

**KANKAKEE COMMUNITY COLLEGE  
DISTRICT 520**

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**Annual Financial Statements**

**For the Fiscal Year Ended**

**June 30, 2020**

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
ANNUAL FINANCIAL STATEMENTS  
Fiscal year ended June 30, 2020**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
Kankakee Community College District 520  
Kankakee, Illinois 60901

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Kankakee Community College District 520 (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit (Kankakee Community College Foundation) were not audited in accordance with *Government Auditing Standards*.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Kankakee Community College District 520 as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplemental financial information section as listed in the table of contents (including the "Illinois Community College Board State Grants Financial Compliance Section") is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

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

*Groszkowitz, Abraham, Eshterman & Geretse LLC*

Kankakee, Illinois  
January 4, 2021

**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

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This section of Kankakee Community College District 520's (the District) annual financial report presents its discussion and analysis of the District's financial performance during the fiscal years ended June 30, 2020 and 2019. Please read it in conjunction with the District's financial statements. Responsibility for the completeness and fairness of this information rests with the District.

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

The basic financial statements also include the notes which explain some of the information in the statements and provide more detailed data.

The following figure summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

<b>Major Features of the District Financial Statements</b>	
Scope	Entire District
Required financial statements	<ul style="list-style-type: none"> <li>* Statement of net position</li> <li>* Statement of revenues, expenses and changes in net position</li> <li>* Statement of cash flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resource focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.

The District statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position (Exhibit A) includes all of the District's assets, liabilities, deferred outflow of resources and deferred inflow of resources. All of the current year revenues and expenses are accounted for in the activities regardless of when cash was received or paid.

The statements report the District's net position and how they changed during the year. Net position is the difference between the District's assets, liabilities, deferred outflow of resources and deferred inflow of resources, which is one way to measure the District's financial health or position.

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

The Statement of Revenues, Expenses, and Changes in Net Position (Exhibit B) focus on both the gross costs and the net costs of District activities which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to students and the public.



**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2020**

The Kankakee Community College Foundation, Inc. (the Foundation) is administered and operated exclusively for the benefit of the District. However, the Foundation is not a subsidiary or affiliate of the District and is not directly or indirectly controlled by the District. The resources of the Foundation are disbursed at the discretion of the Foundation's independent board of directors in accordance with donor restrictions and foundation policy.

Although the Foundation is independent of the District in all respects, the District has concluded that the Foundation is a "component unit" of the District as defined by GASB Statement No. 39 and GASB Statement No. 61. Therefore, the Foundation's Financial Statements are included in the District's Financial Statements in a separate exhibit. See the Notes to the Financial Statements for further discussion.

**FINANCIAL HIGHLIGHTS**

The financial highlights of the District are as follows:

- The Equalized Assessed Valuation of the District increased by \$82.4 million or 3.4%. Over the previous three years the District had averaged a 3.6% annual increase.
- Overall revenues were \$46.7 million; overall expenses were \$43.6 million.
- Credit hour enrollment decreased 4.2% to 48,975 hours.

**FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE**

Net Position

The District's combined net position increased 9.0% to \$37.4 million for fiscal 2020. The District's financial position increase is primarily due to a decrease in actual expenditures as compared to budgeted expenditures.

<b>Condensed Statement of Net Position (in millions of dollars)</b>				
	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Current assets	\$ 39.9	\$ 42.9	\$ (3.0)	(7.0)
Non-current assets	40.4	36.3	4.1	11.3
Total assets	80.3	79.2	1.1	1.4
Deferred outflows of resources	0.4	0.4	-	0.0
Total assets and deferred outflows	80.7	79.6	1.1	1.4
Current liabilities	7.5	8.1	(0.6)	(7.4)
Long-term obligations	26.8	29.2	(2.4)	(8.2)
Total liabilities	34.3	37.3	(3.0)	(8.0)
Deferred inflows of resources	9.0	8.0	1.0	12.5
Total liabilities and deferred inflows	43.3	45.3	(2.0)	(4.4)
Net position				
Invested in capital assets, net	28.7	25.8	2.9	11.2
Restricted	6.6	9.7	(3.1)	(32.0)
Unrestricted	2.1	(1.2)	3.3	275.0
Total net position	<u>\$ 37.4</u>	<u>\$ 34.3</u>	<u>\$ 3.1</u>	<u>9.0</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

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**Changes in Net Position**

The District's total revenues were \$46.7 million. State sources account for 34.3% while federal sources account for 17.1%. Real estate and other taxes account for about 27.4%, tuition and student fees 14.1%, and the balance is from miscellaneous sources.

The total cost of all programs and services was \$43.6 million. The District's program related expenses are predominantly instructional cost, academic support, student services and public services, which were \$23.9 million or 54.8% of total expenses. Operations and maintenance of the District's facilities were \$3.3 million or 7.6% of total expenses. Scholarships and awards were \$1.6 million or 3.7% of expenses. Auxiliary enterprises representing operations such as the bookstore and student activities were \$2.0 million or 4.6% of total expenses, which by definition are to be self-supporting. The District's administrative/business activities, including institutional support were \$9.4 million or 21.6% of total expenses.

Total revenues exceeded expenses, increasing net assets by \$3.1 million over last year.

**Fiscal Year 2020 Compared to 2019**

Net tuition and fee revenue increased slightly by \$0.2 million or 3.1% due to an increase of \$7 per credit hour in the tuition and fee rates charged to students combined with an overall enrollment decrease of 4.2% over last year.

Federal grants increased \$0.5 million or 6.7% due to receiving two Coronavirus aid, relief, and economic security act grants. State grants and contracts increased \$1.8 million or 17.0% due to an increase in the pension contribution the state of Illinois makes on-behalf of the District.

Auxiliary revenue decreased by \$0.1 million or 12.5% and other revenues increased by \$0.2 million or 100.0%.

Instructional expenses increased by \$1.9 million while academic support increased by \$0.1 million. Student services expenses decreased by \$0.3 million or 8.1% due to a decrease in salary expenditures. The decrease in public services of \$0.6 million or 18.2% is primarily due to the decrease of grant-funded expenditures along with a decrease in other public service expenditures.

Operations and maintenance expenses decreased by \$0.6 million or 15.4% due primarily to a decrease in contractual and fixed charge expenditures. Institutional support decreased \$0.2 million or 2.1% primarily due to a decrease in the contractual expenditures.

Scholarships and awards increased \$0.4 million or 33.3% due to the increase in institutional scholarships. Auxiliary enterprises decreased \$0.1 million or 4.8% due to decreased costs within the bookstore, athletics, student activities, and college center fund. Depreciation expense remained the same.

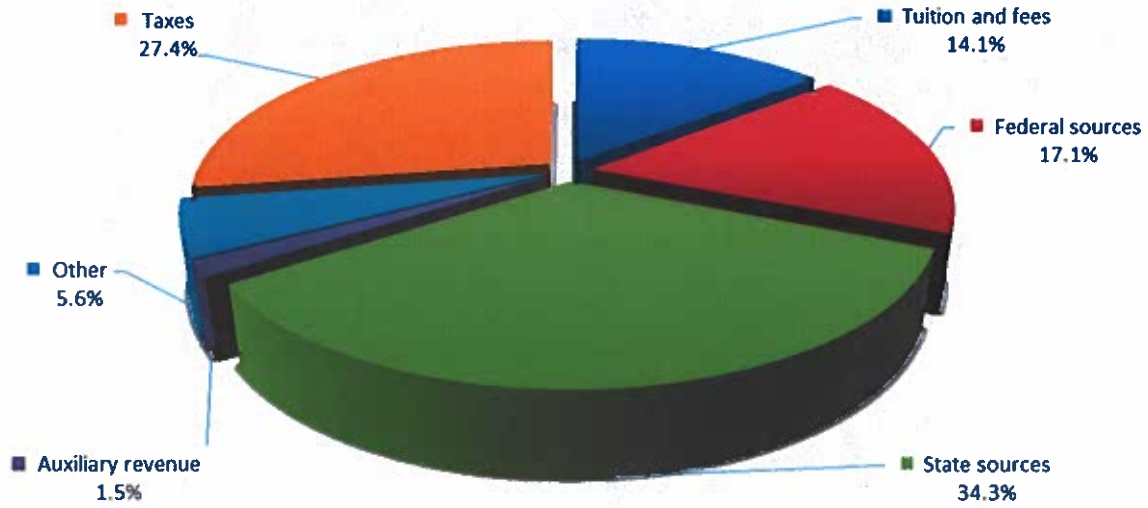
Non-operating revenues (expenses) decreased by \$2.2 million or 10.8% primarily due to the decrease of state grant revenues. Taxes increased by \$0.3 million due to higher extensions based on a significant increase in equalized assessed value. State grants decreased by \$4 million due to the decrease of state capital grant revenues. Other revenues increased by \$1.6 million due to a foundation grant received for the Student Success Center.

