vision and dental benefits to retired staff and dependent beneficiaries of participating community colleges. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced 5 percent for each year of credited service with the State allowing those annuitants with 20 or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

Contributions: The Act requires every active contributor (employee) of SURS to contribute 0.5% of covered payroll and every community college district to contribute 0.5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the state to make an annual appropriation to CIP to cover any expected expenditures in excess of the contributions by active employees, employers and retirees. The result is pay as you go financing of the plan. The employer contributions to the Plan for the years ending June 30, 2018, 2017, and 2016 were \$223,133, \$212,502, and \$211,485, respectively. The College contributions were equal to the required contributions for each year.

OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources: At June 30, 2018, the College reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided for the District. The State's support and total are for disclosure purposes only. The OPEB proportionate shares are as follows:

Employer's proportionate share of the collective net OPEB liability	\$ 44,667,920
The portion of the State's proportionate share amount of the collective net OPEB liability associated with the employer	44,079,566
Total CIP net collective OPEB liability associated with the employer	<u>\$ 88,747,486</u>

The collective net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation performed as of June 30, 2016 rolled forward to June 30, 2017. The College's proportion of the net OPEB liability was based on the College's actual contributions to the OPEB plan relative to the projected contributions of all participating Colleges and the State of Illinois, statutorily determined. At June 30, 2017 and June 30, 2016, the College's proportions were 2.449387 percent and 2.333444 percent, respectively.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

For the year ended June 30, 2018, the College recognized OPEB expense of \$4,502,081. At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 126,419
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,758,409	-
Net difference between projected and actual investment earnings	-	470
Changes of assumptions	-	3,720,801
Total deferred amounts to be recognized in expense in future periods	1,758,409	3,847,690
Employer contributions subsequent to the measurement date	223,133	-
	<u>\$ 1,981,542</u>	<u>\$ 3,847,690</u>

The College reported \$223,133 as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability for the measurement period ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:

2019	\$ (417,880)
2020	(417,880)
2021	(417,880)
2022	(417,880)
2023	(417,761)
	<u>\$ (2,089,281)</u>

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions	
Inflation	2.75%
Salary Increases	3.75% to 10.00%
Investment Rate of Return	0.00%
Healthcare Cost Trend Rates	8.00%-9.00% trending to 4.50%
Asset Valuation Method	Market Value

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

The following OPEB-related assumption changes were made since the June 30, 2014 OPEB actuarial valuation date:

- The discount rate was changed from 2.85 percent at June 30, 2016 to 3.56 percent at June 30, 2017;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2016, projected plan cost for plan year-end June 30, 2017, premium changes through plan year-end 2018, and expectation of future trend increases after June 30, 2017;
- The Excise trend rate adjustment was updated based on available premium and enrollment information as of June 30, 2017;
- Per capita claim costs were updated based on projected claims and enrollment experience through June 30, 2017, and updated premium rates through plan year 2018;
- The morbidity factors, used to adjust per capita claim cost by age and gender, were updated; and
- Healthcare plan participation rates by plan were updated based on observed experience.

The long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset class were not developed.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Discount Rate: Since CIP is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2017 was 3.56 percent, which was an increase from the June 30, 2016 rate of 2.85 percent. The projection of cash flows used to determine the discount rate assumed that employee, employer, and State contributions would be made at the current statutorily-required rates. Based on those assumptions, CIP's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Single Discount Rate: The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the College calculated using the discount rate of 3.56% as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.56%) or 1 percentage point higher (4.56%) than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Employer's proportionate share of the collective net OPEB liability	\$ 51,084,970	\$ 44,667,920	\$ 39,135,582

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point higher or lower than the current healthcare cost trend rates. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.02% in 2025 for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Employer's proportionate share of the collective net OPEB liability	\$ 37,056,567	\$ 44,667,920	\$ 55,682,445

- a) 1 percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.02% in 2025 for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage
- b) 1 percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.02% in 2025 for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Concluded)

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

NOTE 9 - CONTINGENT LIABILITIES AND COMMITMENTS

The College had construction commitments of \$1,331,447 as part of the campus expansion project as of June 30, 2018.

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 - FAIR VALUE MEASUREMENT AND APPLICATION

The College categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2 and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

- Level 1 Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.
- Level 2 Significant other observable inputs, which may include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets, and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.
- Level 3 Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

If the fair value is measured using inputs from different levels in the fair value hierarchy, the measurement should be categorized based on the lowest priority level input that is significant to the valuation. The College's assessment of significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Investments measured at fair value using net asset value per share (or equivalent) as a practical expedient to fair value are not classified in the fair value hierarchy; however, separate disclosures for these investments are required.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 10 - FAIR VALUE MEASUREMENT AND APPLICATION (Continued)

Fixed income and equity investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical investments.

Fixed income investments classified in Level 2 of the fair value hierarchy are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors. Valuation estimates from service providers' internal models include observable inputs such as interest rates, yield curves, credit/risk spreads and default rates. Matrix pricing techniques value securities based on their relationship to benchmark quoted prices.

Repurchase agreements, money market mutual funds, and CD's are not subject to GASB Statement No. 72 fair value disclosure. The College's Level 2 investments are valued using a matrix pricing model.

The College has the following recurring fair value measurements as of June 30, 2018:

	Fair Value Measurements Using			
	June 30, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments Measured at Fair Value</u>				
Debt securities				
Federal Farms Credit Banks	\$ 1,967,930	\$ -	\$ 1,967,930	\$ -
Federal Home Loan Bank Note	5,627,232	-	5,627,232	-
Federal Home Loan National Mortgage Association	1,970,657	-	1,970,657	-
Federal Home Loan Mortgage Corporation	11,996,527	-	11,996,527	-
Total investments measured at fair value	<u>21,562,346</u>	<u>\$ -</u>	<u>\$ 21,562,346</u>	<u>\$ -</u>
<u>Investments Not Measured at Fair Value</u>				
IMET	3,047,559			
SLUGs	<u>2,984,347</u>			
Total investments not measured at fair value	<u>6,031,906</u>			
Total investments	<u>\$ 27,594,252</u>			

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 10 - FAIR VALUE MEASUREMENT AND APPLICATION (Concluded)

The College has an investment as of June 30, 2018 measured at net asset value (NAV) - Fair Value as follows:

		Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
IMET	<u>\$ 3,047,559</u>	n/a	Daily	5 Days

NOTE 11 - PENDING ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 83, *Certain Asset Retirement Obligations*, will be effective for the College beginning with its year ended June 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

GASB Statement No. 84, *Fiduciary Activities*, will be effective for the College beginning with its year ended June 30, 2020. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, *Leases*, will be effective for the College with its year ended June 30, 2021. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

(Continued)

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE 11 - PENDING ACCOUNTING PRONOUNCEMENTS (Concluded)

GASB Statement No. 88, *Certain Disclosures Related to Debt Including Direct Borrowing Placements*, will be effective for the College beginning with its year ended June 30, 2020. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowing and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, will be effective for the College beginning with its year ended June 30, 2021. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Management has not yet completed its evaluation of the impact of the provisions of the standards on its financial statements.

**MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
JUNE 30, 2018**

REQUIRED SUPPLEMENTARY INFORMATION

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
FISCAL YEAR 2018 AND THREE YEARS PRIOR

	2018	2017	2016	2015
Proportion Percentage of Collective Net Pension Liability	0.00%	0.00%	0.00%	0.00%
Proportionate Amount of Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -
Portion of Nonemployer Contributing Entities Total Proportion of Collective Net Pension Liability associated with the College	326,514,892	324,319,090	293,555,914	266,176,193
Total	\$ 326,514,892	\$ 324,319,090	\$ 293,555,914	\$ 266,176,193
College's Covered Employee Payroll	\$ 50,975,417	\$ 50,870,877	\$ 50,972,002	\$ 49,784,608
Proportionate Share of the Net Pension Liability associated with the College as a Percentage of Covered Payroll	640.53%	637.53%	575.92%	534.66%
SURS Plan Net Position as a Percentage of Total Pension Liability	42.04%	39.57%	42.37%	44.39%

Note: SURS implemented GASB Statement 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.

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF COLLEGE CONTRIBUTIONS
FISCAL YEAR 2018 AND THREE YEARS PRIOR

	2018	2017	2016	2015
Federal, Trust, Grant and Other Contribution	\$ 174,102	\$ 165,335	\$ 155,880	\$ 185,048
Contribution in Relation to Required Contribution	174,102	165,335	155,880	185,048
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's Covered Employee Payroll	\$ 1,610,875	\$ 1,675,173	\$ 1,663,069	\$ 1,609,453
Contributions as a Percentage of Covered Payroll	10.81%	9.87%	9.37%	11.50%

Note: SURS implemented GASB Statement 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.

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
REQUIRED SUPPLEMENTARY INFORMATION
COMMUNITY COLLEGE HEALTH INSURANCE PROGRAM
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF
THE COLLECTIVE NET OPEB LIABILITY
AND SCHEDULE OF COLLEGE CONTRIBUTIONS

For the fiscal year ending*	2018	2017
Employer's proportion of the collective net OPEB liability	2.449387%	2.333444%
Employer's proportionate share of the collective net OPEB liability	\$ 44,667,920	\$ 42,467,622
The State's proportionate share of the collective net OPEB liability associated with the employer	44,079,566	44,247,673
Total	<u>\$ 88,747,486</u>	<u>\$ 86,715,295</u>
Employee covered payroll	\$ 52,586,292	\$ 52,546,050
Collective net OPEB liability as a percentage of the employee covered payroll	84.94%	80.82%
Plan fiduciary net position as a percentage of the total pension liability	0.0%	0.0%

* The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

	2018	2017	2016	2015
Additional Information:				
On-Behalf Payments for Community College Health Insurance Program	\$ 223,133	\$ 212,502	\$ 211,485	\$ 207,926

Note: Community College Health Insurance Program Implemented GASB Statement No. 75 in fiscal year 2017. The information above is presented for as many years available. The schedule is intended to show information for 10 years.

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
DEFINED BENEFIT PENSION PLAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018

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

Changes in assumptions. In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding retirement, disability, mortality, turnover interest and salary of the members and benefit recipients of SURS, and GASB Statement No. 67, *Financial Reporting for Pension Plans*, requires actual valuations of the total pension liability be performed every 2 years. An experience review for the years June 30, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

- 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 observed experiences.
- Early retirement rates. Change to a slight increase to the rates at ages 55 and 56.
- Turnover rates. Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than the currently assumed rates.
- Disability rates. Decrease rates and have separate rates for males and females to reflect observed experience.
- Dependent assumption. Maintain the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

Special funding situation: 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. The State is responsible for the collective net pension liability of the plan with the exception federal, trust or grant contributions made by the College that are recognized as deferred outflows of resources.

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
COMMUNITY COLLEGE HEALTH INSURANCE PROGRAM (CIP)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018

Notes to Schedule of Contributions

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Sponsor's Fiscal Year-End	June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year-end June 30, 2017, contribution rates are 0.50% of pay for active members, 0.50% of pay for community colleges and 0.50% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation
Inflation	2.75%
Salary Increases	Depends on service and ranges from 10.00% at less than 1 year of service to 3.75% at 34 or more years of service. Salary increase includes a 3.75% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2014, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.52% is added to non-Medicare cost on and after 2020 to account for the Excise tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

**MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
JUNE 30, 2018**

SUPPLEMENTARY INFORMATION

The following supplementary information is maintained for management information purposes.

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
SCHEDULE OF MANAGEMENT INFORMATION
DETAIL OF OPERATING EXPENSES BY FUNCTION AND OBJECT
YEAR ENDED JUNE 30, 2018

	Salaries	Benefits	Services	Supplies	Utilities	Other	Totals
Instruction	\$ 29,808,139	\$ 24,435,666	\$ 301,648	\$ 1,299,814	\$ -	\$ 340,801	\$ 56,186,068
Academic Support	4,372,626	4,077,793	501,939	644,567	-	326,886	9,923,811
Student Services	6,603,805	6,119,054	256,540	371,804	-	287,806	13,639,009
Public Service	413,748	353,054	194,579	150,469	-	331,013	1,442,863
Operations and							
Maintenance of Plant	4,023,944	3,890,922	3,561,953	980,217	1,959,187	80,963	14,497,186
Institutional Support	9,402,081	9,963,737	2,283,936	2,961,885	75,930	790,469	25,478,038
Auxiliary Enterprises	3,227,723	2,928,669	2,370,633	4,178,482	34,497	370,748	13,110,752
Financial Aid	-	-	-	-	-	8,225,850	8,225,850
Depreciation	-	-	-	-	-	8,032,094	8,032,094
Totals	\$ 57,852,066	\$ 51,768,895	\$ 9,471,228	\$ 10,587,238	\$ 2,069,614	\$ 18,786,630	\$ 150,535,671

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES
YEAR ENDED JUNE 30, 2018

General Liability	\$ 327,360
Worker's Compensation Insurance	274,895
Unemployment Insurance	33,121
Other Contract Services	<u>16,542</u>
Total Tort Immunity Purposes Expenditures	<u><u>\$ 651,918</u></u>

Since the College levies property taxes for tort immunity/liability insurance purposes, as required by Public Act 91-068 passed by the Illinois General Assembly, the College is including the above list of tort immunity purposes expenditures in its annual financial report.

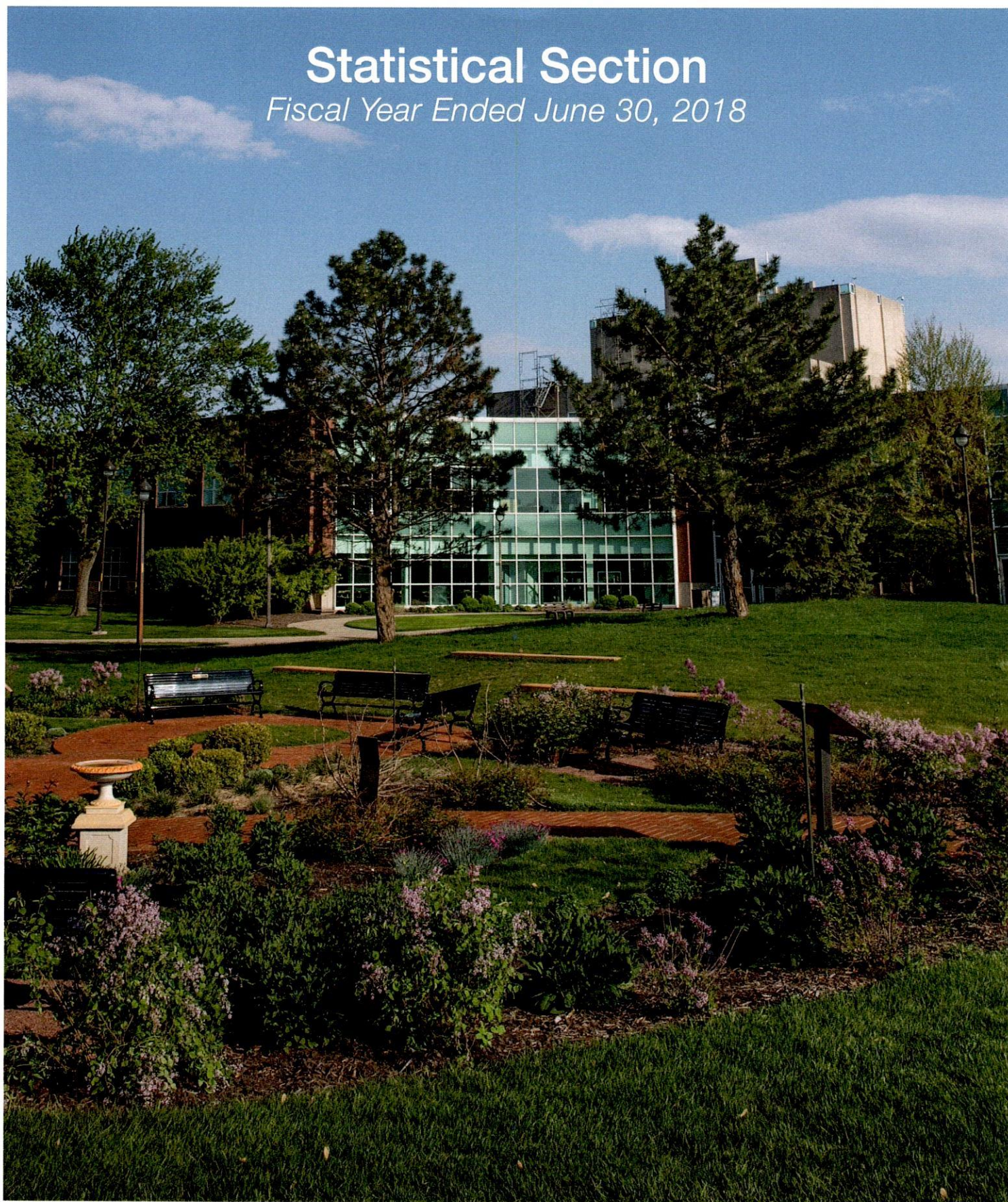
The College's tax extension for tort immunity/liability insurance for tax year 2017 as levied by Cook County was \$459,268. Any shortfall to cover expenditures in excess of taxes collected is derived from previous years' excess or other general fund revenues of the College. Any excess of revenues over expenditures is carried forward to subsequent fiscal years subject to a statutory formula.

Moraine Valley Community College

COMMUNITY COLLEGE DISTRICT NUMBER 524, PALOS HILLS, IL

Statistical Section

Fiscal Year Ended June 30, 2018



MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
STATISTICAL SECTION CONTENTS
(UNAUDITED)

JUNE 30, 2018

This section of Moraine Valley Community 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 College's overall economic condition.

<u>Contents</u>	<u>Page</u>
Financial Trends Tabular information is presented to demonstrate changes in the College's financial position over time.	81-84
Revenue Capacity These tables contain information to assist the reader in understanding and assessing the College's ability to generate its most significant local revenue sources - real estate taxes and tuition and fees.	85-95
Debt Capacity Data are shown to disclose the College's current level of outstanding debt and to indicate the College's ability to issue additional debt.	96-104
Demographic and Economic Information These tables offer information about the socioeconomic environment within which the College operates. Data are provided to facilitate comparisons of financial statement information over time and between the College and other community colleges.	105-112
Operating Information Non-financial information about the College's operations and resources is provided in these tables to facilitate the reader's use of the College's financial statement information to understand and assess the College's economic condition.	113-118

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

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

FINANCIAL TRENDS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:				
Net Investment in				
Capital Assets	\$ 89,589,086	\$ 89,638,547	\$ 88,549,091	\$ 79,617,885
Restricted				
Scholarships	528,148	384,321	496,650	276,766
Capital Projects	1,912,832	1,987,706	2,863,561	2,808,457
Debt Service	3,992,718	3,197,252	4,308,549	3,535,206
Technology Projects	3,741,809	3,707,848	3,901,507	4,386,595
Liability Insurance	1,666,304	1,831,392	1,912,747	1,899,099
Audit Purposes	161,906	153,215	137,313	132,553
Unrestricted	<u>42,686,478</u>	<u>75,918,410</u>	<u>77,978,558</u>	<u>91,708,977</u>
Total Net Position	<u><u>\$ 144,279,281</u></u>	<u><u>\$ 176,818,691</u></u>	<u><u>\$ 180,147,976</u></u>	<u><u>\$ 184,365,538</u></u>

Source: College Financial Records

Note: Beginning in 2018, the College implemented GASB Statement No. 75 which resulted in the inclusion of a net OPEB liability. Prior year information in this schedule has not been restated.

TABLE 1

2014	2013	2012	2011	2010	2009
<u>\$ 75,818,713</u>	<u>\$ 76,381,814</u>	<u>\$ 76,635,607</u>	<u>\$ 71,487,797</u>	<u>\$ 64,047,551</u>	<u>\$ 63,194,665</u>
329,501	376,809	279,032	187,171	273,661	307,586
5,187,493	5,283,488	10,245,931	13,683,498	20,638,922	20,007,878
7,645,585	6,934,352	2,486,581	1,690,156	1,545,456	1,311,848
3,771,550	3,758,802	3,755,039	3,829,740	4,618,675	5,285,429
1,782,037	1,632,645	1,591,783	1,573,980	1,550,103	1,142,665
112,946	104,215	75,059	35,775	15,433	35,109
<u>85,347,076</u>	<u>78,897,297</u>	<u>73,104,212</u>	<u>74,154,545</u>	<u>72,579,504</u>	<u>67,423,665</u>
<u><u>\$ 179,994,901</u></u>	<u><u>\$ 173,369,422</u></u>	<u><u>\$ 168,173,244</u></u>	<u><u>\$ 166,642,662</u></u>	<u><u>\$ 165,269,305</u></u>	<u><u>\$ 158,708,845</u></u>

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

FINANCIAL TRENDS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
OPERATING REVENUES				
Tuition and Fees, net of scholarship allowances	\$ 29,217,252	\$ 31,684,193	\$ 29,649,676	\$ 30,778,456
Auxiliary Enterprise Revenue	8,475,861	7,923,375	8,177,236	7,896,751
Chargeback Revenue	-	20,929	26,205	16,687
Other Operating Revenues	1,979,267	2,232,655	2,199,383	2,142,787
Total Operating Revenues	<u>39,672,380</u>	<u>41,861,152</u>	<u>40,052,500</u>	<u>40,834,681</u>
OPERATING EXPENSES				
Instruction	56,186,068	50,618,494	46,634,358	45,284,704
Academic Support	9,923,811	9,403,522	8,303,706	8,035,517
Student Services	13,639,009	12,894,865	12,322,858	12,604,860
Public Service	1,442,863	462,880	580,481	885,352
Operations and Maintenance	14,497,186	14,631,510	12,905,682	12,590,713
Institutional Support	25,478,038	23,055,316	21,450,577	19,117,399
Auxiliary Enterprises	13,110,752	12,903,456	12,418,600	12,648,365
Financial Aid	8,225,850	5,340,524	5,490,812	7,419,550
Depreciation	8,032,094	7,799,745	7,168,646	6,927,671
Total Operating Expenses	<u>150,535,671</u>	<u>137,110,312</u>	<u>127,275,720</u>	<u>125,514,131</u>
Operating Income (Loss)	<u>(110,863,291)</u>	<u>(95,249,160)</u>	<u>(87,223,220)</u>	<u>(84,679,450)</u>
NON-OPERATING REVENUES (EXPENSES)				
State Sources	63,769,017	37,127,892	28,441,683	34,266,592
Property Taxes (1)	36,846,539	36,940,839	36,126,203	35,649,995
Federal Grants and Contracts	21,871,273	21,364,385	20,791,251	22,232,483
Local Sources	608,129	630,409	716,674	911,813
Investment Income	2,188,332	991,500	2,790,399	1,011,333
Interest on Capital Asset Related Debt	(4,575,679)	(5,009,979)	(5,453,247)	(5,530,166)
Gain (Loss) on Disposal of Capital Assets	(128,610)	(125,171)	(407,305)	(38,858)
Total Non-Operating Revenues (Expenses)	<u>120,579,001</u>	<u>91,919,875</u>	<u>83,005,658</u>	<u>88,503,192</u>
Net Income (Loss) Before Capital Contributions	<u>9,715,710</u>	<u>(3,329,285)</u>	<u>(4,217,562)</u>	<u>3,823,742</u>
CAPITAL CONTRIBUTIONS				
State Appropriations	-	-	-	546,895
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>546,895</u>
CHANGE IN NET POSTION	<u>\$ 9,715,710</u>	<u>\$ (3,329,285)</u>	<u>\$ (4,217,562)</u>	<u>\$ 4,370,637</u>

Source: College Financial Records

Note:

- (1) The College is subject to two property tax caps in Illinois whereby the increase in the levy from year to year is limited to the lesser of the consumer price index for the State as determined by the Illinois Department of Revenue, and individual rates are limited by maximum rates established by Illinois Compiled Statutes.

TABLE 2

2014	2013	2012	2011	2010	2009
\$ 31,347,745	\$ 31,179,582	\$ 27,669,294	\$ 28,667,883	\$ 27,289,153	\$ 25,530,678
7,204,215	6,720,190	7,384,332	7,209,618	7,706,139	7,601,553
14,333	17,938	100,252	15,854	38,487	62,769
1,856,389	2,398,101	2,518,775	2,017,446	1,562,284	1,258,039
<u>40,422,682</u>	<u>40,315,811</u>	<u>37,672,653</u>	<u>37,910,801</u>	<u>36,596,063</u>	<u>34,453,039</u>
43,025,800	40,717,950	38,161,603	36,380,429	32,609,666	29,382,619
8,019,968	8,215,403	7,153,862	6,704,030	6,510,210	5,607,265
12,119,869	11,373,003	10,399,301	10,123,001	8,924,818	7,775,475
392,306	321,134	430,844	338,558	886,260	813,907
13,698,851	11,797,328	11,975,328	12,347,063	15,993,215	10,574,404
19,172,422	19,136,264	20,070,166	16,843,310	16,001,950	16,495,092
10,938,153	10,917,646	10,142,671	10,038,662	9,621,183	9,172,894
7,947,171	7,319,332	8,366,379	9,658,719	6,794,301	4,735,530
6,326,932	5,797,526	5,463,902	4,972,550	3,976,924	2,521,275
<u>121,641,472</u>	<u>115,595,586</u>	<u>112,164,056</u>	<u>107,406,322</u>	<u>101,318,527</u>	<u>87,078,461</u>
<u>(81,218,790)</u>	<u>(75,279,775)</u>	<u>(74,491,403)</u>	<u>(69,495,521)</u>	<u>(64,722,464)</u>	<u>(52,625,422)</u>
29,650,355	26,787,955	22,810,695	20,328,020	19,809,643	18,643,082
34,903,424	34,041,114	33,588,471	32,278,069	32,382,364	29,828,329
22,464,967	22,899,762	22,370,595	20,502,822	16,800,477	10,715,001
1,102,860	326,788	391,405	586,058	631,089	391,788
4,301,274	1,899,592	1,096,217	736,575	1,801,678	4,527,529
(4,846,799)	(4,745,620)	(3,794,052)	(3,632,753)	(49,188)	(1,171,789)
(18,978)	27,632	(554,459)	6,000	(109,719)	16,971
<u>87,557,103</u>	<u>81,237,223</u>	<u>75,908,872</u>	<u>70,804,791</u>	<u>71,266,344</u>	<u>62,950,911</u>
<u>6,338,313</u>	<u>5,957,448</u>	<u>1,417,469</u>	<u>1,309,270</u>	<u>6,543,880</u>	<u>10,325,489</u>
287,166	21,865	113,113	64,087	16,580	23,820
<u>287,166</u>	<u>21,865</u>	<u>113,113</u>	<u>64,087</u>	<u>16,580</u>	<u>23,820</u>
<u>\$ 6,625,479</u>	<u>\$ 5,979,313</u>	<u>\$ 1,530,582</u>	<u>\$ 1,373,357</u>	<u>\$ 6,560,460</u>	<u>\$ 10,349,309</u>