**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2020**

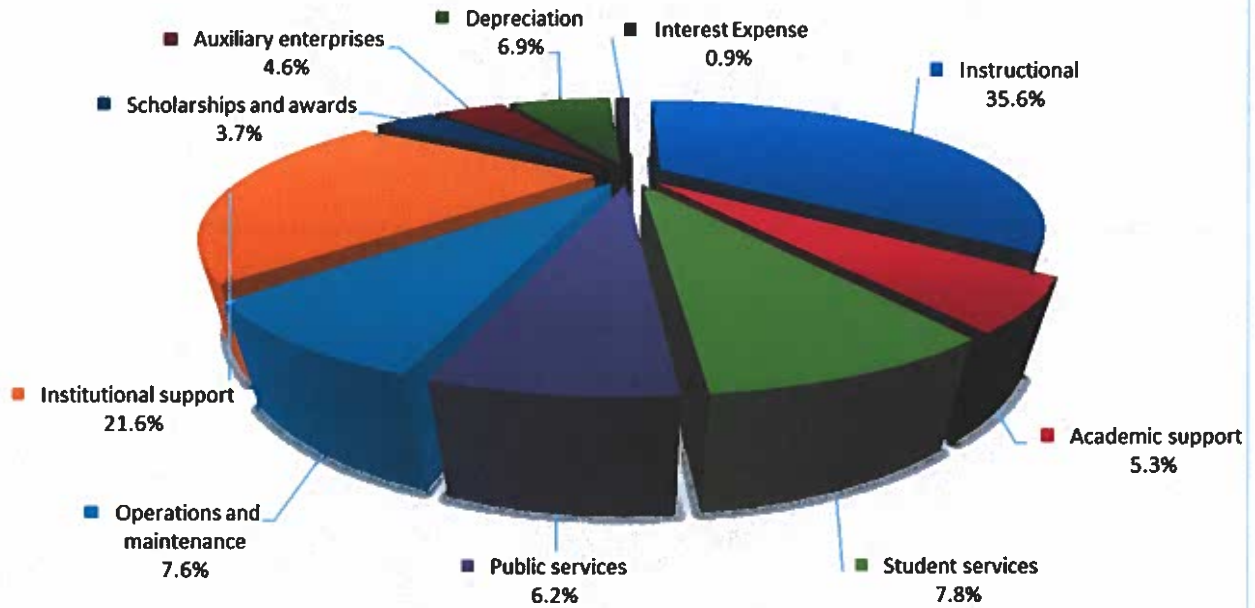
<b>Changes in Net Position from Operating Results (in millions of dollars)</b>				
	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<b>Operating revenues:</b>				
Tuition and fees	\$ 6.6	\$ 6.4	\$ 0.2	3.1
Federal grants and contracts	8.0	7.5	0.5	6.7
State grants and contracts	12.4	10.6	1.8	17.0
Auxiliary revenue	0.7	0.8	(0.1)	(12.5)
Other	0.4	0.2	0.2	100.0
<b>Total operating revenues</b>	<u>28.1</u>	<u>25.5</u>	<u>2.6</u>	<u>10.2</u>
<b>Less operating expenses</b>				
Instructional	15.5	13.6	1.9	14.0
Academic support	2.3	2.2	0.1	4.5
Student services	3.4	3.7	(0.3)	(8.1)
Public services	2.7	3.3	(0.6)	(18.2)
Operations and maintenance	3.3	3.9	(0.6)	(15.4)
Institutional support	9.4	9.6	(0.2)	(2.1)
Scholarships and awards	1.6	1.2	0.4	33.3
Auxiliary enterprises	2.0	2.1	(0.1)	(4.8)
Depreciation	3.0	3.0	-	-
<b>Total operating expenses</b>	<u>43.2</u>	<u>42.6</u>	<u>0.6</u>	<u>1.4</u>
<b>Operating Income (loss)</b>	<u>(15.1)</u>	<u>(17.1)</u>	<u>2.0</u>	<u>(11.7)</u>
<b>Non-operating revenues (expenses):</b>				
Taxes	12.8	12.5	0.3	2.4
State grants and contracts	3.6	7.6	(4.0)	(52.6)
Other	2.2	0.6	1.6	266.7
Interest expense	(0.4)	(0.3)	(0.1)	33.3
<b>Non-operating revenues (expenses), net</b>	<u>18.2</u>	<u>20.4</u>	<u>(2.2)</u>	<u>(10.8)</u>
<b>Increase (decrease) in net position</b>	<b>3.1</b>	<b>3.3</b>	<b>(0.2)</b>	<b>(6.1)</b>
<b>Net position:</b>				
Net position, beginning of year	<u>34.3</u>	<u>31.0</u>	<u>3.3</u>	<u>10.6</u>
<b>Net position, end of year</b>	<u><b>\$ 37.4</b></u>	<u><b>\$ 34.3</b></u>	<u><b>\$ 3.1</b></u>	<u><b>9.0</b></u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

**Sources of Revenue for Fiscal Year 2020**



**Expenses for Fiscal Year 2020**



**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:**

As of June 30, 2020, the District had \$40.4 million in capital assets, net of depreciation, including the main campus, several off campus sites, instructional equipment, office equipment and furniture and fixtures. (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation expense for the year was \$3.0 million, while building improvements and deletions to equipment, furniture, leasehold improvements and construction in progress amounted to \$6.2 million.

<b>Capital Assets (net of depreciation, in millions of dollars)</b>				
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>Increase (Decrease)</u></b>	<b><u>Percent Change</u></b>
Land	\$ 2.1	\$ 2.1	\$ -	-
Land improvements	3.8	3.0	0.8	26.7
Buildings and improvements	52.9	51.2	1.7	3.3
Furniture and equipment	25.9	25.8	0.1	0.4
Leasehold Improvements	0.9	0.9	-	-
Construction in progress	3.6	-	3.6	-
	<u>89.2</u>	<u>83.0</u>	<u>6.2</u>	<u>7.5</u>
Less accumulated depreciation	<u>48.8</u>	<u>46.7</u>	<u>2.1</u>	<u>4.5</u>
<b>Total</b>	<b><u>\$ 40.4</u></b>	<b><u>\$ 36.3</u></b>	<b><u>\$ 4.1</u></b>	<b>11.3</b>

**Long-Term Liabilities:**

The District's outstanding long-term liabilities at year-end are shown in the following schedule. More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.

<b>Outstanding Long-Term Liabilities</b>		
	<b><u>2020</u></b>	<b><u>2019</u></b>
Outstanding Long-term liabilities, beginning of the year	\$31.7	\$27.6
Debt Issued:		
College Bonds	0.0	5.9
Debt Retired:	(2.3)	(2.1)
Compensated Absences Increase (Decrease):	0.1	(0.1)
Retiree Health Insurance Liability Increase (Decrease):	<u>(0.2)</u>	<u>0.4</u>
Outstanding Long-term liabilities, end of the year	<b><u>\$29.3</u></b>	<b><u>\$31.7</u></b>

Debt service requirements over the next 5 years average \$2.2 million per year.

**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2020**

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**FACTORS AFFECTING THE DISTRICT'S FUTURE**

Kankakee Community College is led by its seventh president, Dr. Michael Boyd, a visionary leader with a passion for student success. Dr. Boyd serves as a change agent for the College, leading the institution into the future. In March 2020, the College encountered its most challenging events due to the global pandemic COVID-19. Amidst these challenges, Dr. Boyd encouraged all faculty and staff to provide services to students with flexibility and innovation.

In two short weeks, faculty and academic affairs administrators transitioned the majority of the 2020 course schedule to online courses. Despite the challenges, students met learning outcomes and completers were able to graduate in May 2020. During summer 2020, professional development became a priority for faculty as Master Online Certified teachers led their colleagues in acquiring and refining skills to improve online instruction. Additionally, a faculty team developed a module in the learning management system (LMS) for all students entitled "Student Passport to Online Learning." The student passport course is automatically provided to all students through the LMS to prepare students for success in online learning environments. Faculty have continued to expand course options for the 2020-2021 academic year and beyond to ensure students remain on track to meet their education goals.

College administration and staff developed new methods to accomplish all tasks remotely while continuing to provide services to students and operational support throughout the College. Business Affairs enabled electronic processes so that employees working remotely were able to complete tasks in a timely fashion. Student Affairs, likewise, invented solutions for remote advising, orientation, and registration. The College continues to navigate the COVID-19 pandemic as a new opportunity to provide education and support to the community in a unique manner.

Supporting students was the central priority as the College adapted to the changing environment, administering over \$1.2 million in federal funding from the Higher Education Relief Fund (HERF) to drive student success by bridging socioeconomic gaps resulting from the financial impacts of COVID-19.

In addition to strengthening the institution as a whole, the College continues to focus on the following goals related to the strategic plan:

- Improve student success through increased enrollment, retention, transfer, and completion rates.
- Create diverse, inclusive, and equitable teaching, learning, and work environments.
- Improve physical and virtual teaching and learning spaces.
- Increase visibility and value in the community.
- Provide development opportunities to enhance KCC employee skills and knowledge.

The facilities master plan aligns with the strategic plan. The first priority in the facilities plan was developing a Student Success Center in the heart of campus. The Student Success Center opened in August 2020 to welcome our students back for the fall term. The Student Success Center provides new technology, collaborative space, quiet study space, academic support, meeting space, and active learning classrooms. The next priority in the facilities master plan focuses on redesigning teaching and learning spaces in the original technology center building, instructional spaces designed to facilitate high demand career programming in the manufacturing sector served by the College.

The economic outlook for the District continues to be positive. Significant expansions are occurring at the global bioscience leader CSL Behring and Nucor Steel. The District has a highly diversified economy in manufacturing, bioscience, health care, and transportation. The District's equalized assessed valuation continues on an upward trend, with average increases of 3.4% over the past four years.

With new visionary leadership, multiple strategic plans in place, and expanded course options, the College continues its mission of Enhancing Quality of Life through Learning.

**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2020**

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**CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT**

This financial report provides the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives.

If you have questions about this report or need additional information, contact the Vice President for Business Affairs, 100 College Drive, Kankakee, Illinois 60901

## **BASIC FINANCIAL STATEMENTS**



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**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

<u>Assets</u>	<u>Primary Government</u>
<b>Current assets:</b>	
Cash and cash equivalents	\$ 12,281,817
Short-term investments	9,009,209
<b>Receivables, net of uncollectible amounts:</b>	
Property taxes	12,520,936
Federal and state sources	1,564,219
Tuition and fees	2,900,538
Accrued interest	80,023
Due from component unit	55,724
Other	120,205
Inventories	685,758
Prepaid expenses	694,991
Total current assets	39,913,420
Capital assets, net	40,357,052
Total assets	80,270,472
 <b><u>Deferred Outflow of Resources</u></b>	
Deferred OPEB items	242,743
Deferred contractually required contribution for SURS	162,582
Total deferred outflows of resources	405,325
 <b><u>Liabilities</u></b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	2,384,509
Bonds payable - current portion	2,090,000
Unearned tuition and fees revenue	2,311,644
Unearned government grants and other claims	324,192
Accrued compensated absences	402,900
Total current liabilities	7,513,245
<b>Non-current liabilities:</b>	
Accrued compensated absences	447,365
Bonds payable - less current portion	11,763,314
OPEB liability - retiree health insurance	14,530,209
Total long-term liabilities	26,740,888
Total liabilities	34,254,133
 <b><u>Deferred Inflows of Resources</u></b>	
Deferred OPEB items	2,715,183
Deferred property tax revenue	6,262,076
Total deferred inflows of resources	8,977,259
 <b><u>Net Position</u></b>	
Net investment in capital assets	28,729,968
<b>Restricted for :</b>	
Debt service	1,275,606
Capital projects and improvements	3,163,645
Audit purposes	79,268
Liability insurance	2,036,364
Unrestricted	2,159,554
Total net position	\$ 37,444,405

See accompanying notes.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the year ended June 30, 2020**

<u>Revenues</u>	<u>Primary Government</u>
<b>Operating revenues:</b>	
Student tuition and fees, net	\$ 6,587,527
Federal grants and contracts	7,993,949
State grants and contracts	12,400,877
Local grants and contracts	24,296
Auxiliary enterprise revenue	711,585
Other operating revenues	339,846
	28,058,080
 <b>Expenses</b>	
<b>Operating expenses:</b>	
Instructional	15,450,692
Academic support	2,304,158
Student services	3,384,963
Public service	2,743,351
Operations and maintenance of plant	3,304,513
Institutional support	9,415,502
Scholarship and awards	1,556,321
Auxiliary enterprises	1,978,395
Depreciation	3,011,741
	43,149,636
Total operating expenses	43,149,636
Operating income (loss)	(15,091,556)
 <b><u>Non-operating Revenues (Expenses)</u></b>	
State grants and contracts	3,649,645
Property taxes	12,248,842
Personal property replacement tax	526,633
Investment income	293,062
Gain (loss) on disposal of capital assets	(75,877)
Other non-operating revenues	2,008,144
Interest expense and fees	(406,264)
	18,244,185
Non-operating revenues (expenses), net	18,244,185
Change in net position	3,152,629
Net position, July 1, 2019	34,291,776
Net position, June 30, 2020	\$ 37,444,405

See accompanying notes.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**STATEMENT OF CASH FLOWS**  
**For the year ended June 30, 2020**

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	<u>Primary Government</u>
Cash flows provided (used) by operating activities:	
Tuition and fees	\$ 6,326,595
Payments to students	2,823,564
Payments to suppliers	(34,766,537)
Payments to employees	(15,942,431)
Grants and contracts	28,002,567
Auxiliary enterprise revenues	711,585
Other receipts	339,846
	<hr/>
Net cash provided (used) by operating activities	(12,504,811)
Cash flows provided (used) by noncapital financing activities:	
Local property taxes	11,949,623
State appropriations	4,180,774
Other receipts	2,008,144
	<hr/>
Net cash provided by noncapital financing activities	18,138,541
Cash flows provided (used) by capital and related financing activities:	
Purchases of capital assets	(7,187,445)
Bond principal payments	(2,100,000)
Interest and fees paid on bonds	(580,393)
	<hr/>
Net cash provided (used) by capital and related financing activities	(9,867,838)
Cash flows provided (used) by investing activities:	
Proceeds from sales and maturities of investments	4,000,000
Earning on investments	280,945
Purchase of investments	(5,081,305)
	<hr/>
Net cash provided (used) by investing activities	(800,360)
Net increase (decrease) in cash and cash equivalents	(5,034,468)
Cash and cash equivalents, July 1, 2019	17,316,285
	<hr/>
Cash and cash equivalents, June 30, 2020	\$ 12,281,817
	<hr/> <hr/>

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(Continued)

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
STATEMENT OF CASH FLOWS  
(Continued)  
For the year ended June 30, 2020**

	<u>Primary Government</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (15,091,556)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	3,011,741
(Increase) decrease in operating assets and deferred outflow of resources:	
Receivables, net	(296,701)
OPEB items	(185,527)
Inventories	(69,063)
Prepaid expenses	(26,896)
Deferred contractually required contribution	(23,553)
Increase (decrease) in operating liabilities and deferred inflow of resources:	
Accounts payable and accrued expenses	171,463
Unearned revenue	(711,682)
OPEB items	686,240
Compensated absences	30,723
Net cash provided (used) by operating activities	<u>\$ (12,504,811)</u>
Noncash investing, capital and financing activities:	
On-behalf payments for the State Universities Retirement System of Illinois	<u>\$ (11,154,461)</u>
Amortization of premium on bond proceeds	<u>\$ 189,361</u>
Gain (loss) on disposal of capital assets	<u>\$ (75,877)</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**COMPONENT UNIT - KANKAKEE COMMUNITY COLLEGE FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2020**

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**Assets**

**Current assets:**

Cash and cash equivalents	\$ 279,706
Accrued interest	4,151
Prepaid expenses	2,981
Investments	1,154,384
Restricted investments	<u>1,736,288</u>

Total current assets 3,177,510

**Noncurrent assets:**

Restricted investments	<u>5,415,814</u>
------------------------	------------------

Total assets \$ 8,593,324

**Liabilities**

**Current liabilities:**

Accounts payable	\$ 206
Due to primary government	<u>55,724</u>

Total current liabilities 55,930

**Net Assets**

**Without donor restrictions:**

Undesignated	<u>1,385,292</u>
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**With donor restrictions:**

Purpose restricted	1,736,288
Perpetual	<u>5,415,814</u>
Total with donor restrictions	<u>7,152,102</u>

Total net assets 8,537,394

Total liabilities and net assets \$ 8,593,324

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**COMPONENT UNIT - KANKAKEE COMMUNITY COLLEGE FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the year ended June 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and support:</b>			
Contributions	\$ 1,108,043	\$ 386,845	\$ 1,494,888
Donated material and services	156,062		156,062
Investment income, net	126,513	(275,749)	(149,236)
Net assets released from restrictions	1,558,713	(1,558,713)	-0-
<b>Total revenues and support</b>	<u>2,949,331</u>	<u>(1,447,617)</u>	<u>1,501,714</u>
<b>Expenses and losses:</b>			
<b>Program services:</b>			
Scholarships	325,314		325,314
Special projects	1,489,096		1,489,096
<b>Total program services</b>	<u>1,814,410</u>	<u>-0-</u>	<u>1,814,410</u>
<b>Support services:</b>			
Management and general	193,741		193,741
Fundraising	39,486		39,486
<b>Total support services</b>	<u>233,227</u>	<u>-0-</u>	<u>233,227</u>
<b>Total expenses and losses</b>	<u>2,047,637</u>	<u>-0-</u>	<u>2,047,637</u>
<b>Change in net assets</b>	901,694	(1,447,617)	(545,923)
<b>Net assets, July 1, 2019</b>	<u>483,598</u>	<u>8,599,719</u>	<u>9,083,317</u>
<b>Net assets, June 30, 2020</b>	<u>\$ 1,385,292</u>	<u>\$ 7,152,102</u>	<u>\$ 8,537,394</u>

See accompanying notes.

Exhibit F

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
COMPONENT UNIT - KANKAKEE COMMUNITY COLLEGE FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended June 30, 2020

	Program Services			Supporting Services			Grand Total
	Scholarships	Special Projects	Total	Management and General	Fundraising	Total	
Alumni events							
Annual	\$ 43,257	\$	43,257	\$ 4,948	\$	4,948	\$ 4,948
Audit							43,257
Continuing education				6,715		6,715	6,715
Contractual		\$ 1,416,544	1,416,544	5,392		5,392	5,392
Donor cultivation				28,637	\$ 38,236	66,873	1,483,417
Donor funded	34,546		34,546	16,909		16,909	16,909
Endowed	66,471		66,471				34,546
Foundation funded	181,040		181,040				66,471
Instructional supplies							181,040
Insurance				425		425	425
Meals				2,663		2,663	2,663
Other		15,844	15,844				15,844
Salaries and benefits				1,052		1,052	1,052
Student support		39,596	39,596	127,000		127,000	127,000
Supplies		17,112	17,112		1,250	1,250	40,846
<b>Total expenses</b>	<b>\$ 325,314</b>	<b>\$ 1,489,096</b>	<b>\$ 1,814,410</b>	<b>\$ 193,741</b>	<b>\$ 39,486</b>	<b>\$ 233,227</b>	<b>\$ 2,047,637</b>

See accompanying notes.