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

REVENUE CAPACITY
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN LEVY YEARS

Fiscal Year	Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railroad Property
2018	2017	\$ 6,935,939,435	\$ 2,534,835,666	\$ 951,071,594	\$ 969,483	\$ 20,883,682
2017	2016	5,914,419,554	2,275,175,731	847,427,674	772,900	21,632,055
2016	2015	5,657,172,218	2,160,585,700	820,635,434	702,337	22,367,574
2015	2014	5,816,943,352	2,232,244,038	853,506,867	762,980	22,387,608
2014	2013	6,096,296,413	1,987,560,168	1,193,477,862	585,006	25,817,442
2013	2012	6,504,355,168	2,084,450,025	1,281,478,463	581,809	25,140,936
2012	2011	7,124,609,970	2,252,154,536	1,385,696,695	620,349	25,492,353
2011	2010	8,642,229,242	2,614,359,250	1,563,504,213	632,633	23,722,754
2010	2009	8,391,336,183	2,797,563,163	1,677,616,609	623,778	22,442,108
2009	2008	7,740,786,899	3,070,135,659	1,913,690,028	974,642	20,897,635

Source: Cook County Assessor's Office

TABLE 3

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Total Assessed Value to Total Estimated Actual Value
\$ 10,443,699,860	0.406	31,334,233,003	33.33%
9,059,427,914	0.406	27,181,001,842	33.33%
8,661,463,263	0.419	25,986,988,488	33.33%
8,925,844,845	0.403	26,780,212,556	33.33%
9,303,736,891	0.375	27,914,002,073	33.33%
9,896,006,401	0.346	29,690,988,302	33.33%
10,788,573,903	0.311	32,368,958,605	33.33%
12,844,448,092	0.256	38,537,197,996	33.33%
12,889,581,841	0.247	38,672,612,784	33.33%
12,746,484,863	0.247	38,243,005,296	33.33%

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

REVENUE CAPACITY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Levy Year	Assessed Value	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2018	2017	\$ 10,443,699,860	\$ 38,054,025	\$ 19,021,994	49.99%	\$ -	\$ 19,021,994	49.99%
2017	2016	9,059,427,914	36,704,968	18,460,833	50.30%	16,752,559	35,213,392	95.94%
2016	2015	8,661,463,263	36,234,178	18,344,075	50.63%	16,999,501	35,343,576	97.54%
2015	2014	8,925,844,845	35,955,162	17,603,405	48.96%	17,155,835	34,759,240	96.67%
2014	2013	9,303,736,891	34,887,425	17,501,841	50.17%	16,288,549	33,790,390	96.86%
2013	2012	9,896,006,401	34,165,011	17,129,575	50.14%	16,118,358	33,247,933	97.32%
2012	2011	10,788,573,903	33,512,876	16,792,891	50.11%	15,696,862	32,489,753	96.95%
2011	2010	12,844,448,092	32,763,233	16,306,578	49.77%	15,593,215	31,899,793	97.36%
2010	2009	12,889,581,841	31,770,742	15,902,141	50.05%	14,990,725	30,892,866	97.24%
2009	2008	12,746,484,863	31,389,089	14,116,980	44.97%	16,937,662	31,054,642	98.93%

Sources: Cook County Treasurer's Office and Moraine Valley Community College Financial Records

Note: Property taxes in Cook County, Illinois are due in two installments, March 1 and August 1 in the calendar year following the levy year. Approximately one-half of the total tax levy year is generally collected by June 30 of the following year.

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

REVENUE CAPACITY
ASSESSED VALUATIONS, TAXES EXTENDED AND TAX RATES
LAST TEN LEVY YEARS

Amount of Levy					
Year of Levy	Cook County Assessed Valuation	Education Fund	Operations and Maintenance Fund	Liability, Protection, and Settlement Fund	Life Safety Fund
2017	\$ 10,443,699,860	\$ 21,679,183	\$ 7,655,413	\$ 473,046	\$ 1,030,000
2016	9,059,427,914	21,099,407	7,329,077	525,446	1,032,774
2015	8,661,463,263	20,796,173	7,145,707	511,026	996,068
2014	8,925,844,845	20,039,931	7,016,734	600,988	1,501,794
2013	9,303,736,891	19,500,000	6,762,998	800,725	1,500,000
2012	9,896,006,401	19,501,708	6,613,063	818,749	959,402
2011	10,788,573,903	18,750,541	6,343,681	798,354	1,089,645
2010	12,844,448,092	18,597,031	6,090,965	815,730	955,865
2009	12,889,581,841	17,398,873	5,732,958	860,977	900,000
2008	12,746,484,863	17,010,112	5,496,594	1,141,707	916,117

Tax Rates (Per \$100 of assessed valuation)

Tax Year	Education Fund	Operations and Maintenance Fund	Liability, Protection, and Settlement Fund	Life Safety Fund
2017	0.2076	0.0733	0.0045	0.0099
2016	0.2329	0.0809	0.0058	0.0114
2015	0.2401	0.0825	0.0059	0.0115
2014	0.2245	0.0786	0.0067	0.0168
2013	0.2096	0.0727	0.0086	0.0161
2012	0.1971	0.0668	0.0083	0.0097
2011	0.1738	0.0588	0.0074	0.0101
2010	0.1448	0.0474	0.0064	0.0074
2009	0.1350	0.0445	0.0067	0.0070
2008	0.1334	0.0431	0.0090	0.0072

Source: Cook County Treasurer's Office

TABLE 5

Bond and Interest Fund	Audit Fund	Social Security and Medicare Fund	Total
\$ 7,132,953	\$ 83,430	\$ -	\$ 38,054,025
6,627,670	90,594	-	36,704,968
6,689,928	95,276	-	36,234,178
6,696,596	99,119	-	35,955,162
6,221,702	102,000	-	34,887,425
6,161,000	111,089	-	34,165,011
6,422,770	107,885	-	33,512,876
6,197,993	105,649	-	32,763,233
6,136,634	102,000	639,300	31,770,742
6,135,321	94,666	594,572	31,389,089

Bond and Interest Fund	Audit Fund	Social Security and Medicare Fund	Total
0.0683	0.0008	0.0000	0.3650
0.0732	0.0010	0.0000	0.4060
0.0772	0.0011	0.0000	0.4190
0.0750	0.0011	0.0000	0.4030
0.0669	0.0011	0.0000	0.3750
0.0623	0.0011	0.0000	0.3460
0.0595	0.0010	0.0000	0.3110
0.0483	0.0008	0.0000	0.2560
0.0476	0.0008	0.0050	0.2470
0.0481	0.0007	0.0047	0.2470

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

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

Taxing Bodies	2017	2016	2015	2014
City of Palos Hills	0.601	0.680	0.698	0.675
North Palos School District #117	4.982	5.679	5.853	5.614
North Palos Fire Protection District	1.032	1.161	1.198	1.134
Green Hills Public Library District	0.415	0.471	0.486	0.469
Consolidated H.S. District #230	2.287	2.778	2.879	2.770
South Cook County Mosquito Abatement District	0.016	0.017	0.017	0.017
Metropolitan Water Reclamation District	0.402	0.406	0.426	0.430
General Assistance Palos	0.008	0.008	0.008	0.007
Road and Bridge Palos	0.047	0.054	0.055	0.052
Township of Palos	0.060	0.068	0.070	0.066
Consolidated Elections	0.031	0.000	0.034	0.000
Forest Preserve District of Cook County	0.062	0.063	0.069	0.069
County of Cook	0.496	0.533	0.552	0.568
Total Overlapping Rate	10.439	11.918	12.345	11.871
Moraine Valley Community College Dist 524	0.365	0.406	0.419	0.403
Total Rate	10.804	12.324	12.764	12.274
Moraine Valley Community College Dist 524 Percentage of Total	3.38%	3.29%	3.28%	3.28%

Source: Cook County, Illinois Tax Extension Division
For Local Property Tax Payers of City of Palos Hills, IL

TABLE 6

2013	2012	2011	2010	2009	2008
0.637	0.579	0.515	0.414	0.409	0.422
5.391	4.916	4.406	3.602	3.506	3.488
1.076	0.974	0.869	0.701	0.691	0.694
0.442	0.403	0.358	0.288	0.285	0.290
2.641	2.438	2.180	1.812	1.764	1.801
0.016	0.014	0.012	0.010	0.009	0.009
0.417	0.370	0.320	0.274	0.261	0.252
0.006	0.005	0.005	0.004	0.004	0.004
0.049	0.046	0.042	0.033	0.032	0.032
0.063	0.057	0.050	0.040	0.039	0.039
0.031	0.000	0.025	0.000	0.021	0.000
0.069	0.063	0.058	0.051	0.049	0.051
0.560	0.531	0.462	0.423	0.394	0.415
11.398	10.396	9.302	7.652	7.464	7.497
0.375	0.346	0.311	0.256	0.247	0.247
11.773	10.742	9.613	7.908	7.711	7.744
3.19%	3.22%	3.24%	3.24%	3.20%	3.19%

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

REVENUE CAPACITY
PRINCIPAL PROPERTY TAXPAYERS
2016 TAX LEVY YEAR AND NINE YEARS PRIOR

2016 TAX LEVY YEAR				
Taxpayer	Type of Business	Equalized Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Simon Property Group	Shopping Center	\$ 115,517,800	1	1.28%
Star West Chicago Ridge	Shopping Center	53,186,364	2	0.59%
New Plan Dept 124	Shopping Center	34,878,262	3	0.38%
Target	Department Store	27,237,587	4	0.30%
IRC	Shopping Center	20,441,271	5	0.23%
Walmart	Department Store	20,342,488	6	0.22%
New Plan Excel Prop Trust	Shopping Center	19,971,586	7	0.22%
Bigs Mortgage LLC	Real Estate Holdings	19,903,296	8	0.22%
Menards Inc	Retail Store	18,915,203	9	0.21%
Ingredion Argo ACCTG	Sweetners, Starches and Nutrition Ingredients	17,328,830	10	0.19%
TOTAL		<u>\$ 347,722,687</u>		<u>3.84%</u>
TOTAL ASSESSED VALUATION		<u>\$ 9,059,427,914</u>		

Source: Cook County Clerks Office

Note: 2016 latest available information

TABLE 7

2007 TAX LEVY YEAR				
Taxpayer	Type of Business	Equalized Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Simon Properties	Shopping Center	\$ 89,186,392	1	0.79%
DoubleTree Hotels	Hotel	76,709,351	2	0.68%
Centerpoint Properties	Warehousing & Distribution	67,729,035	3	0.60%
Chicago Ridge Mall	Shopping Center	63,815,014	4	0.56%
Walmart	Department Store	46,266,326	5	0.41%
Hilton Hotel (RLJ II LLC)	Hotel	42,923,507	6	0.38%
Bradley Operating LP	Shopping Center	37,674,925	7	0.33%
Sears	Department Store	30,356,496	8	0.27%
Albertsons	Retail Food Store	30,000,519	9	0.27%
Home Depot	Retail Store	26,211,940	10	0.23%
		<u>\$ 510,873,505</u>		<u>4.51%</u>
		<u>\$ 11,319,414,709</u>		

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

REVENUE CAPACITY
ENROLLMENT, TUITION AND FEE RATES, CREDIT HOURS,
AND FEE REVENUES GENERATED
LAST TEN FISCAL YEARS

Fiscal Year	Fall Term Enrollment			Tuition and Fee Rates		
	FTE Credit Courses	Headcount Credit Courses	Headcount Noncredit Courses	In District Tuition and Fees per Semester Hour	Out of District Tuition and Fees per Semester Hour	Out of State Tuition and Fees per Semester Hour
2018	8,825	14,620	1,092	\$ 142	\$ 314	\$ 365
2017	9,152	15,021	1,096	139	307	356
2016	9,345	15,016	1,589	133	297	344
2015	9,651	15,286	1,880	131	292	338
2014	9,965	16,106	1,498	126	280	324
2013	10,226	16,650	1,640	121	275	319
2012	10,680	18,169	1,593	108	255	297
2011	10,846	17,387	1,200	100	247	289
2010	10,851	17,774	1,297	92	237	277
2009	10,360	17,477	1,259	82	227	267

Source: College Records

TABLE 8

Tuition and Fee Revenues		
Education Fund	Auxiliary Enterprises & Other Funds	Total All Funds
\$ 47,199,822	\$ 3,605,734	\$ 50,805,556
50,288,764	3,567,318	53,856,082
47,963,653	4,042,337	52,005,990
48,970,041	4,063,397	53,033,438
49,691,736	4,540,282	54,232,018
48,839,949	4,410,926	53,250,875
45,760,488	2,316,442	48,076,930
43,543,864	1,857,292	45,401,156
36,488,500	2,057,396	38,545,896
31,028,315	2,038,027	33,066,342

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEBT CAPACITY
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND PERSONAL INCOME
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year Ended	General Obligation Bonds (1)	Premiums (Discounts)	Total Net Outstanding Debt (2)	Less Amounts Available for Debt Service	Less Amounts Restricted For Debt (3)	Net General Obligation Bonded Debt (2)
2018	\$ 57,750,000	\$ 535,104	\$ 58,285,104	\$ 3,992,718	\$ -	\$ 54,292,386
2017	107,640,000	2,193,142	109,833,142	3,197,252	45,075,000	61,560,890
2016	111,970,000	2,390,983	114,360,983	4,308,549	45,075,000	64,977,434
2015	116,030,000	2,327,043	118,357,043	3,535,206	45,075,000	69,746,837
2014	119,475,000	2,489,235	121,964,235	7,645,585	45,075,000	69,243,650
2013	122,745,000	2,643,898	125,388,898	6,934,352	45,075,000	73,379,546
2012	125,675,000	2,795,013	128,470,013	2,486,581	45,075,000	80,908,432
2011	78,850,000	3,076,978	81,926,978	1,690,156		80,236,822
2010	80,885,000	3,232,494	84,117,494	1,545,456		82,572,038
2009	82,845,000	3,380,990	86,225,990	1,311,848		84,914,142

Sources: College Records, Comprehensive Annual Financial Reports, and Cook County Records

Notes:

- (1) Balances include current and non-current portions of bonds outstanding. Pursuant to the Debt Reform Act, bonds issued as alternate revenue bonds such as the 2012D Bonds and the 2013 Bonds do not count against the College's statutory debt limit, so long as the debt service levy for said alternative bonds is abated annually. Those bonds are abated annually and have been excluded from this schedule.
- (2) Details of the College's outstanding debt can be found in CAFR Financial section Notes to Basic Financial Statements
- (3) Portion of investments restricted from bond proceeds held by escrow agent to advance refund Series 2007B General Obligation Bonds. The restricted investments were used to pay off the remaining balance of the 2007B General Obligation Bonds in the 2018 fiscal year.
- (4) U.S. Census Bureau, Estimates from the 2011-2015 American Community Survey

TABLE 9

Assessed Value	Percentage of Net General Obligation Bonded Debt to Assessed Value	Population		Total Personal Income	Percentage of Net General Obligation Bonded Debt to Personal Income	Net General Obligation Bonded Debt Per Capita
\$ 10,443,699,860	0.52%	390,722	(4)	\$ 11,296,945,186	0.48%	\$ 138.95
9,059,427,914	0.67%	391,765	(4)	11,254,624,920	0.54%	154.30
8,661,463,263	0.76%	391,765	(4)	11,254,624,920	0.59%	168.69
8,925,844,845	0.78%	391,614	(4)	11,250,286,992	0.62%	178.10
9,303,736,891	0.74%	393,476	(4)	11,169,603,212	0.62%	175.98
9,896,006,401	0.74%	391,778	(4)	10,967,041,554	0.67%	187.30
10,788,573,903	0.75%	388,606		10,791,977,226	0.75%	208.20
12,844,448,092	0.62%	388,606		10,720,862,328	0.75%	206.47
12,889,581,841	0.64%	376,579		10,389,061,452	0.79%	219.27
12,746,484,863	0.67%	376,579		8,656,044,894	0.98%	225.49

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEBT CAPACITY
SCHEDULE OF RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Debt				
General Obligation Bonds	\$ 58,285,104	\$ 109,833,142	\$ 114,360,983	\$ 118,357,043
Alternative Revenue Bonds	31,247,967	31,043,366	31,901,322	32,739,138
Capital Lease Obligations	-	-	-	-
Total Outstanding Debt	<u>\$ 89,533,071</u>	<u>\$ 140,876,508</u>	<u>\$ 146,262,305</u>	<u>\$ 151,096,181</u>
Per Student (1)	\$ 3,128.56	\$ 4,815.80	\$ 4,530.77	\$ 4,626.05
Percentage of Personal Income	0.79%	1.25%	1.30%	1.34%

Source: College Records

Notes: (1) Debt per student is calculated using unduplicated credit and non-credit enrollment total for the fiscal year.

TABLE 10

2014	2013	2012	2011	2010	2009
\$ 121,964,235	\$ 125,388,898	\$ 128,470,013	\$ 81,926,978	\$ 84,117,494	\$ 86,225,990
33,561,818	33,569,363	-	-	-	-
-	-	-	-	-	199,652
<u>\$ 155,526,053</u>	<u>\$ 158,958,261</u>	<u>\$ 128,470,013</u>	<u>\$ 81,926,978</u>	<u>\$ 84,117,494</u>	<u>\$ 86,425,642</u>
\$ 4,566.10	\$ 4,502.17	\$ 3,270.87	\$ 2,225.67	\$ 2,276.03	\$ 2,470.72
1.39%	1.45%	1.19%	0.76%	0.81%	1.00%

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEBT CAPACITY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT*
GENERAL OBLIGATION BONDS
JUNE 30, 2018

Taxing District	Outstanding Debt (1)	Percent	Amount
<u>Direct</u>			
Moraine Valley Community College District 524	\$ 57,750,000	100.000%	\$ 57,750,000
<u>Overlapping</u>			
<u>County and Township Special Service Areas:</u>			
Cook County	3,085,186,750	6.925%	213,649,182
Cook County Forest Preserve District	101,200,000	6.925%	7,008,100
Lyons Township	1,895,000	17.071%	323,495
<u>Library Districts:</u>			
Acorn Public Library District	-	19.866%	-
Alsip-Merrionette Park Public Library District	-	100.000%	-
Green Hills Public Library District	-	100.000%	-
Stickney-Forest View Public Library District	1,125,000	44.673%	502,571
Summit Library District	2,255,000	94.155%	2,123,195
<u>Municipalities:</u>			
Village of Alsip	13,415,000	100.000%	13,415,000
Village of Bedford Park	9,715,000	100.000%	9,715,000
City of Blue Island	-	96.009%	-
Village of Bridgeview	237,065,000	100.000%	237,065,000
City of Burbank	8,295,000	100.000%	8,295,000
Village of Calumet Park	11,535,000	100.000%	11,535,000
Village of Chicago Ridge	3,010,000	100.000%	3,010,000
Village of Crestwood	-	99.834%	-
Village of Evergreen Park	27,280,000	100.000%	27,280,000
Village of Forest View	970,000	57.038%	553,269
City of Hickory Hills	425,000	100.000%	425,000
Village of Homer Glen	8,345,000	0.019%	1,586
Village of Justice	240,000	100.000%	240,000
Village of Lyons	5,450,000	0.014%	763
Village of Midlothian	9,150,000	1.959%	179,249
City of Oak Forest	26,800,000	14.721%	3,945,228
Village of Oak Lawn	74,660,000	100.000%	74,660,000
Village of Orland Hills	-	100.000%	-
Village of Orland Park	69,925,000	99.124%	69,312,457
City of Palos Heights	5,890,000	100.000%	5,890,000
Village of Palos Park	-	96.091%	-
Village of Posen	1,065,000	0.029%	309
Village of Tinley Park	18,275,000	53.510%	9,778,953
Village of Willow Springs	590,000	36.868%	217,521
Village of Worth	360,000	100.000%	360,000

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524DEBT CAPACITY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT*
GENERAL OBLIGATION BONDS
JUNE 30, 2018

Taxing District	Outstanding Debt (1)	Percent	Amount
<u>Park Districts:</u>			
Alsip Park District	\$ 2,310,000	100.000%	\$ 2,310,000
Bedford Park Park District	1,240,000	100.000%	1,240,000
Blue Island Park District	157,495	95.773%	150,838
Bridgeview Park District	590,000	100.000%	590,000
Burbank Park District	2,040,000	100.000%	2,040,000
Central Stickney Park District	929,000	97.953%	909,983
Chicago Ridge Park District	-	100.000%	-
Hickory Hills Park District	1,585,000	100.000%	1,585,000
Justice Park District	524,000	100.000%	524,000
Midlothian Park District	165,000	1.959%	3,232
Mokena Community Park District	6,408,000	0.530%	33,962
Oak Forest Park District	2,170,000	8.735%	189,550
Oak Lawn Park District	2,000,620	100.000%	2,000,620
Pleasant Dale Park District	1,260,000	0.374%	4,712
Robbins Park District	115,290	99.916%	115,193
Summit Park District	265,000	99.194%	262,864
Tinley Park Park District	5,206,000	66.132%	3,442,832
Worth Park District	60,000	100.000%	60,000
<u>Sanitary Districts:</u>			
Metropolitan Water Reclamation District (2)	2,599,522,000	7.059%	183,500,258
South Stickney Sanitary District	-	100.000%	-
<u>School Districts:</u>			
Summit School District #104	26,780,000	66.339%	17,765,584
Willow Springs Consolidated School District #108	3,265,000	100.000%	3,265,000
Indian Springs School District #109	8,320,000	100.000%	8,320,000
Burbank School District #111	61,637,491	100.000%	61,637,491
North Palos School District #117	21,565,000	100.000%	21,565,000
Palos Consolidated School District #118	4,800,000	100.000%	4,800,000
Ridgeland School District #122	41,115,684	100.000%	41,115,684
Oak Lawn School District #123	19,443,000	100.000%	19,443,000
Evergreen Park School District #124	7,050,000	100.000%	7,050,000
Atwood School District #125	3,919,357	100.000%	3,919,357
Alsip-Hazelgreen Oaklawn School District #126	-	100.000%	-
Worth School District #127	1,904,655	100.000%	1,904,655
Chicago Ridge School District #127-1/2	3,055,000	100.000%	3,055,000
Palos Heights School District #128	3,400,000	100.000%	3,400,000
Blue Island School District #130	5,667,712	100.000%	5,667,712
Calumet Park School District #132	3,239,000	95.217%	3,084,079
Forest Ridge School District #142	6,560,193	14.304%	938,370
Midlothian School District #143	4,145,000	31.678%	1,313,053
Posen-Robbins School District #143 1/2	16,015,000	38.503%	6,166,255
Tinley Park Comm. Cons. School District #146	27,740,000	51.313%	14,234,226

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEBT CAPACITY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT*
GENERAL OBLIGATION BONDS
JUNE 30, 2018

Taxing District	Outstanding Debt (1)	Percent	Amount
<u>High School Districts:</u>			
Argo Community High School District #217	\$ 27,225,000	100.000%	\$ 27,225,000
Oak Lawn Community High School District #218	36,900,000	100.000%	36,900,000
Reavis Township High School District #220	25,492,000	100.000%	25,492,000
Bremen Community High School District #228	53,030,000	2.834%	1,502,870
Oak Lawn Community High School District #229	17,365,000	100.000%	17,365,000
Consolidated High School District #230	10,840,000	100.000%	10,840,000
Total Overlapping General Obligation Bonded Debt			<u>1,246,418,258</u>
Total Direct And Overlapping General Obligation Bonded Debt			<u>\$ 1,304,168,258</u>

Source: With respect to the applicable taxing bodies and the percentage of overlapping EAV, the Cook County Clerk's Office. Information regarding the outstanding indebtedness of the overlapping taxing bodies was obtained from publicly-available sources.

Notes:

(1) Excludes the following amounts of alternate revenue bonded debt:

Moraine Valley Community College District 524 - \$30,325,000; Cook County Forest Preserve District - \$49,810,000; Metropolitan Water Reclamation District - \$98,145,000; City of Blue Island - \$2,330,000; Village of Crestwood - \$41,865,000; Village of Justice - \$3,418,142; Village of Lyons - \$16,525,000; Village of Midlothian - \$3,765,000; Village of Orland Hills - \$3,885,000; Village of Palos Park - \$1,360,000; Village of Willow Springs - \$9,455,000; Village of Worth - \$5,140,000; Acorn Public Library District - \$569,000; Alsip-Merrionette Park Public Library District - \$1,645,000; Green Hills Public Library District - \$2,415,000; Bridgeview Park District - \$6,320,000; Burbank Park District - \$4,000,000; Chicago Ridge Park District - \$4,830,000; Pleasant Dale Park District - \$3,830,000; Summit Park District - \$1,745,000; South Stickney Sanitary District - \$3,275,000; and Oak Lawn Community High School District 218 - \$7,145,000.