**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**COMPONENT UNIT - KANKAKEE COMMUNITY COLLEGE FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the year ended June 30, 2020**

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Cash flows from (used for) operating activities:	
Change in net assets	\$ (545,923)
Items required to reconcile change in net assets to net cash from (used for) operating activities:	
Realized (gain) loss on sale of investments	(251,106)
Net depreciation in value of investments	559,483
(Increase) decrease in operating assets:	
Unconditional promise to give	653
Accrued interest	4,149
Prepaid expense	(350)
Increase (decrease) in operating liabilities:	
Accounts payable	(1,494)
Due to primary government	(18,283)
	<hr/>
Net cash from (used for) operating activities	(252,871)
	<hr/>
Cash flows from (used for) investing activities:	
Proceeds from sale of investments	3,630,909
Purchase of investments	(3,559,013)
	<hr/>
Net cash from investing activities	71,896
	<hr/>
Net change in cash and cash equivalents	(180,975)
Cash and cash equivalents, July 1, 2019	460,681
	<hr/>
Cash and cash equivalents, June 30, 2020	\$ 279,706
	<hr/> <hr/>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Kankakee Community College District No. 520 (District), established in 1966 under the Illinois Public Community College Act, provides baccalaureate, vocational and continuing education courses to residents of an area encompassing all or part of Kankakee, Iroquois, Ford, Grundy, Livingston and Will counties, serving a population in excess of 130,000. A seven member locally elected Board of Trustees is the District's ruling body, which establishes the policies and procedures by which the District is governed.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The District's financial statements are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

The following is a summary of the significant accounting policies:

**Reporting Entity**

The financial reporting entity consists of the primary government, as well as its component unit, the Kankakee Community College Foundation, Inc. (the Foundation), which is a legally separate organization. The discretely presented component unit has been deemed essential to the fair presentation of the District. The discretely presented component unit will be presented in separate financial statements as part of the government-wide financial statements to emphasize that it is legally separate from the government.

The Foundation, for which the District is not financially accountable, is created to act primarily as a fund-raising organization to supplement the resources that are available to the District in support of its programs. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District. Therefore, in conformity with generally accepted accounting principles, its financial statements are presented as separate statements in the accompanying report.

The Foundation is a not-for-profit organization that separately reports its financial results under topic 958 of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC 958), also. Separately audited financial statements for the Foundation under FASB are available upon request from the Foundation at: 100 College Drive, Kankakee, IL 60901.

**Measurement Focus, Basis of Accounting and Basis of Presentation**

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which the levy is intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant intra-agency transactions have been eliminated.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued):**

**Revenue and Expense Recognition**

The District presents its revenues and expenses as operating or non-operating based on recognition definitions from GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Operating activities are those activities that are necessary and essential to the mission of the District.

Operating revenues include activities that have the characteristics of exchange transactions such as charges for tuition and fees, sales and services, auxiliary services and other user fees. Contracts and grants from various state and federal sources are considered operating revenues because they provide resources for student charges and such programs are necessary and essential to the mission of the District.

Restricted funds received for specific program operating purposes are considered as the results of exchange transactions between the District and the grantor, where the District performs contractual program services for the providing sources. Revenues from non-exchange transactions and state appropriations that represent subsidies or gifts to the District, as well as investment income and property taxes are considered non-operating since these are either investing, capital or non-capital financing activities.

Operating expenses are all expense transactions incurred other than those related to investing, capital or non-capital financing activities and include cost of sales and services, administrative expenses and depreciation on capital assets. Revenues received for capital financing activities, as well as related expenses, are considered neither operating nor non-operating activities and are presented after non-operating activities on the accompanying Statement of Revenues, Expenses and Changes in Net Position.

**Cash and Cash Equivalents**

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

**Inventories**

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

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**Premiums, Discounts, and Issuance Cost**

Bond premiums and discounts are recorded and amortized over the life of the bonds using the straight-line interest method. Long-term obligations (general obligation bonds) are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time of issuance.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued):**

**Unearned Revenue**

Unearned revenue includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenue also include amounts received from grant and contract sponsors that have not yet been earned.

**Property Taxes**

Property taxes are recognized as revenue in the year for which the taxes are intended to finance, regardless of when collected. Pursuant to a Board of Trustees resolution, property tax levies are allocated 50 percent in the fiscal year the levy is passed and 50 percent in the following fiscal year. Based on this, 50 percent of the property tax levies passed in December 2019, was recognized as revenue for the year ended June 30, 2020. The other 50 percent of the 2019 levy is intended to finance the 2021 fiscal year and accordingly, is reported as receivables and deferred inflows of resources as of June 30, 2020. The 2020 tax levy, which attaches as an enforceable lien on property as of January 1, 2020, has not been recorded as a receivable as of June 30, 2020, as the tax has not yet been levied by the College and will not be levied until December 2020, and therefore, the levy is not measurable at June 30, 2020.

Property taxes are levied each year on the basis of the equalized assessed property values in the District as of January 1 of that year. Assessed values are established by each of the respective counties. Property taxes are billed and collected by the various counties included within the District's boundaries.

These taxes are assessed in December and become an enforceable lien on the property as of the preceding January 1. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amount to be collected. Property taxes are payable by the property owner in two equal installments on or about June 1 and September 1, 2020.

The personal property replacement tax is recorded on the accrual basis based on amounts held by the State.

**Capital Assets**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	25 - 50 years
Furniture and equipment	8 - 10 years
Improvements other than buildings	25 years

**Compensated Absences**

Employees may accumulate vacation days up to the maximum (fifty-six (56) days) recognized by the State University Retirement System. All compensated absences, which are earned during the year, are therefore reported as an expense and as a liability.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued):**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualifies for reporting in this category. These items are pension contributions and contributions to the community college health insurance program which were made subsequent to the pension liability measurement date. These amounts are deferred and recognized as an outflow of resources in the period that the amount is intended.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items, which qualify for reporting in this category, including property taxes received or reported as a receivable prior to the period for which it was levied and items related to other post retirement employee benefits. These amounts are deferred and recognized as an inflow of resources in the period that the amounts are intended to finance.

**Internal Service Activities**

Both revenues and expenses related to internal service activities including central supplies, facility use, maintenance and health insurance have been eliminated.

**Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Net Position**

The District's net position is classified as follows:

**Net investment in capital assets** - This represents the District's total investment in capital assets, net of accumulated depreciation and related debt.

**Restricted net position - expendable** - This includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources when they are needed.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

---

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued):**

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

**Federal Awards Programs**

The District participates in several federally funded grant programs which include Pell Grants, SEOG Grants, Federal Work-Study, Direct Loans, Workforce Investment Act and Perkins programs. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited by the grantors, but the District believes that disallowed expenditures, discovered in subsequent audits, if any, will not have a material effect on the financial position of the District.

**Pensions**

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

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

**On-Behalf Payments for Fringe Benefits**

The District applies the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, whereby the State is responsible for the employer contribution and the total pension liability resulting from a special funding situation. Therefore, for the fiscal year ended June 30, 2020 the District has reported its proportionate share of the collective pension expense and revenue for the State's contribution (see Note 2).

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued):**

The District applies the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, whereby the State of Illinois is responsible for 50% of both employer contribution and the total other postemployment benefit (OPEB) liability resulting from a special funding situation. Therefore, the College has reported its proportionate share of the collective OPEB expense and revenue for the state's contribution in addition to reporting the College's proportionate share of the OPEB liability and related expense (see Note 3).

**Tuition and Fees Receivable**

Tuition and fees receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to revenue and a credit to valuation allowance based on its assessment of the current status of individual accounts.

**NOTE 2 – PENSION PLAN:**

**State Universities Retirement System:**

A. **Plan Description**

The District contributes to the State University 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 Section 5/15, Chapter 40, of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at [www.surs.org](http://www.surs.org).

B. **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, 2019 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 2 – PENSION PLAN (Continued):**

C. Contributions

The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (1) a ramp-up period from 1996 to 2010 and (2) a period of contributions equal to a level percentage of the payroll of active members of the System 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 year ended June 30, 2019 and 2020, respectively, was 12.29 percent and 13.02 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% of their annual covered salary except for police officers and fire fighters who contribute 9.5% of their earnings. 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 6.0 percent during the final rate of earnings period).

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

Net Pension Liability

At June 30, 2019, SURS reported a net pension liability (NPL) of \$28,720,071,173. The net pension liability was measured as of June 30, 2019.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the District is \$-0-. The proportionate share of the State’s net pension liability associated with the District is \$102,875,295 or 0.3582 percent. This amount is not recognized in the District’s financial statements. The net pension liability and total pension liability as of June 30, 2019, was determined based on the June 30, 2018, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2019.



**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 2 – PENSION PLAN (Continued):**

**Pension Expense**

At June 30, 2019 SURS reported a collective net pension expense of \$3,094,666,252.

**Employer Proportionate Share of Pension Expense**

The District's proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year end June 30, 2019. As a result, the District recognized on-behalf revenue and pension expense of \$11,085,095 for the fiscal year ended June 30, 2020.

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

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods. The deferred inflows of resources are the acquisition of net position by the system that is applicable to future reporting periods.

**SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$160,132,483	\$ 80,170,745
Changes in assumption	773,321,300	
Net difference between projected and actual earnings on pension plan investments		55,456,660
Contributions made after the measurement date	<u>162,582</u>	<u>                    </u>
Total	<u>\$933,616,365</u>	<u>\$135,627,405</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 2 – PENSION PLAN (Continued):**

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

<u>Year Ending June 30</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$786,021,133
2021	(11,534,848)
2022	(6,661,326)
2023	<u>30,001,419</u>
Total	<u>\$797,826,378</u>

**E. Employer Deferral of Fiscal Year 2020 Pension Expense**

The District paid \$162,582 in federal, trust or grant contributions for the fiscal year ended June 30, 2020. These contributions were made subsequent to the pension liability measurement date of June 30, 2019 and are recognized as Deferred Outflows of Resources as of June 30, 2020.