(2) Includes IEPA Revolving Loan Bonds (\$787,312,000), per the district's audit for the year ending December 31, 2017.

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEBT CAPACITY
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Assessed Value	Debt Limit Rate	Debt Limit (Assessed Value X Debt Limit Rate)	Net Debt Applicable to Debt Limit (1)	Legal Debt Margin	Net Debt Applicable to Debt Limit as a % of Debt Limit
2018	2017	\$ 10,443,699,860	2.875%	\$ 300,256,371	\$ 57,750,000	\$ 242,506,371	19.23%
2017	2016	9,059,427,914	2.875%	260,458,553	107,640,000	152,818,553	41.33%
2016	2015	8,661,463,263	2.875%	249,017,069	111,970,000	137,047,069	44.96%
2015	2014	8,925,844,845	2.875%	256,618,039	116,030,000	140,588,039	45.22%
2014	2013	9,303,736,891	2.875%	267,482,436	119,475,000	148,007,436	44.67%
2013	2012	9,896,006,401	2.875%	284,510,184	122,745,000	161,765,184	43.14%
2012	2011	10,788,573,903	2.875%	310,171,500	125,675,000	184,496,500	40.52%
2011	2010	12,844,448,092	2.875%	369,277,883	78,850,000	290,427,883	21.35%
2010	2009	12,889,581,841	2.875%	370,575,478	80,885,000	289,690,478	21.83%
2009	2008	12,746,484,863	2.875%	366,461,440	82,845,000	283,616,440	22.61%

Sources: College Financial Records; Debt Limit Rate from the Illinois Compiled Statutes 50 ILCS 405/1

(1) Balances include current and non-current portions of bonds outstanding. Pursuant to the Debt Reform Act, bonds issued as alternate revenue bonds such as the 2012D Bonds and the 2013 Bonds do not count against the College's statutory debt limit, so long as the debt service levy for said alternative bonds is abated annually. Bond series 2012D and 2013 are abated and have been excluded from this schedule.

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEBT CAPACITY
SCHEDULE OF BOND COVERAGE
FISCAL YEAR 2018 AND FIVE YEARS PRIOR

ALTERNATIVE REVENUE BONDS, SERIES 2012D AND 2013

Fiscal Year	Construction/ Infrastructure fee Revenues	Membership Fee Revenues	Total Revenue Available for Debt Service	Principal	Interest	Total	Coverage Ratio
2018	\$ 2,322,272	\$ 1,732,216	\$ 4,054,488	\$ 870,000	\$ 984,245	\$ 1,854,245	2.19
2017	2,399,600	1,571,913	3,971,513	850,000	1,002,871	1,852,871	2.14
2016	2,426,916	1,423,426	3,850,342	830,000	1,021,071	1,851,071	2.08
2015	2,495,194	1,173,906	3,669,100	815,000	1,038,933	1,853,933	1.98
2014	2,409,778	-	2,409,778	-	1,038,933	1,038,933	2.32
2013	2,578,041	-	2,578,041	-	434,141	434,141	5.94

Source: College Financial Records

Note: The 2012D and 2013 Alternative Revenue Bonds are covered by a pledge of construction/infrastructure fee revenue available from the Operations and Maintenance restricted fund and membership fees available from the Health, Fitness and Recreation Center in the Auxiliary fund.

Bonds were issued in fiscal year 2013. The information above is presented for as many years as possible.

TABLE 14

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEMOGRAPHIC AND ECONOMIC INFORMATION
DISTRICT DEMOGRAPHICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	(1) Total Personal Income	Per Capita Personal Income	(1) Unemployment Rate	(2)
2018	390,722	\$ 11,296,945,186	28,913	4.5%	
2017	391,765	11,254,624,920	28,728	5.2%	
2016	391,765	11,254,624,920	28,728	6.5%	
2015	391,614	11,250,286,992	28,728	6.5%	
2014	393,476	11,169,603,212	28,387	7.7%	
2013	391,778	10,967,041,554	27,993	10.5%	
2012	388,606	10,791,977,226	27,771	9.1%	
2011	388,606	10,720,862,328	27,588	9.5%	
2010	376,579	10,389,061,452	27,588	9.3%	
2009	376,579	8,656,044,894	22,986	10.2%	

Sources:

(1) U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

(2) U.S. Bureau of Labor Statistics

TABLE 15

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEMOGRAPHIC AND ECONOMIC INFORMATION
STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Fall Enrollment-Census Day					Headcount for Credit Courses		
	Full Time	Part Time	Head Count	Credit Hours	FTE	Yearly Total	Yearly Increase	Percent Change
2018	5,942	8,678	14,620	132,382	8,825	36,403	(1,379)	-3.65%
2017	6,329	8,692	15,021	137,274	9,152	37,782	(890)	-2.30%
2016	6,393	8,623	15,016	140,169	9,345	38,672	(698)	-1.77%
2015	6,624	8,662	15,286	144,764	9,651	39,370	(2,615)	-6.23%
2014	6,764	9,342	16,106	149,481	9,965	41,985	(1,677)	-3.84%
2013	6,983	9,667	16,650	153,396	10,226	43,662	(2,137)	-4.67%
2012	7,307	10,862	18,169	160,199	10,680	45,799	(250)	-0.54%
2011	7,736	9,651	17,387	162,691	10,846	46,049	(817)	-1.74%
2010	7,761	10,013	17,774	162,766	10,851	46,866	1,237	2.71%
2009	7,368	10,109	17,477	155,404	10,360	45,629	3,326	7.86%

Source: College Records

TABLE 16

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEMOGRAPHIC AND ECONOMIC INFORMATION
STUDENT ENROLLMENT AND MISCELLANEOUS STATISTICS
ANNUAL UNDUPLICATED ENROLLMENT
LAST TEN FISCAL YEARS

Fiscal Year	Credit Enrollment	Noncredit Enrollment	Total Credit Hours	High School Participation Rates
2018	23,860	4,758	290,308	29%
2017	25,027	4,226	304,853	30%
2016	26,598	5,684	314,989	29%
2015	26,307	6,355	324,145	30%
2014	27,929	6,132	336,089	31%
2013	29,869	5,438	347,553	31%
2012	33,209	6,068	361,591	29%
2011	31,301	5,509	370,735	30%
2010	31,444	5,514	371,643	31%
2009	30,174	4,806	352,029	29%

Source: College Records as of Census Day

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEMOGRAPHIC AND ECONOMIC INFORMATION
CREDIT HOURS ELIGIBLE FOR FUNDING
BY ILLINOIS COMMUNITY COLLEGE BOARD
REIMBURSEMENT CATEGORIES
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Baccalaureate	170,850.5	179,299.0	188,830.0	194,687.0
Business Occupational	9,797.0	11,005.0	14,516.5	14,358.0
Technical Occupational	23,530.0	24,868.0	28,663.5	28,620.0
Health Occupational	17,362.5	17,497.5	18,753.5	20,867.5
Remedial Development	25,216.0	27,916.0	27,707.0	28,507.0
Adult Basic Secondary Education	8,174.0	8,297.0	9,169.0	8,804.0
TOTAL CREDIT HOURS	254,930.0	268,882.5	287,639.5	295,843.5

Source: College Records

TABLE 17

2014	2013	2012	2011	2010	2009
197,416.0	203,033.0	210,718.0	214,965.0	214,437.0	197,611.0
15,420.5	16,043.0	18,512.5	16,236.0	16,102.0	15,740.0
29,978.5	29,815.5	28,592.0	26,785.5	28,250.5	25,916.5
21,717.5	25,497.5	24,379.5	26,485.5	25,132.5	22,750.5
29,376.0	31,749.0	33,004.0	32,775.0	35,621.0	32,732.0
7,971.0	10,891.0	13,119.0	13,176.0	12,950.0	13,531.0
301,879.5	317,029.0	328,325.0	330,423.0	332,493.0	308,281.0

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEMOGRAPHIC AND ECONOMIC INFORMATION
COLLEGE DEMOGRAPHICS
JUNE 30, 2018

DEGREES AND CERTIFICATES AWARDED FY 2018

Degree Type	
Associate in Arts (AA)	594
Associate in Fine Arts (AFA)	8
Associate in Science (AS)	<u>738</u>
Total Transfer Degrees	1,340
Associate in Applied Science (AAS)	516
Associate in General Studies (AGS)	<u>421</u>
Total Degrees Awarded	2,277
Total Certificates Awarded	<u>1,340</u>
Total Completions	<u><u>3,617</u></u>

Source: College Records

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEMOGRAPHIC AND ECONOMIC INFORMATION
PRINCIPAL EMPLOYERS
JUNE 30, 2018 AND NINE YEARS PRIOR

JUNE 30, 2018

Employers	Rank	Business	No. of Employees	% Total District Employed
Advocate Christ Medical Center	1	Teaching hospital and trauma center	6,000	2.8%
Palos Community Hospital (Operated by DuPage Medical Grp)	2	Hospital and home health care	2,600	1.2%
Little Company of Mary Hospital (3)	3	Hospital and home health care	2,178	1.0%
Oak Forest Health Center	4	Hospital and home health care	1,600	0.7%
Moraine Valley District 524 (4)	5	Education	1,369	0.6%
Panduit	6	Electrical and communication products	1,100	0.5%
Community HS District 230 (3)	7	Education	896	0.4%
Metro South Medical Center	8	Hospital and home health care	796	0.4%
Orland Park School District 135 (3)	9	Education	725	0.3%
Village of Orland Park (3)	10	Municipal services	544	0.3%
		TOTAL	17,808	8.3%
Total number of employed within district				214,864

Sources:

- (1) Reference USA 2018 Employment Statistics
- (2) Illinois Department of Employment Security (Illinois.virtuallmi.com) Cook County Employer Statistics
- (3) Little Company of Mary (lcmh.org), Orland School District 135 (orland135.org), Advocate Christ Medical Center (advocatehealth.com), Village of Orland Park (orlandpark.org), Community HS District 230 (d230.org)
- (4) College Records
- (5) US Census Bureau, American Community Survey Employment Estimates

TABLE 19

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

DEMOGRAPHIC AND ECONOMIC INFORMATION
PRINCIPAL EMPLOYERS
JUNE 30, 2018 AND NINE YEARS PRIOR

JUNE 30, 2009				
Employers	Rank	Business	No. of Employees	% Total District Employed
Advocate Christ Medical Center	1	Teaching hospital and trauma center	5,500	2.6%
Palos Community Hospital	2	Hospital and home health care	3,075	1.5%
Panduit	3	Producer of network & electrical solutions	3,000	1.4%
Moraine Valley Community College	4	Education	2,200	1.0%
Little Company of Mary Hospital	5	Hospital and home health care	1,700	0.8%
Metro South Medical Center	6	Hospital and home health care	1,337	0.6%
Univar USA Corporation	7	Chemical Distributor	1,008	0.5%
Consolidated H.S. District #230	8	Education	908	0.4%
Allied Tube & Conduit-Harvey	9	Manufacturer: galvanized pipe, electrical conduit and tubing	800	0.4%
Orland Park School District 135	10	Education	795	0.4%
		TOTAL	20,323	9.6%
		Total number of employed within district		211,328

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

OPERATING INFORMATION
TOTAL EMPLOYEES
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
<u>FACULTY</u>				
Full-Time	189	188	196	193
Part-Time	650	715	763	542
Total Faculty FTE	839	903	959	735
<u>LIBRARY, COUNSELORS, AND ADVISORS</u>				
Full-Time	21	21	21	20
Part-Time	39	42	50	61
Total Library, Counselors, and Advisors	60	63	71	81
<u>ADMINISTRATORS</u>	29	27	27	25
<u>PROFESSIONAL STAFF</u>				
Full-Time	147	142	153	161
Part-Time	31	26	29	24
Total Professional Staff	178	168	182	185
<u>CLASSIFIED EMPLOYEES</u>				
Full-Time	197	199	200	200
Part-Time	66	65	69	67
Total Classified Employees	263	264	269	267
<u>TOTAL EMPLOYEES</u>	1,369	1,425	1,508	1,293

Source: College Records

TABLE 20

2014	2013	2012	2011	2010	2009
188	189	178	182	183	180
587	603	575	630	580	602
<u>775</u>	<u>792</u>	<u>753</u>	<u>812</u>	<u>763</u>	<u>782</u>
20	20	19	20	19	18
68	44	46	40	36	35
<u>88</u>	<u>64</u>	<u>65</u>	<u>60</u>	<u>55</u>	<u>53</u>
24	24	23	23	24	25
160	157	156	138	141	129
17	19	25	15	20	15
<u>177</u>	<u>176</u>	<u>181</u>	<u>153</u>	<u>161</u>	<u>144</u>
203	202	200	197	186	180
73	79	79	78	82	78
<u>276</u>	<u>281</u>	<u>279</u>	<u>275</u>	<u>268</u>	<u>258</u>
<u>1,340</u>	<u>1,337</u>	<u>1,301</u>	<u>1,323</u>	<u>1,271</u>	<u>1,262</u>

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

OPERATING INFORMATION
CAPITAL ASSET STATISTICS - VOLUME
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
<u>CAPITAL ASSET TYPE:</u>				
Buildings (Gross Area Sq. Ft.)				
Education Center at Blue Island (ECBI)	44,232	44,232	44,232	44,232
Southwest Education Center (SWEC)	31,130	31,130	31,130	31,130
Building A, G & L (2)	275,902	275,902	251,258	251,258
Building B	100,323	100,323	100,323	100,323
Student Services Center (Building S)	60,149	60,149	60,149	60,149
Center for Contemporary Technology (Building	129,048	129,048	129,048	129,048
Building D	64,613	64,613	64,613	64,613
Fine and Performing Arts Center (Building F)	91,361	91,361	91,361	91,361
Shipping and Receiving (Building S/R)	4,000	4,000	4,000	4,000
Police/Campus Operations (Building P)	20,182	20,182	20,182	20,182
Storage Garage	2,500	2,500	2,500	2,500
Student Union (Building U)	31,269	31,269	31,269	31,269
Moraine Conference & Business Center				
(Building M)	52,954	52,954	52,954	52,954
Dr. Vernon O. Crawley Science Hall				
(Building C)	111,496	111,496	111,496	111,496
Church (Building R) (1)	-	-	14,500	14,500
Health, Fitness and Recreation Center				
(Building H)	113,614	113,614	113,614	113,614
Equipment (number of assets)	244	236	226	230
Technology (number of assets)	81	73	58	56
Capital assets disposed (number of assets)	16	16	33	22

Source: College Records

Notes:

- (1) Church (Building R) demolished Fall of 2016
- (2) Student Success Center (Building G) added Fall of 2016

TABLE 21

2014	2013	2012	2011	2010	2009
44,232	44,232	44,232	44,232	7,300	7,300
31,130	31,130	31,130	31,130	-	-
251,258	251,258	251,258	251,258	251,258	251,258
100,323	100,323	100,323	100,323	100,323	100,323
60,149	60,149	60,149	60,149	60,149	56,300
129,048	129,048	129,048	129,048	129,048	129,048
64,613	64,613	64,613	64,613	64,613	64,613
91,361	91,361	91,361	91,361	91,361	91,361
4,000	4,000	4,000	4,000	4,000	4,000
20,182	20,182	20,182	20,182	20,182	20,182
2,500	2,500	2,500	2,500	2,500	2,500
31,269	31,269	31,269	31,269	31,269	-
52,954	52,954	52,954	52,954	52,954	-
111,496	111,496	111,496	111,496	111,496	-
14,500	14,500	14,500	-	-	-
113,614	-	-	-	-	-
213	210	206	212	189	184
64	54	42	46	51	66
14	8	27	1	75	3

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

OPERATING INFORMATION
CAPITAL ASSET STATISTICS - VALUE
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
<u>CAPITAL ASSET TYPE:</u>				
Land	\$ 6,618,969	\$ 6,618,969	\$ 6,618,969	\$ 5,848,757
Land Improvements	17,096,430	17,096,430	16,839,417	17,506,290
Total Land and Land Improvements	23,715,399	23,715,399	23,458,386	23,355,047
Buildings/Building Improvements	230,909,112	228,705,618	216,969,455	217,739,667
Construction in Progress	1,449,065	1,219,666	11,985,831	1,689,411
Equipment	8,131,936	8,025,705	7,492,617	6,992,023
Technology	8,432,385	7,605,221	6,666,001	6,711,837
Total Capital Assets	<u>\$ 272,637,897</u>	<u>\$ 269,271,609</u>	<u>\$ 266,572,290</u>	<u>\$ 256,487,985</u>
<u>OTHER INFORMATION:</u>				
Capital Contributions	\$ -	\$ -	\$ -	\$ 546,895
Depreciation Expense	8,032,094	7,799,745	7,168,646	6,927,671

Source: College Records

TABLE 22

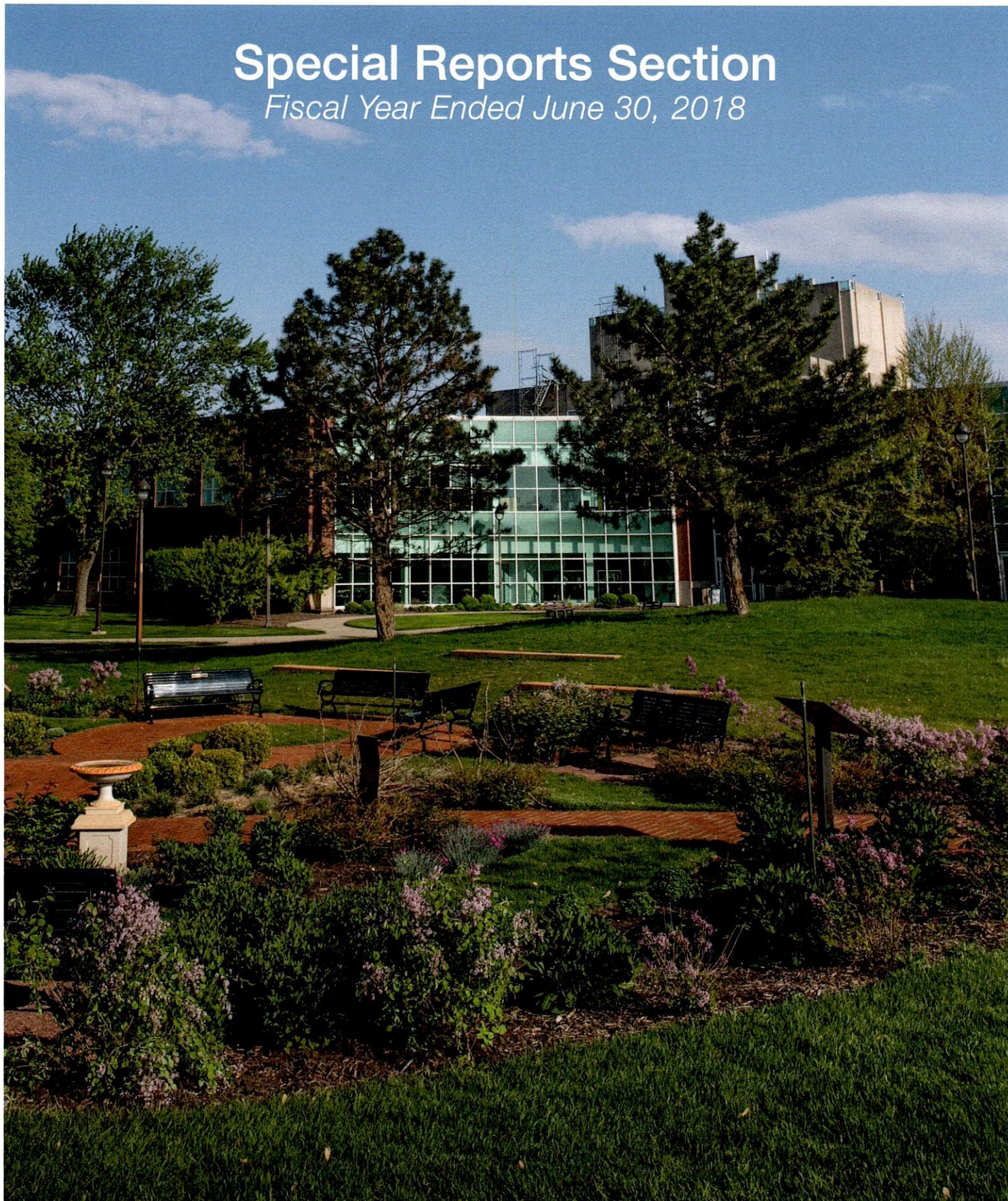
2014	2013	2012	2011	2010	2009
\$ 5,848,757	\$ 5,848,757	\$ 5,848,757	\$ 5,848,757	\$ 5,848,757	\$ 5,848,757
15,994,153	15,680,214	13,055,752	11,873,007	11,873,007	10,691,893
21,842,910	21,528,971	18,904,509	17,721,764	17,721,764	16,540,650
216,524,580	184,798,311	179,167,787	174,301,177	149,050,745	84,656,489
1,593,481	11,698,483	4,203,447	1,796,072	19,419,182	60,499,338
6,283,457	5,855,562	5,398,419	6,921,755	6,745,373	8,146,181
6,606,867	6,397,203	6,112,923	6,245,183	1,449,686	1,864,589
<u>\$ 252,851,295</u>	<u>\$ 230,278,530</u>	<u>\$ 213,787,085</u>	<u>\$ 206,985,951</u>	<u>\$ 194,386,750</u>	<u>\$ 171,707,247</u>
\$ 287,166	\$ 21,865	\$ 113,113	\$ 64,087	\$ 16,580	\$ 23,820
6,326,932	5,797,526	5,463,902	4,972,550	3,976,924	2,521,275

Moraine Valley Community College

COMMUNITY COLLEGE DISTRICT NUMBER 524, PALOS HILLS, IL

Special Reports Section

Fiscal Year Ended June 30, 2018



MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
JUNE 30, 2018

SUPPLEMENTAL FINANCIAL INFORMATION

UNIFORM FINANCIAL STATEMENTS

The Uniform Financial Statements are required by the Illinois Community College Board for the purpose of providing consistent audited data for every community college district. Regardless of the basis of accounting used for a College's balance sheet and statement of revenues and expenditures, the Uniform Financial Statements are completed using the modified accrual basis of accounting prescribed by the NCGA Statement No. 1 and related interpretations.

The Uniform Financial Statements include the following schedules:

- 1 All Funds Summary
- 2 Summary of Capital Assets and Long-Term Debt
- 3 Operating Funds Revenues and Expenditures
- 4 Restricted Purposes Fund Revenues and Expenditures
- 5 Current Funds Expenditures by Activity

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

UNIFORM FINANCIAL STATEMENTS
ALL FUNDS SUMMARY
FOR THE YEAR ENDED JUNE 30, 2018

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund
Fund Balance June 30, 2017	\$ 39,544,541	\$ 2,371,376	\$ 9,643,126	\$ 49,893,601	\$ 9,453,743
Revenues:					
Bond Proceeds	-	-	-	2,050,000	-
Premium on Bond Issuance	-	-	-	154,831	-
Local Tax Revenue	21,571,048	7,156,934	984,624	6,574,989	-
All Other Local Revenue	-	-	-	-	-
ICCB Grants	13,877,879	8,976,572	-	-	-
All Other State Revenue	-	-	-	-	-
Federal Revenue	-	-	-	-	-
Student Tuition and Fees	47,199,822	-	2,322,272	-	1,283,462
All Other Revenue	2,314,125	76,075	192,577	1,236,131	7,893,287
Total Revenues	<u>84,962,874</u>	<u>16,209,581</u>	<u>3,499,473</u>	<u>10,015,951</u>	<u>9,176,749</u>
Expenditures:					
Instruction	33,835,967	-	-	-	-
Academic Support	6,005,278	-	-	-	-
Student Services	7,964,569	-	-	-	-
Public Service/Continuing Education	42,130	-	-	-	-
Auxiliary Services	-	-	-	-	10,917,178
Operations and Maintenance	-	12,499,977	2,623,150	-	-
Institutional Support	16,986,370	-	-	57,771,079	-
Scholarships, Grants, Waivers	6,495,528	-	-	-	-
Total Expenditures	<u>71,329,842</u>	<u>12,499,977</u>	<u>2,623,150</u>	<u>57,771,079</u>	<u>10,917,178</u>
Net Transfers	<u>(8,953,163)</u>	<u>150,000</u>	<u>3,445,755</u>	<u>1,854,245</u>	<u>2,213,163</u>
Fund Balance June 30, 2018	<u>\$ 44,224,410</u>	<u>\$ 6,230,980</u>	<u>\$ 13,965,204</u>	<u>\$ 3,992,718</u>	<u>\$ 9,926,477</u>

Note: This statement is prepared under the modified accrual basis of accounting which is in accordance with generally accepted accounting principles (GAAP).

The effective date of the fiscal year 2017 appropriation was July 6, 2017. Due to the language contained in GASB Statement No. 33, if the appropriation did not occur prior to the end of the fiscal year, the college is unable to recognize and record a receivable for fiscal year 2017. The college was appropriated \$4.5 million in base operating grant, a \$5.0 million equalization grant, and \$0.7 million in Career and Technical Education (CTE) funding for fiscal year 2017 that was recorded in fiscal year 2018.

State Universities Retirement System (SURS) on-behalf contributions are reflected in restricted purpose fund.