**F. Assumptions and Other Inputs**

**Actuarial assumptions**

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

Inflation	2.25%
Salary increases	3.25 to 12.25%, including inflation
Investment rate of return	6.75% beginning with the actuarial valuation as of June 30, 2019

Mortality rates were based on the RP-2014 White Collar, gender distinct tables with projected generational mortality and a separate mortality assumption for disable participants.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 2 – PENSION PLAN (Continued):**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
U.S. Equity	23%	5.25%
Private Equity	6%	8.65%
Non-U.S. Equity	19%	6.75%
Global Equity	8%	6.25%
Fixed Income	19%	1.85%
Treasury-Inflation Protected Securities	4%	1.20%
Emerging Market Debt	3%	4.00%
Real Estate REITS	4%	5.70%
Direct Real Estate	6%	4.85%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	<u>1%</u>	<u>7.00%</u>
Total	<u>100%</u>	4.80%
Inflation		<u>2.75%</u>
Expected Arithmetic Return		<u>7.55%</u>

**Discount Rate**

A single discount rate of 6.59 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 6.75 percent and a municipal bond rate of 3.13 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 the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 2 – PENSION PLAN (Continued):**

Sensitivity of the System’s Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount of 6.59 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
<u>5.59%</u>	<u>6.59%</u>	<u>7.59%</u>
\$34,786,851,779	\$28,720,071,173	\$23,712,555,197

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](http://www.surs.org).

See the schedules of contributions and proportionate share of the net pension liability, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presenting multiyear trend information.

**NOTE 3 - RETIREE HEALTH PLAN:**

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

The Act requires every active contributor (employee) of SURS to contribute 0.5% 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 of Illinois to contribute 0.5% of estimated covered payroll directly to the plan.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 3 - RETIREE HEALTH PLAN (Continued):**

For purposes of measuring the 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 costs.

At June 30, 2020, the District reported a liability of \$14,530,209 for its proportionate share of the total OPEB liability that reflected a reduction for State OPEB support of \$14,530,209 resulting in a total OPEB liability associated with the College of \$29,060,418. The OPEB liability was measured as of June 30, 2019, and total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation performed as of June 30, 2018 rolled forward to June 30, 2019. The District's proportion of the OPEB liability was based on the District's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the State, statutorily determined. At June 30, 2019 and 2018, the District's proportions were .769388% and .782865%, respectively.

For the year ended June 30, 2020, the District recognized OPEB expense of \$483,293 and on-behalf revenue and expenses of \$69,366 for support provide by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$170,292	\$ 307,281
Changes in assumption		2,024,396
Changes in proportionate share and differences between college contributions and proportionate share of contributions	3,085	382,864
Net difference between projected and actual earnings on OPEB plan investments		642
Contributions made after the measurement date	<u>69,366</u>	<u>          </u>
Total	<u>\$242,743</u>	<u>\$2,715,183</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 3 - RETIREE HEALTH PLAN (Continued):**

The deferred outflows of resources related to OPEB resulting from the District's contribution subsequent to the measurement date, reported at \$69,366 will be recognized as a reduction of the OPEB liability for the measurement period ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Year Ending <u>June 30,</u>	
2021	\$ 423,635
2022	423,635
2023	423,634
2024	423,634
2025	423,634
Thereafter	<u>423,634</u>
Total	<u>\$2,541,806</u>

**Actuarial assumptions**

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

Assumptions	
Inflation	2.25%
Salary Increases	3.25% to 12.25%
Investment Rate of Return	0.00%
Healthcare Cost Trend Rates	8.00% to 9.00% trending to 4.50%
Asset Valuation Method	Market Value

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

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

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 3 - RETIREE HEALTH PLAN (Continued):**

**Rate Sensitivity**

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

	<u>1% Decrease</u> <u>(2.13%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.13%)</u>	<u>1% Increase</u> <u>(4.13%)</u>
OPEB Liability	\$16,676,843	\$14,530,209	\$12,708,245

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

	<u>1% Decrease</u>	<u>Current</u> <u>Healthcare Rate</u>	<u>1% Increase</u>
OPEB Liability	\$12,059,188	\$14,530,209	\$17,795,519

*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 4 - CAPITAL ASSETS:**

A summary of changes in capital assets of the District for the year ended June 30, 2020 is as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2020</u>
Land	\$ 2,142,785			\$ 2,142,785
Constructions in progress	-0-	\$3,576,476		3,576,476
Land improvements	2,954,734	808,019		3,762,753
Building and improvements	51,217,047	1,661,501		52,878,548
Equipment	25,818,547	1,141,449	\$1,030,509	25,929,487
Leasehold improvements	<u>868,782</u>	<u>                    </u>	<u>                    </u>	<u>868,782</u>
Total capital assets	83,001,895	7,187,445	1,030,509	89,158,831
Less accumulated depreciation	<u>46,744,670</u>	<u>3,011,741</u>	<u>954,632</u>	<u>48,801,779</u>
Capital assets, net	<u>\$36,257,225</u>	<u>\$4,175,704</u>	<u>\$ 75,877</u>	<u>\$40,357,052</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 5 - DEPOSITS AND INVESTMENTS:**

Investing is performed in accordance with investment policy adopted by the Board of Trustees of the District. That policy limits investments to certificates of deposit, savings accounts, or time deposits of financial institutions which maintain a main or branch office within the boundaries of the District, United States Treasury bonds, notes or bills and Illinois Funds.

All the District's investments are considered short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount which approximates fair value.

**Deposits**

The District's investment policy required all uninsured deposits with financial institutions to be fully collateralized with the collateral held by an independent third party acting as the District's agent and held in the name of the District.

At June 30, 2020, the carrying amount of the District's deposits was \$16,743,787, and the bank balance was \$17,993,317. The entire bank balance was covered through federal depository insurance or by collateral held by the District or its agent in the District's name.

**NOTE 6 - LONG-TERM LIABILITIES:**

A summary of changes in long-term liabilities for the year ended June 30, 2020 is as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable:					
General obligation					
bonds	\$15,285,000		\$2,100,000	\$13,185,000	\$2,090,000
Premium on bond proceeds	<u>857,675</u>		<u>189,361</u>	<u>668,314</u>	
Total bond payable	16,142,675	\$ -0-	2,289,361	13,853,314	2,090,000
Compensated absences	819,542	380,605	349,882	850,265	402,900
Retiree health insurance liability	<u>14,758,978</u>		<u>228,769</u>	<u>14,530,209</u>	
Total long-term liabilities	<u>\$31,721,195</u>	<u>\$380,605</u>	<u>\$2,868,012</u>	<u>\$29,233,788</u>	<u>\$2,492,900</u>

Long-term liabilities are comprised of the following:

**General Obligation Bonds**

\$8,275,000 General Obligation Community College serial bonds dated July 1, 2013, due in annual installments on December 1, of amounts ranging from \$335,000 to \$2,000,000 through December 2020, plus interest ranging from 2% to 3.75% payable semiannually. \$ 1,755,000



**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 6 - LONG-TERM LIABILITIES (Continued):**

\$3,370,000 Taxable General Obligation Community College serial bonds dated February 4, 2016, due in annual installments on December 1, of amounts ranging from \$50,000 to \$2,000,000 through December 2022, plus interest ranging from .9% to 3.25% payable semiannually.	\$ 3,120,000
\$3,305,000 General Obligation Community College serial bonds dated February 29, 2016, due in annual installments on December 1, of amounts ranging from \$65,000 to \$1,940,000 through December 2023 plus interest of 3% payable semiannually.	3,240,000
\$5,070,000 General Obligation Community College serial bonds dated June 27, 2019, due in annual installments on December 1, of amounts ranging from \$85,000 to \$2,390,000 through December 2025, plus interest of 5% payable semiannually.	<u>5,070,000</u>
Total general obligation bonds	13,185,000
Add: Unamortized premium on bond issuance	<u>668,314</u>
Total bonds payable	13,853,314
Less: amount due in one year	<u>2,090,000</u>
Bonds payable-less current portion	<u>\$11,763,314</u>

The annual requirement to amortize all outstanding bonds payable, excluding the issuance premium of \$688,314, and including interest of \$1,660,494 follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,090,000	\$ 460,081	\$ 2,550,081
2022	2,155,000	395,600	2,550,600
2023	2,220,000	333,213	2,553,213
2024	2,295,000	259,225	2,554,225
2025	2,390,000	161,500	2,551,500
2026	<u>2,035,000</u>	<u>50,875</u>	<u>2,085,875</u>
	<u>\$13,185,000</u>	<u>\$1,660,494</u>	<u>\$14,845,494</u>

**Compensated Absences**

Vested portion of the vacation and sick leave and other employee benefits.	<u>\$850,265</u>
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**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 7 – LEGAL DEBT MARGIN:**

Assessed Valuation – 2019 levy year	<u>\$2,521,144,529</u>
Statutory debt limit – 2.875% of assessed valuation	\$72,482,905
Debt outstanding	<u>13,185,000</u>
Legal debt margin	<u>\$59,297,905</u>

**NOTE 8 – OPERATING LEASE:**

The District leased a building to serve as its South Extension Center on August 16, 2019. The lease’s term ends February 28, 2023 with an additional five year extension option available to the District. Total costs for the lease was \$24,904 for the year ended June 30, 2020. The future minimum lease payments for this lease are as follows:

<u>Year Ending</u> <u>June 30,</u>	
2021	\$25,651
2022	26,421
2023	17,963

**NOTE 9 – CONSTRUCTION COMMITMENTS:**

The District has an active construction project as of June 30, 2020. This project and the District’s commitment with contractors at June 30, 2020 are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining</u> <u>Commitment</u>
Student Success Center	<u>\$3,576,476</u>	<u>\$632,699</u>

**NOTE 10 – RISK MANAGEMENT AND LITIGATION:**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District utilizes conventional outside insurance to cover its exposure to such liabilities and worker’s compensation claims with standard retention levels. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. For insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is presently not determinable, in the opinion of the District’s Attorney and management, the resolution of these matters will not materially affect the financial condition of the District. Therefore, there is no provision for estimated claims.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 11 – DISCRETELY PRESENTED COMPONENT UNIT:**

The following is a summary of the significant accounting policies of the Foundation.

**Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The financial statements of the Foundation are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

**Net assets without donor restrictions** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation.

**Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donors. Other donor restrictions are perpetual in nature, where the donor stipulates that the funds be maintained in perpetuity.

**Functional Allocation of Expenses**

The Statements of Activities reports expenses by functional classification. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible.

**Income Tax Status**

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Code. The Foundation is required to file and does file tax returns with IRS and state authorities. Tax returns filed by the Foundation will be subject to examination by authorities for a period of three years.

**Cash and Cash Equivalents**

Cash and cash equivalents consists of cash, money market funds, and highly liquid investments with original maturities of three months or less at the date of acquisition.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 11 – DISCRETELY PRESENTED COMPONENT UNIT (Continued):**

**Investments**

The Foundation, under the direction of its Board, authorizes investments in common and preferred stocks, corporate bonds, mutual funds, money markets, obligations issued or guaranteed by instrumentalities or agencies of the United States of America, hedge funds, managed futures funds, and other investment vehicles. The Board of the Foundation contractually delegates investment oversight to investment managers. Investments in equity securities with readily determinable fair values and all debt securities are stated at fair value on the Statement of Financial Position.

At June 30, 2020, the Foundation's investments consist of the following:

Certificates of deposit	\$ 449,851
U.S. Treasury of obligations	82,677
U.S. government agencies	136,638
Mutual funds	2,781,226
Exchange-traded and closed-end funds	2,941,135
Preferred stock	146,911
Common stock	1,311,128
Corporate bonds	61,242
Hedge funds	<u>395,678</u>
Total investments	<u>\$8,306,486</u>

**Interest Rate Risk**

The securities of U.S. government agencies at June 30, 2020 consist of the following:

Federal National Mortgage Association	\$111,826
Federal Home Loan Mortgage Corp.	<u>24,812</u>
	<u>\$136,638</u>

The Foundation invests in mortgage-backed securities. These securities are reported at fair value and are based on the cash flows from interest and principal payments by the underlying mortgages. As a result, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flow from interest payments is reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on initial investment would be higher than anticipated. The Foundation invests in mortgage-backed securities to diversify the portfolio and to increase the return while minimizing the extent of risk.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 11 – DISCRETELY PRESENTED COMPONENT UNIT (Continued):**

Investment income in the Foundation was comprised of the following for the year ended June 30, 2020:

Interest, capital gain distributions, and dividend income	\$ 244,105
Realized gain (loss) on investments	251,106
Unrealized gain (loss) on investments	(599,483)
Investment expenses:	
Third party investment management fees, custodian fees, and other expenses	(44,964)
Investment income (loss), net	<u>\$(149,236)</u>

**Derivative Gains and Losses**

For the fiscal year ended June 30, 2020, the Foundation reported its gains and losses on derivative investments as investment income on the Statement of Activities. The hedge fund loss of \$120,226 consisted of a decrease in unrealized gains of \$120,226.

**Fair Value Measurements**

FASB ASC 820 *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- |         |  |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.  |
| Level 2 | Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement.  |

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020.

*Certificate of Deposits:* Value determined by balances reported by the bank holding deposits.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 – DISCRETELY PRESENTED COMPONENT UNIT (Continued):**

*Mutual, Exchange-Traded, and Closed-End Funds:* Unit value calculated daily based on the observable net asset value of the underlying investment.

*U.S. Treasury Obligation, U. S. Government Securities, Corporate Equities, and Corporate Debt Securities:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Money Market:* Value is calculated daily based upon the observable asset value of the underlying investment.

*Hedge Funds and Managed Futures Funds:* Value determined using net asset value per share as a practical expedient. The managed funds are redeemable monthly and the hedge funds are redeemable quarterly.

The preceding methodologies described may produce a fair value calculation that may not be indicative of net realizable value or reflective future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Related Party Transactions**

At June 30, 2020, the Foundation had accounts payable of \$55,724 to the College, a related party.

**Donated Services**

Donated services are recognized as contributions in accordance with FASB ASC 958-605-50-1, *Contributed Services* if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

For the year ended June 30, 2020, the Foundation received contributed administrative services totaling \$155,637 from the College, a related party.

**Concentration of Credit Risk**

Foundation maintains cash balances at two financial institutions in Kankakee County. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2020, the entire bank balance was covered.

The Foundation also maintains an investment balance at a National stock brokerage firm. The balance at the brokerage firm was insured up to \$500,000, which includes a \$250,000 limit for cash, by the Securities Investor Protection Corporation (SIPC). At June 30, 2020, the Foundation's uninsured bank balance was \$1,361,106.

The Foundation maintains cash balances in money market funds at a National stock brokerage firm. Such balances are considered securities by the SIPC and are uninsured.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**NOTE 11 – DISCRETELY PRESENTED COMPONENT UNIT (Continued):**

**Cash and Cash Equivalents**

Cash and cash equivalents consist of the following at June 30, 2020:

Brokerage money market	\$102,883
Brokerage cash	77,661
Checking	<u>99,162</u>
	<u>\$279,706</u>

**REQUIRED SUPPLEMENTARY INFORMATION**



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**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS**  
 June 30, 2020

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
District's proportion percentage of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportion amount of the collective net pension liability	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Portion of nonemployer contributing entities' total proportion of collective net pension liability	102,875,295	98,650,469	93,515,659	98,606,244	89,176,468	82,845,107
Total	\$ 102,875,295	\$ 98,650,469	\$ 93,515,659	\$ 98,606,244	\$ 89,176,468	\$ 82,845,107
Employer covered-employee payroll	\$ 12,957,659	\$ 12,832,132	\$ 12,969,639	\$ 13,735,863	\$ 13,755,070	\$ 13,893,862
Proportion of collective net pension liability associated with employer as a percentage of its covered-employee payroll	793.93%	768.78%	721.04%	717.87%	648.32%	596.27%
SURS Plan Net Position as a percentage of total pension liability	40.71%	41.27%	42.04%	39.57%	42.37%	44.39%

The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015. Information for prior years is not available.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
SCHEDULE OF CONTRIBUTIONS  
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS  
June 30, 2020**

Fiscal Year Ended June 30,	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 162,582	\$ 139,029	\$ 139,567	\$ 140,569	\$ 176,970	\$ 155,372
Contributions made in relation to contractually required contributions	<u>162,582</u>	<u>139,029</u>	<u>139,567</u>	<u>140,569</u>	<u>176,970</u>	<u>155,372</u>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered-employee payroll	<u>\$ 2,482,281</u>	<u>\$ 2,498,143</u>	<u>\$ 2,279,977</u>	<u>\$ 1,573,511</u>	<u>\$ 2,276,711</u>	<u>\$ 2,125,733</u>
Contributions as a percentage of covered-employee payroll	<u>6.55%</u>	<u>5.57%</u>	<u>6.12%</u>	<u>8.93%</u>	<u>7.77%</u>	<u>7.31%</u>

The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015. Information for prior years is not available.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
AND SCHEDULE OF CONTRIBUTIONS  
June 30, 2020**

Measurement Date June 30,	2020	2019	2018	2017
District's proportion percentage of the collective net OPEB liability	<u>0.769388%</u>	<u>0.782865%</u>	<u>0.786442%</u>	<u>0.793787%</u>
District's proportion amount of the collective net OPEB liability	\$ 14,530,209	\$ 14,758,978	\$ 14,341,851	\$ 14,446,557
The State's proportion amount of the collective net OPEB liability associated with the District	<u>14,530,209</u>	<u>14,758,978</u>	<u>14,152,960</u>	<u>15,052,083</u>
<b>Total</b>	<u>\$ 14,530,209</u>	<u>\$ 14,758,978</u>	<u>\$ 14,341,851</u>	<u>\$ 14,446,557</u>
Employer covered-employee payroll	<u>\$ 15,439,940</u>	<u>\$ 15,330,275</u>	<u>\$ 15,249,616</u>	<u>\$ 15,309,374</u>
Collective net OPEB liability as a percentage of the employee covered payroll	<u>94.11%</u>	<u>96.27%</u>	<u>94.05%</u>	<u>94.36%</u>
Plan Fiduciary Net Position as a percentage of total pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	
<b>Additional Information:</b>				
On-Behalf Payments for the District's Health Insurance Program	<u>\$ 69,366</u>	<u>\$ 69,064</u>	<u>\$ 68,365</u>	<u>\$ 68,230</u>
	<u>\$ 71,943</u>	<u>\$ 70,474</u>	<u>\$ 70,474</u>	<u>\$ 70,489</u>

The District's 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.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2020**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES:**

**Changes of benefit terms**

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2019.

**Changes of assumptions**

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

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

**SUPPLEMENTAL FINANCIAL INFORMATION**

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**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**SUPPLEMENTAL FINANCIAL INFORMATION SECTION**  
**June 30, 2020**

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The following supplemental financial information (Schedules 4 to 30) is presented for management information purposes. Governmental funds are prepared using the modified accrual basis of accounting prescribed by the NCGA Statement No. 1 and related interpretations. Proprietary funds are prepared using the accrual basis of accounting.