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

UNIFORM FINANCIAL STATEMENTS
ALL FUNDS SUMMARY
FOR THE YEAR ENDED JUNE 30, 2018

Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection & Settlement Fund	Total Current Funds	Total All Funds
\$ 4,665,138	\$ 13,270,289	\$ 153,215	\$ 1,831,392	\$ 58,019,405	\$ 130,826,421
-	-	-	-	-	2,050,000
-	-	-	-	-	154,831
-	-	82,979	475,965	29,286,926	36,846,539
-	-	-	-	-	-
1,701,902	-	-	-	24,556,353	24,556,353
35,075,730	-	-	-	35,075,730	35,075,730
21,871,273	-	-	-	21,871,273	21,871,273
-	-	-	-	48,483,284	50,805,556
628,895	67,074	1,012	10,865	10,924,259	12,420,041
<u>59,277,800</u>	<u>67,074</u>	<u>83,991</u>	<u>486,830</u>	<u>170,197,825</u>	<u>183,780,323</u>
18,089,907	-	-	-	51,925,874	51,925,874
3,450,272	-	-	-	9,455,550	9,455,550
4,592,347	-	-	-	12,556,916	12,556,916
1,407,112	-	-	-	1,449,242	1,449,242
1,725,062	-	-	-	12,642,240	12,642,240
2,150,603	-	-	-	14,650,580	17,273,730
6,590,687	-	75,300	651,918	24,304,275	82,075,354
22,667,600	-	-	-	29,163,128	29,163,128
<u>60,673,590</u>	<u>-</u>	<u>75,300</u>	<u>651,918</u>	<u>156,147,805</u>	<u>216,542,034</u>
1,440,000	(150,000)	-	-	(5,150,000)	-
<u>\$ 4,709,348</u>	<u>\$ 13,187,363</u>	<u>\$ 161,906</u>	<u>\$ 1,666,304</u>	<u>\$ 66,919,425</u>	<u>\$ 98,064,710</u>

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

UNIFORM FINANCIAL STATEMENTS
SUMMARY OF CAPITAL ASSETS AND LONG-TERM DEBT
FOR THE YEAR ENDED JUNE 30, 2018

	Capital Assets/Long- Term Debt July 1, 2017	Additions	Deletions	Capital Assets/Long- Term Debt June 30, 2018
<u>Capital Assets</u>				
Sites and Improvements	\$ 23,715,399	\$ -	\$ -	\$ 23,715,399
Construction in Progress	1,219,666	3,631,188	3,401,789	1,449,065
Buildings, Additions, and Improvements	228,705,618	2,439,851	236,357	230,909,112
Equipment	8,025,705	458,090	351,859	8,131,936
Equipment - Technology	7,605,221	952,389	125,225	8,432,385
Total Capital Assets	269,271,609	7,481,518	4,115,230	272,637,897
Accumulated Depreciation	85,452,904	8,032,093	534,554	92,950,443
Net Capital Assets	\$ 183,818,705	\$ (550,575)	\$ 3,580,676	\$ 179,687,454
<u>Long-Term Debt</u>				
Bonds Payable	\$ 138,835,000	\$ 2,050,000	\$ 52,810,000	\$ 88,075,000
Premium on Bond Issuance	3,502,185	154,831	2,198,945	1,458,071
Discount on Bond Issuance	(1,460,677)	-	(1,460,677)	-
Total Bonds, net	140,876,508	2,204,831	53,548,268	89,533,071
Compensated Absences & Retirement Benefit Obligations	2,025,139	1,175,566	1,364,148	1,836,557
Net OPEB Liability	42,467,622	2,200,298	-	44,667,920
Total Long Term Debt	\$ 185,369,269	\$ 5,580,695	\$ 54,912,416	\$ 136,037,548

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

UNIFORM FINANCIAL STATEMENTS
OPERATING FUNDS REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2018

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local Government:			
Local Taxes	\$ 20,427,576	\$ 7,156,934	\$ 27,584,510
CPPRT	1,143,472	-	1,143,472
TOTAL LOCAL GOVERNMENT	21,571,048	7,156,934	28,727,982
State Government:			
ICCB Credit Hour Grants	2,992,191	8,976,572	11,968,763
ICCB Equalization Grants	9,540,910	-	9,540,910
ICCB Career and Technical Education	1,332,603	-	1,332,603
Other	12,175	-	12,175
TOTAL STATE GOVERNMENT	13,877,879	8,976,572	22,854,451
Student Tuition and Fees:			
Tuition	43,033,083	-	43,033,083
Fees	4,166,739	-	4,166,739
TOTAL TUITION AND FEES	47,199,822	-	47,199,822
Other Sources:			
Sales and Service Fees	977,882	-	977,882
Facilities Revenue	4,367	-	4,367
Investment Revenue	551,305	74,962	626,267
Nongovernmental Grants	400	-	400
Other	780,171	1,113	781,284
Transfers	-	150,000	150,000
TOTAL OTHER SOURCES	2,314,125	226,075	2,540,200
TOTAL REVENUES	84,962,874	16,359,581	101,322,455
Less Non-Operating Items			
Transfer from Non-Operating Funds	-	150,000	150,000
ADJUSTED REVENUES	\$ 84,962,874	\$ 16,209,581	\$ 101,172,455

Note: This statement is prepared under the modified accrual basis of accounting which is in accordance with generally accepted accounting principles (GAAP).

The effective date of the fiscal year 2017 appropriation was July 6, 2017. Due to the language contained in GASB Statement No. 33, if the appropriation did not occur prior to the end of the fiscal year, the college is unable to recognize and record a receivable for fiscal year 2017. The college was appropriated \$4.5 million in base operating grant, a \$5.0 million equalization grant, and \$0.7 million in Career and Technical Education (CTE) funding for fiscal year 2017 that was recorded in fiscal year 2018.

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

UNIFORM FINANCIAL STATEMENTS
OPERATING FUNDS REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2018

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	\$ 33,835,967	\$ -	\$ 33,835,967
Academic Support	6,005,278	-	6,005,278
Student Services	7,964,569	-	7,964,569
Public Service/Continuing Education	42,130	-	42,130
Operations and Maintenance	-	12,499,977	12,499,977
Institutional Support	16,986,370	-	16,986,370
Scholarships, Grants, Waivers	6,495,528	-	6,495,528
Transfers	8,953,163	-	8,953,163
TOTAL EXPENDITURES	<u>80,283,005</u>	<u>12,499,977</u>	<u>92,782,982</u>
Less Non-Operating Items			
Transfer to Non-Operating Funds	8,953,163	-	8,953,163
ADJUSTED EXPENDITURES	<u>\$ 71,329,842</u>	<u>\$ 12,499,977</u>	<u>\$ 83,829,819</u>
BY OBJECT			
Salaries	\$ 48,088,355	\$ 4,023,943	\$ 52,112,298
Employee Benefits	9,316,522	1,156,233	10,472,755
Contractual Services	3,159,396	3,325,912	6,485,308
General Materials and Supplies	3,404,913	881,886	4,286,799
Conferences and Meeting Expenses	483,783	4,973	488,756
Fixed Charges	51,446	-	51,446
Utilities	75,930	1,959,188	2,035,118
Capital Outlay	35,779	1,147,842	1,183,621
Other	6,713,718	-	6,713,718
Transfers	8,953,163	-	8,953,163
TOTAL EXPENDITURES	<u>80,283,005</u>	<u>12,499,977</u>	<u>92,782,982</u>
Less Non-Operating Items			
Transfer to Non-Operating Funds	8,953,163	-	8,953,163
ADJUSTED EXPENDITURES	<u>\$ 71,329,842</u>	<u>\$ 12,499,977</u>	<u>\$ 83,829,819</u>

Note: This statement is prepared under the modified accrual basis of accounting which is in accordance with generally accepted accounting principles (GAAP).

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

UNIFORM FINANCIAL STATEMENTS
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2018

	Restricted Purposes Fund
REVENUES BY SOURCE:	
State Government:	
ICCB Career and Technical Education	\$ 69,947
ICCB Adult Education and Family Literacy Grants	1,631,955
Illinois Student Assistance Commission	4,108,301
Other State	30,967,429
TOTAL STATE GOVERNMENT	<u>36,777,632</u>
Federal Government:	
Department of Education	19,736,123
Department of Labor	434,228
Other	1,700,922
TOTAL FEDERAL GOVERNMENT	<u>21,871,273</u>
Other Sources:	
Other	628,895
Transfers	1,440,000
TOTAL OTHER SOURCES	<u>2,068,895</u>
TOTAL	<u>\$ 60,717,800</u>
EXPENDITURES BY PROGRAM:	
Instruction	\$ 18,089,907
Academic Support	3,450,272
Student Services	4,592,347
Public Service/Continuing Education	1,407,112
Auxiliary Services	1,725,062
Operations and Maintenance	2,150,603
Institutional Support	6,590,687
Scholarships, Student Grants and Waivers	22,667,600
TOTAL	<u>\$ 60,673,590</u>
EXPENDITURES BY OBJECT:	
Salaries	\$ 2,680,105
Employee Benefits	31,539,956
Contractual Services	493,431
General Materials and Supplies	2,094,959
Conferences and Meeting Expenses	266,919
Fixed Charges	2,750
Capital Outlay	429,938
Other	668,857
Financial Aid	22,496,675
TOTAL	<u>\$ 60,673,590</u>

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

UNIFORM FINANCIAL STATEMENTS
CURRENT FUNDS EXPENDITURES BY ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2018

INSTRUCTION	
Instructional Programs	\$ 51,925,874
Total Instruction	<u>51,925,874</u>
ACADEMIC SUPPORT	
Library Center	2,067,117
Academic Administration and Planning	2,994,282
Other	4,394,151
Total Academic Support	<u>9,455,550</u>
STUDENT SERVICES	
Admissions and Records	1,489,728
Counseling and Career Services	4,291,272
Financial Aid Administration	946,561
Other	5,829,355
Total Student Services	<u>12,556,916</u>
PUBLIC SERVICE/CONTINUING EDUCATION	
Community Education	49,479
Community Services	1,178,635
Other	221,128
Total Public Service/Continuing Education	<u>1,449,242</u>
AUXILIARY SERVICES	<u>12,642,240</u>
OPERATIONS AND MAINTENANCE	
Maintenance	4,155,017
Custodial Services	2,627,681
Grounds	1,001,081
Campus Security	2,339,522
Transportation	102,996
Utilities	1,955,262
Other	2,469,021
Total Operations and Maintenance	<u>14,650,580</u>
INSTITUTIONAL SUPPORT	
Executive Management	1,679,078
Fiscal Operations	2,215,716
Community Relations	16,828
Administrative Support Services	6,871,176
Board of Trustees	69,230
General Institutional	3,436,220
Institutional Research	398,159
Administrative Data Processing	4,397,443
Other	5,220,425
Total Institutional Support	<u>24,304,275</u>
SCHOLARSHIPS, GRANTS, & WAIVERS	<u>29,163,128</u>
TOTAL CURRENT FUNDS EXPENDITURES	<u>\$ 156,147,805</u>

Note: Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; and Liability, Protection, and Settlement Funds.

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2018

ALL FISCAL YEAR 2017 NONCAPITAL AUDITED OPERATING
EXPENDITURES FROM THE FOLLOWING FUNDS:

Education Fund	\$ 71,294,063
Operations and Maintenance Fund	11,352,135
Bond and Interest Fund	10,585,443
Restricted Purposes Fund	29,324,519
Audit Fund	75,300
Liability, Protection and Settlement Fund	651,918
Auxiliary Enterprises Fund (subsidy only)	<u>2,213,163</u>

TOTAL NONCAPITAL EXPENDITURES	\$ 125,496,541
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Depreciation on capital outlay expenditures
(equipment, buildings and fixed equipment paid)
from sources other than state and federal funds

\$ 7,172,990

TOTAL COSTS INCLUDED	\$ 132,669,531
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Total Certified Semester Credit Hours for FY 2018

254,930

PER CAPITA COST	\$ 520.42
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All FY 2018 state and federal operating grants
for noncapital expenditures

\$ 27,295,897

FY 2018 state and federal grants per semester
credit hour

\$ 107.07

District's average ICCB grant rate
(excluding equalization grants) for FY 2019

\$ 27.81

District's student tuition and fee rate per
semester credit hour for FY 2019

\$ 145.00

Chargeback reimbursement per semester credit hour

\$ 240.53

Approved: _____

Theresa O'Carroll
Vice President, Financial and Business Services
College Treasurer

9/27/18
Date

Approved: _____

Stephen M. Jenkins
Chief Executive Officer

9/27/18
Date

**MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
JUNE 30, 2018**

STATE GRANT ACTIVITY

State Adult Education and Family Literacy Restricted Funds Grants

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

Performance - Grant is awarded to Adult Education and Family Literacy providers based on performance outcomes.

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

**Independent Auditor's Report on Audits of
Grant Program Financial Statements**

RSM US LLP

The Board of Trustees
Moraine Valley Community College –
Community College District Number 524
Palos Hills, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the State Adult Education Grant (State Basic and State Performance), and the Career and Technical Education – Program Improvement Grant (collectively, the Grant Programs) of Moraine Valley Community College – Community College District Number 524 (the College) as of and for the year ended June 30, 2018, and the related notes to the Illinois Community College Board (ICCB) State grants financial statements, which collectively comprise the College's grant program 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 grant program financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College's State Adult Education Grant (State Basic and State Performance and the Career and Technical Education – Program Improvement Grant) as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The grant program financial statements present only the Grant Programs referred to above and do not purport to, and do not, present the financial position of the College as of June 30, 2018, or the changes in 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

Our audit was conducted for the purpose of forming opinions on the grant program financial statements of the College. The ICCB Compliance Statement on page 133 is presented for purposes of additional analysis and is not a required part of the grant program financial statements.