**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**RECONCILIATION OF TOTAL FUND EQUITY TO NET POSITION**  
**June 30, 2020**

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Governmental Funds equity	\$ 21,044,909
Proprietary Funds equity	<u>7,187,224</u>
Total fund equity	28,232,133
<b>Reconciling items:</b>	
Capital assets, net	40,357,052
Deferred contractually required contributions	162,582
Compensated absences	(812,764)
Deferred salaries	(165,006)
Unearned tuition	567,977
Bonds payable	(13,853,314)
OPEB deferred inflows	(2,715,183)
OPEB deferred outflows	242,743
Retiree health insurance liability	(14,530,209)
Accrued interest on bonds	<u>(41,606)</u>
Net position	<u><u>\$ 37,444,405</u></u>

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**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**RECONCILIATION OF CHANGES IN FUND EQUITY**  
**TO CHANGES IN NET POSITION**  
**For the year ended June 30, 2020**

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Net change in fund equity - Governmental Funds	\$ (2,101,341)
Net change in fund equity - Proprietary Funds	<u>(599,074)</u>
Total change in fund equity	(2,700,415)
 Reconciling items:	
Addition of capital assets	7,187,445
Gain (loss) on disposal of capital assets	(75,877)
Depreciation	(3,011,741)
Change in deferred contractually required contributions	23,553
Change in unearned summer salaries	61,294
Change in compensated absences	(28,905)
Change in unearned summer tuition	(76,141)
Bond principal payments	2,100,000
Amortization of premium on bond issuance	189,361
Change in OPEB deferred inflows	(686,240)
Change in OPEB deferred outflows	(43,242)
Change in retiree health insurance liability	228,769
Change in accrued interest on bonds	<u>(15,232)</u>
Change in net position	<u><u>\$ 3,152,629</u></u>

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**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**COMBINING BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2020**

<u>Assets</u>	<u>Educational Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Capital Projects Fund</u>
Cash	\$ 2,255,342	\$ 4,019,129	\$ 1,026,197
Investments	1,000,000	1,000,000	99,137
Receivables, net of uncollectible amounts:			
Property taxes	5,629,816	1,609,452	1,225,450
Replacement taxes	63,828	11,264	
Federal and state sources	443,354	23,543	
Tuition and fees	2,900,538		
Accrued interest	19,615	14,213	
Due from component unit	55,724		
Other		12,092	
Due from other funds	1,076,684	64,424	
Prepaid expenditures	730,353	60,184	
<b>Total assets</b>	<b><u>\$ 14,175,254</u></b>	<b><u>\$ 6,814,301</u></b>	<b><u>\$ 2,350,784</u></b>
 <u>Liabilities</u>			
Accounts payable and accrued expenditures	\$ 879,387	\$ 321,914	\$ 800,482
Due to other funds	131,366	2,743	
Deferred revenue	5,493,494	910,874	612,887
<b>Total liabilities</b>	<b><u>6,504,247</u></b>	<b><u>1,235,531</u></b>	<b><u>1,413,369</u></b>
 <u>Fund Balance</u>			
Fund balance (deficit):			
Reserved for capital improvements	676,756	1,549,474	937,415
Reserved for debt service			
Reserved for audit purposes			
Reserved for liability insurance			
Reserved for prepaid expenditures	730,353	60,184	
Unreserved	6,263,898	3,969,112	
<b>Total fund balance</b>	<b><u>7,671,007</u></b>	<b><u>5,578,770</u></b>	<b><u>937,415</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 14,175,254</u></b>	<b><u>\$ 6,814,301</u></b>	<b><u>\$ 2,350,784</u></b>

**Schedule 6**

<u>Working Cash Fund</u>	<u>Debt Service Fund</u>	<u>Restricted Purposes Funds</u>	<u>Audit Fund</u>	<u>Liability, Protection and Settlement Fund</u>	<u>Total</u>
\$ 3,405,337	\$ 5,700		\$ 49,246	\$ 1,504,836	\$ 8,860,450
	2,540,447		60,060	1,455,711	12,520,936
		\$ 1,022,230			75,092
					1,489,127
					2,900,538
					33,828
					55,724
					12,092
		107,547		107,343	1,355,998
		24		61,142	851,703
<u>\$ 3,405,337</u>	<u>\$ 2,546,147</u>	<u>\$ 1,129,801</u>	<u>\$ 109,306</u>	<u>\$ 3,129,032</u>	<u>\$ 33,659,962</u>
		\$ 140,821		\$ 24,098	\$ 2,166,702
		918,172		279,396	1,331,677
	\$ 1,270,541	70,808	\$ 30,038	728,032	9,116,674
<u>\$ -0-</u>	<u>1,270,541</u>	<u>1,129,801</u>	<u>30,038</u>	<u>1,031,526</u>	<u>12,615,053</u>
					3,163,645
	1,275,606				1,275,606
			79,268		79,268
				2,036,364	2,036,364
<u>3,405,337</u>		<u>24</u>		<u>61,142</u>	<u>851,703</u>
		<u>(24)</u>			<u>13,638,323</u>
<u>3,405,337</u>	<u>1,275,606</u>	<u>-0-</u>	<u>79,268</u>	<u>2,097,506</u>	<u>21,044,909</u>
<u>\$ 3,405,337</u>	<u>\$ 2,546,147</u>	<u>\$ 1,129,801</u>	<u>\$ 109,306</u>	<u>\$ 3,129,032</u>	<u>\$ 33,659,962</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the year ended June 30, 2020**

	Educational Fund	Operations and Maintenance Fund	Capital Projects Fund
<b>Revenues:</b>			
Local government sources	\$ 5,541,186	\$ 1,584,070	\$ 1,217,649
State government sources	4,084,515	336,583	
Federal government sources			
Student tuition and fees	8,856,427	365,463	
Interest	74,845	58,194	9,911
Other	268,694	646,556	1,521,850
<b>Total revenues</b>	<b>18,825,667</b>	<b>2,990,866</b>	<b>2,749,410</b>
<b>Expenditures:</b>			
Instructional	8,471,010		
Academic support	1,681,167		
Student services	1,567,313		
Public services	526,781		
Operations and maintenance		2,806,248	5,742,324
Scholarship and awards			
Institutional support	6,952,191	144,051	
Auxillary services			
<b>Debt service:</b>			
Principal retirement			
Interest and fixed charges			
<b>Total expenditures</b>	<b>19,198,462</b>	<b>2,950,299</b>	<b>5,742,324</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(372,795)</b>	<b>40,567</b>	<b>(2,992,914)</b>
<b>Other financing sources (uses):</b>			
Transfers in (out)	42,897		1,000,000
<b>Net change in fund balances</b>	<b>(329,898)</b>	<b>40,567</b>	<b>(1,992,914)</b>
Fund balance, July 1, 2019	8,000,905	5,538,203	2,930,329
<b>Fund balance, June 30, 2020</b>	<b>\$ 7,671,007</b>	<b>\$ 5,578,770</b>	<b>\$ 937,415</b>

**Schedule 7**

Working Cash Fund	Debt Service Fund	Restricted Purposes Funds	Audit Fund	Liability Protection and Settlement Fund	Total
	\$ 2,461,064	\$ 24,296 12,156,057 7,993,949	\$ 59,083	\$ 1,385,790	\$ 12,273,138 16,577,155 7,993,949 9,221,890 221,406 2,439,366
\$ 63,410	6,007	2,114	336	8,703 152	2,439,366
<u>63,410</u>	<u>2,467,071</u>	<u>20,176,416</u>	<u>59,419</u>	<u>1,394,645</u>	<u>48,726,904</u>
		6,939,939 658,113 2,026,639 2,724,021 673,729 4,866,195 2,045,728 242,052			15,410,949 2,339,280 3,593,952 3,250,802 9,222,301 4,866,195 10,284,635 242,052
	2,295,291 322,788				2,295,291 322,788
<u>-0-</u>	<u>2,618,079</u>	<u>20,176,416</u>	<u>50,000</u>	<u>1,092,665</u>	<u>51,828,245</u>
63,410	(151,008)	-0-	9,419	301,980	(3,101,341)
<u>(42,897)</u>					<u>1,000,000</u>
20,513	(151,008)	-0-	9,419	301,980	(2,101,341)
<u>3,384,824</u>	<u>1,426,614</u>	<u>-0-</u>	<u>69,849</u>	<u>1,795,526</u>	<u>23,146,250</u>
<u>\$ 3,405,337</u>	<u>\$ 1,275,606</u>	<u>\$ -0-</u>	<u>\$ 79,268</u>	<u>\$ 2,097,506</u>	<u>\$ 21,044,909</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**COMBINING BALANCE SHEET - PROPRIETARY FUND TYPES**  
**June 30, 2020**

	<u>College Bookstore Fund</u>	<u>Athletics Fund</u>	<u>Student Center Fund</u>
<b><u>Assets</u></b>			
Cash	\$ 1,965,737	\$ 403,288	\$ 453,198
Investments	1,500,000		
Receivables, net of uncollectible amounts:			
Accrued interest	37,864		
Other	108,113		
Due from other funds	6,291	5,943	1,464
Inventories	669,166		
Prepaid expenses	8,294		
<b>Total assets</b>	<b><u>\$ 4,295,465</u></b>	<b><u>\$ 409,231</u></b>	<b><u>\$ 454,662</u></b>
<b><u>Liabilities</u></b>			
Accounts payable and accrued expenses	\$ 8,105	\$ 386	\$ 565
Accrued compensated absences	12,408	22,017	3,076
Due to other funds	189	41,970	16,538
Deferred revenue	46,397	206,987	95,831
<b>Total liabilities</b>	<b>67,099</b>	<b>271,360</b>	<b>116,010</b>
<b><u>Fund Equity</u></b>			
Retained earnings	<u>4,228,366</u>	<u>137,871</u>	<u>338,652</u>
<b>Total liabilities and fund equity</b>	<b><u>\$ 4,295,465</u></b>	<b><u>\$ 409,231</u></b>	<b><u>\$ 454,662</u></b>