The ICCB Compliance Statement on page 133 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the grant program financial statements. Such information has been subjected to the auditing procedures applied in the audit of the grant program financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the grant program financial statements or to the grant program 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 Statement on page 133 is fairly stated, in all material respects, in relation to the grant program financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2018, on our consideration of the College's internal control over financial reporting of the Grant Programs 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control 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 College's internal control over financial reporting and compliance.

RSM US LLP

Chicago, Illinois
September 27, 2018

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Grant Program Financial Statements Performed in
Accordance with Government Auditing Standards**

The Board of Trustees
Moraine Valley Community College –
Community College District Number 524
Palos Hills, 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 State Adult Education Grant (State Basic and State Performance and the Career and Technical Education – Program Improvement Grant) (the Grant Programs) of Moraine Valley Community College – Community College District Number 524 (the College) as of and for the year ended June 30, 2018, and the related notes to the Illinois Community College Board (ICCB) State grants financial statements, and have issued our report thereon dated September 27, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the grant program financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's grant program 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 the 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 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. Accordingly, this communication is not suitable for any other purpose.

RSM VS LLP

Chicago, Illinois
September 27, 2018

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

STATE ADULT EDUCATION RESTRICTED FUNDS
COMBINED BALANCE SHEET
JUNE 30, 2018

	State Basic	Performance	Total (Memorandum Only)
<u>ASSETS</u>			
Accounts Receivable	\$ 190,597	\$ 80,961	\$ 271,558
TOTAL ASSETS	<u>\$ 190,597</u>	<u>\$ 80,961</u>	<u>\$ 271,558</u>
<u>LIABILITIES AND DEFERRED INFLOW OF RESOURCES</u>			
<u>LIABILITIES</u>			
Salaries and Benefits Payable	\$ 6,777	\$ 4,299	\$ 11,076
Due to Other Funds	<u>183,820</u>	<u>76,662</u>	<u>260,482</u>
TOTAL LIABILITIES	<u>190,597</u>	<u>80,961</u>	<u>271,558</u>
<u>FUND BALANCE</u>			
Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE	<u>\$ 190,597</u>	<u>\$ 80,961</u>	<u>\$ 271,558</u>

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

STATE ADULT EDUCATION RESTRICTED FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>State Basic</u>	<u>Performance</u>	<u>Total (Memorandum Only)</u>
<u>REVENUE</u>			
Grant Revenue	\$ 1,154,900	\$ 477,055	\$ 1,631,955
<u>EXPENDITURES BY PROGRAM</u>			
Instruction	536,866	62,366	599,232
Guidance Services	70,037	84,349	154,386
Assessment and Testing	118,636	59,557	178,193
Subtotal Instructional and Student Services	725,539	206,272	931,811
Program Support:			
Improvement of Instructional Services	72,650	2,009	74,659
General Administration	76,921	201,794	278,715
Data and Information Services	19,850	-	19,850
Indirect Costs	134,016	61,249	195,265
Subtotal Program Support	303,437	265,052	568,489
TOTAL EXPENDITURES	1,028,976	471,324	1,500,300
<u>Excess of Revenue Over (Under)</u>			
<u>Expenditures</u>	125,924	5,731	131,655
Fund Balances July 1, 2017	(125,924)	(5,731)	(131,655)
Fund Balances June 30, 2018	\$ -	\$ -	\$ -

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

ICCB COMPLIANCE STATEMENT FOR THE
ADULT EDUCATION AND FAMILY LITERACY GRANT
EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY
FOR THE YEAR ENDED JUNE 30, 2018

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	\$ 536,866	52.17%
General Administration (15% Maximum Allowed)	\$ 76,921	7.48%

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
CAREER AND TECHNICAL EDUCATION - PROGRAM IMPROVEMENT GRANT
BALANCE SHEET
JUNE 30, 2018

<u>ASSETS</u>	\$ -
<u>LIABILITIES AND FUND BALANCE</u>	
LIABILITIES	\$ -
FUND BALANCE	-
TOTAL LIABILITIES AND FUND BALANCE	\$ -

The accompanying notes to the financial statements are an integral part of the statement.

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

CAREER AND TECHNICAL EDUCATION - PROGRAM IMPROVEMENT GRANT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

REVENUE

State Sources	\$	69,947
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EXPENDITURES

Current Year's Grant:		
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Instructional Equipment		48,279
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Materials and Supplies		21,668
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TOTAL EXPENDITURES		69,947
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Excess of Revenue Over (Under)

<u>Expenditures</u>		-
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Fund Balance July 1, 2017		-
---------------------------	--	---

Fund Balance June 30, 2018	\$	-
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MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
STATE GRANTS
NOTE TO FINANCIAL STATEMENTS
For the year ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying statements include only those transactions from the State Adult Education and Family Literacy (State Basic and Performance) and Career and Technical Education Program Improvement Grant Programs and are not intended to present the financial position or results of operations of Moraine Valley Community College. These transactions have been accounted for in a Restricted Purposes Fund and conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the significant policies.

A. Basis of Accounting:

These grant program financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. Expenditures are reported when services are rendered, or when goods are received.

Grant revenues are reported in these grant program financial statements when allowable grant expenditures are made. Expenditures are allowable if they comply with "Policy Guidelines for Restricted Grant Expenditures and Reporting" set forth in the Illinois Community College Board (ICCB) Fiscal Management Manual. Grant funds should be accounted for in the same period as in the credit hour claiming process.

B. Capital Assets:

Capital asset purchases, if any, are recorded as capital outlays of the program from which the expenditures are made. Such expenditures have been capitalized at cost in the College's financial statements.

C. Background Information on Grant Activity:

The State Adult Education and Family Literacy Restricted Funds Grants provide funding to assist adults to become literate and obtain knowledge and skills necessary for employment and self-sufficiency, to assist adults, who are parents, obtain the education skills necessary to become full partners in the educational development of their children, and to assist adults in the completion of a secondary education.

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

**MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
JUNE 30, 2018**

ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

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

Credit hour grants are to be received for courses for each semester credit hour or equivalent for students who were certified as being in attendance at midterm during each semester of the fiscal year. There are no special restrictions on the use of these funds. The Schedule of Enrollment Data and Other Bases upon Which Claims Are Filed provides information on which such grants are based.

**Independent Accountant's Report on the Schedule of Enrollment Data and
Other Bases Upon Which Claims Are Filed**

RSM US LLP

The Board of Trustees
Moraine Valley Community College –
Community College District Number 524
Palos Hills, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Moraine Valley Community College – Community College District Number 524 for the year ended June 30, 2018 (the Schedule). The College's management is responsible for preparing the Schedule in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule referred to above is in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Schedule referred to above, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedule is presented in accordance with the provisions of the Illinois Community College Board's *Fiscal Management Manual* in all material respects.

The supplementary information on pages 140 and 141 discusses the College's residency policy and provides a summary of assessed valuations and is the responsibility of the College's management. This information has not been subjected to the examination procedures applied in the examination of the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed and, accordingly, we do not express an opinion or provide any assurance on it.

RSM US LLP

Chicago, Illinois
September 27, 2018

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
FOR THE YEAR ENDED JUNE 30, 2018

Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)								
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	21,913.5	-	77,694.5	-	71,242.5	-	170,850.5	-
Business Occupational	771.0	-	4,164.0	-	4,862.0	-	9,797.0	-
Technical Occupational	1,871.0	-	10,248.5	-	11,410.5	-	23,530.0	-
Health Occupational	2,297.5	-	7,448.5	-	7,616.5	-	17,362.5	-
Remedial Development	1,467.0	-	14,279.0	-	9,470.0	-	25,216.0	-
Adult Basic/Secondary Education	-	2,325.0	-	2,921.0	-	2,928.0	-	8,174.0
Total	28,320.0	2,325.0	113,834.5	2,921.0	104,601.5	2,928.0	246,756.0	8,174.0

	Attending Out-of-District on Chargeback or a		
	Attending In-District	Cooperative/Contractual Agreement	Total
Semester Credit Hours (All Terms)	211,513.0	1,861.5	213,374.5

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	4,784.0	1,113.0

District 2017 Equalized Assessed Valuation \$ 10,443,699,860

Correctional Semester Credit Hours by Term					
	Summer	Fall	Winter	Spring	Total
Baccalaureate	-	-	-	-	-
Business Occupational	-	-	-	-	-
Technical Occupational	-	-	-	-	-
Health Occupational	-	-	-	-	-
Remedial Development	-	-	-	-	-
Adult Basic/Secondary Education	-	-	-	-	-
Total	-	-	-	-	-

Signatures:




Chief Executive Officer
 Vice President, Financial and Business Services
 College Treasurer

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2018

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	170,850.5	170,850.5	-	-	-	-
Business Occupational	9,797.0	9,797.0	-	-	-	-
Technical Occupational	23,530.0	23,530.0	-	-	-	-
Health Occupational	17,362.5	17,362.5	-	-	-	-
Remedial Development	25,216.0	25,216.0	-	-	-	-
Adult Basic/Secondary Education	-	-	-	8,174.0	8,174.0	-
Total	246,756.0	246,756.0	-	8,174.0	8,174.0	-

RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND COOPERATIVE/CONTRACTUAL AGREEMENT CREDIT HOURS

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)	Difference
In- District Residents	211,513.0	211,513.0	-
Out-of-District on Chargeback or Contractual Agreement	1,861.5	1,861.5	-
Total	213,374.5	213,374.5	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	4,784.0	4,784.0	-
Dual Enrollment	1,113.0	1,113.0	-
Total	5,897.0	5,897.0	-

RECONCILIATION OF TOTAL CORRECTIONAL SEMESTER CREDIT HOURS FOR THE YEAR ENDED JUNE 30, 2018

	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupational	-	-	-
Health Occupational	-	-	-
Remedial Development	-	-	-
Adult Basic/Secondary Education	-	-	-
Total	-	-	-

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524
RESIDENCY POLICY

A resident must live in the Moraine Valley Community College district at least 30 days prior to the start of the semester and meet at least one of these criteria:

- Under 18 whose parents or legal guardians reside in the college district;
- Under 18 who is married and who is established in a permanent family residence in the district;
- Under 18 who resides in the district in a dwelling he or she has purchased; and or
- 18 or older who resides in the district, providing residence was not for the sole purpose of attending college.

Students shall be classified as residents of a community college district without meeting the 30-day residency requirement of the district if they are currently residing in the district and are youth (i) who are currently under the legal guardianship of the Illinois Department of Children and Family Services or have recently been emancipated from the Department, and (ii) who had previously met the 30-day residency requirement of the district but who had a placement change into a new community college district. (Public Act 99-0845)

A district map is available at *morainevalley.edu*. To verify your residency status, call (708) 974-2110.

Tuition rates are determined by the legal residence of the student. These rates are lower for residents of the Moraine Valley Community College district than they are for out-of-district residents who attend Moraine Valley. A student who temporarily moves into the district for the purpose of attending the College at a reduced tuition rate will not be considered as having established a bona fide residence within the district.

It is the student's responsibility to demonstrate residence status. A student may be asked to display verification of residence before class registration can be completed. The following documents may be presented to verify residency: Illinois driver's license or state ID, property tax statement, vehicle registration, copy of lease or purchase agreement, utility or telephone bill, or voter's registration card. Documents or bills that are used to verify residence are required to be in the student's name.

Residency status is determined at the time of registration. It will not be changed after the refund period for that semester.

The Dean of Enrollment Services or a chosen representative will determine whether an applicant meets the residency criterion.

MORaine VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

SUMMARY OF ASSESSED VALUATIONS
FOR THE LAST TEN LEVY YEARS

<u>TAX LEVY YEAR</u>	<u>EQUALIZED ASSESSED VALUATION</u>
2017	\$ 10,443,699,860
2016	9,059,427,914
2015	8,661,463,263
2014	8,925,844,845
2013	9,303,736,891
2012	9,896,006,401
2011	10,788,573,903
2010	12,844,448,092
2009	12,889,581,841
2008	12,746,484,863

Source: Cook County Treasurer's Office

Board of Trustees

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Mason Folsom, Student Trustee

Dr. Sylvia M. Jenkins, College President

It is the policy of Moraine Valley Community College not to discriminate on the basis of race, color, age, sex, religion, national or ethnic origin, disability, creed, ancestry, marital status, sexual orientation, gender identity, gender expression, arrest record, military status or unfavorable military discharge, citizenship status, or other legally protected characteristics or conduct in its educational programs, activities or employment practices. Such discrimination is prohibited by Titles VI and VII of the Civil Rights Act, Title IX of the Educational Amendments, Sections 503 and 504 of the Rehabilitation Act of 1974, the Age Discrimination Acts of 1974 and 1975, and other federal and state statutes and regulations.



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