**Schedule 8**

<u>College Center Fund</u>	<u>eSports Fund</u>	<u>Fitness Center Fund</u>	<u>Health Insurance Fund</u>	<u>Total</u>
\$ 31,191	\$ (425)	\$ 33,343	\$ 535,035 2,004,735	\$ 3,421,367 3,504,735
			8,331	46,195
545 16,592	19,963	704		108,113 34,910 685,758 8,294
<u>\$ 48,328</u>	<u>\$ 19,538</u>	<u>\$ 34,047</u>	<u>\$ 2,548,101</u>	<u>\$ 7,809,372</u>
\$ 72		\$ 143	\$ 166,930	\$ 176,201 37,501 59,231 349,215
		534		
<u>72</u>	<u>\$ -0-</u>	<u>677</u>	<u>166,930</u>	<u>622,148</u>
<u>48,256</u>	<u>19,538</u>	<u>33,370</u>	<u>2,381,171</u>	<u>7,187,224</u>
<u>\$ 48,328</u>	<u>\$ 19,538</u>	<u>\$ 34,047</u>	<u>\$ 2,548,101</u>	<u>\$ 7,809,372</u>



**KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPES  
 For the year ended June 30, 2020**

	<u>College Bookstore Fund (Schedule 15)</u>	<u>Athletics Fund (Schedule 16)</u>	<u>Student Center Fund (Schedule 17)</u>
<b>Revenues:</b>			
Student fees		\$ 380,634	\$ 124,400
Sales and services	\$ 1,179,105	4,357	
Interest	45,303	1,229	1,724
Other	555	107,921	65,298
<b>Total revenues</b>	<b>1,224,963</b>	<b>494,141</b>	<b>191,422</b>
<b>Expenses:</b>			
Independent operations	<u>1,093,022</u>	<u>457,257</u>	<u>173,904</u>
Income (loss) before transfers	131,941	36,884	17,518
Transfers in (out)	<u>          </u>	<u>          </u>	<u>          </u>
Net income	131,941	36,884	17,518
Retained earnings, July 1, 2019	<u>4,096,425</u>	<u>100,987</u>	<u>321,134</u>
Retained earnings, June 30, 2020	<u>\$ 4,228,366</u>	<u>\$ 137,871</u>	<u>\$ 338,652</u>

**Schedule 9**

<u>College Center Fund (Schedule 18)</u>	<u>eSports Fund (Schedule 19)</u>	<u>Fitness Center Fund (Schedule 20)</u>	<u>Health Insurance Fund</u>	<u>Total</u>
\$ 9,570	\$ 19,963	\$ 14,433	\$ 2,304,314	\$ 524,997
117		117	23,166	3,511,779
		270		71,656
				174,044
<u>9,687</u>	<u>19,963</u>	<u>14,820</u>	<u>2,327,480</u>	<u>4,282,476</u>
<u>10,978</u>	<u>425</u>	<u>7,816</u>	<u>2,138,148</u>	<u>3,881,550</u>
(1,291)	19,538	7,004	189,332	400,926
			(1,000,000)	(1,000,000)
(1,291)	19,538	7,004	(810,668)	(599,074)
<u>49,547</u>	<u>-0-</u>	<u>26,366</u>	<u>3,191,839</u>	<u>7,786,298</u>
<u>\$ 48,256</u>	<u>\$ 19,538</u>	<u>\$ 33,370</u>	<u>\$ 2,381,171</u>	<u>\$ 7,187,224</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**COMBINING BALANCE SHEET**  
**GOVERNMENTAL FUND TYPES - GENERAL FUND**  
**June 30, 2020**

<u>Assets</u>	<u>Educational Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total</u>
Cash	\$ 2,255,342	\$ 4,019,129	\$ 6,274,471
Investments	1,000,000	1,000,000	2,000,000
Receivables, net of uncollectible amounts:			
Property taxes	5,629,816	1,609,452	7,239,268
Replacement taxes	63,828	11,264	75,092
Federal and state sources	443,354	23,543	466,897
Tuition and fees	2,900,538		2,900,538
Accrued interest	19,615	14,213	33,828
Due from component unit	55,724		55,724
Other		12,092	12,092
Due from other funds	1,076,684	64,424	1,141,108
Prepaid expenditures	730,353	60,184	790,537
<b>Total assets</b>	<b>\$ 14,175,254</b>	<b>\$ 6,814,301</b>	<b>\$ 20,989,555</b>
 <u>Liabilities</u> 			
Accounts payable and accrued expenditures	\$ 879,387	\$ 321,914	\$ 1,201,301
Due to other funds	131,366	2,743	134,109
Deferred revenue	5,493,494	910,874	6,404,368
<b>Total liabilities</b>	<b>6,504,247</b>	<b>1,235,531</b>	<b>7,739,778</b>
 <u>Fund Balance</u> 			
Fund balance:			
Reserved for capital improvements	676,756	1,549,474	2,226,230
Reserved for prepaid expenditures	730,353	60,184	790,537
Unreserved	6,263,898	3,969,112	10,233,010
<b>Total fund balance</b>	<b>7,671,007</b>	<b>5,578,770</b>	<b>13,249,777</b>
<b>Total liabilities and fund balance</b>	<b>\$ 14,175,254</b>	<b>\$ 6,814,301</b>	<b>\$ 20,989,555</b>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND TYPES - GENERAL FUND**  
**For the year ended June 30, 2020**

	<u>Educational Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total</u>
<b>Revenues:</b>			
Local government sources	\$ 5,541,186	\$ 1,584,070	\$ 7,125,256
State government sources	4,084,515	336,583	4,421,098
Student tuition and fees	8,856,427	365,463	9,221,890
Interest	74,845	58,194	133,039
Other	<u>268,694</u>	<u>646,556</u>	<u>915,250</u>
<b>Total revenues</b>	<u>18,825,667</u>	<u>2,990,866</u>	<u>21,816,533</u>
<b>Expenditures:</b>			
Instructional	8,471,010		8,471,010
Academic support	1,681,167		1,681,167
Student services	1,567,313		1,567,313
Public services	526,781		526,781
Operations and maintenance		2,806,248	2,806,248
Institutional support	<u>6,952,191</u>	<u>144,051</u>	<u>7,096,242</u>
<b>Total expenditures</b>	<u>19,198,462</u>	<u>2,950,299</u>	<u>22,148,761</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(372,795)</b>	<b>40,567</b>	<b>(332,228)</b>
<b>Other financing sources (uses):</b>			
Transfers in (out)	<u>42,897</u>	<u>-0-</u>	<u>42,897</u>
<b>Net change in fund balances</b>	<b>(329,898)</b>	<b>40,567</b>	<b>(289,331)</b>
<b>Fund balance, July 1, 2019</b>	<u>8,000,905</u>	<u>5,538,203</u>	<u>13,539,108</u>
<b>Fund balance, June 30, 2020</b>	<u>\$ 7,671,007</u>	<u>\$ 5,578,770</u>	<u>\$ 13,249,777</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**BUDGETARY COMPARISON SCHEDULE**  
**EDUCATIONAL FUND**  
**For the year ended June 30, 2020**  
**(With comparative totals for 2019)**

	2020		2019
	Budget	Actual	Actual
<b>Revenues (Schedule 12):</b>			
Local government sources	\$ 5,510,436	\$ 5,541,186	\$ 5,482,899
State government sources	4,135,434	4,084,515	4,231,169
Student tuition and fees	9,108,246	8,856,427	8,599,666
Interest	55,746	74,845	37,319
Other	178,213	268,694	218,412
<b>Total revenues</b>	<b>18,988,075</b>	<b>18,825,667</b>	<b>18,569,465</b>
<b>Expenditures (Schedule 13):</b>			
Instructional	9,077,542	8,471,010	8,704,435
Academic support	1,832,149	1,681,167	1,986,703
Student services	1,756,339	1,567,313	1,684,237
Public services	644,334	526,781	636,914
Institutional support	7,633,898	6,952,191	6,931,778
<b>Total expenditures</b>	<b>20,944,262</b>	<b>19,198,462</b>	<b>19,944,067</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,956,187)</b>	<b>(372,795)</b>	<b>(1,374,602)</b>
<b>Other financing sources (uses):</b>			
Proceeds from debt certificates			1,770,000
Payment to debt escrow			(1,801,395)
Proceeds from bond issuance			1,417,362
Premiums on bond issuance			416,923
Transfers in (out)	668,079	42,897	800,000
<b>Total other financing sources (uses)</b>	<b>668,079</b>	<b>42,897</b>	<b>2,602,890</b>
<b>Net change in fund balance</b>	<b>\$ (1,288,108)</b>	<b>\$ (329,898)</b>	<b>\$ 1,228,288</b>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
SCHEDULE OF REVENUES AND COMPARISON WITH BUDGET  
EDUCATIONAL FUND  
For the year ended June 30, 2020  
(With comparative totals for 2019)

	2020		2019
	Budget	Actual	Actual
Local government sources:			
General property taxes	\$ 5,510,436	\$ 5,541,186	\$ 5,482,899
State government sources:			
State apportionment/equalization	3,484,756	3,392,057	3,569,016
ICCB Career and Technical Education	227,862	244,820	248,170
Replacement taxes	422,816	447,638	413,983
Total state government sources	4,135,434	4,084,515	4,231,169
Student tuition and fees:			
Tuition	8,198,750	7,988,708	7,736,463
Fees	909,296	855,987	863,078
Other	200	11,732	125
Total student tuition and fees	9,108,246	8,856,427	8,599,666
Interest	55,746	74,845	37,319
Other	178,213	268,694	218,412
Total revenues	\$ 18,988,075	\$ 18,825,667	\$ 18,569,465

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**SCHEDULE OF EXPENDITURES AND COMPARISON WITH BUDGET**  
**EDUCATIONAL FUND**  
**For the year ended June 30, 2020**  
**(With comparative totals for 2019)**

	2020		2019
	Budget	Actual	Actual
<b>Instructional:</b>			
Salaries	\$ 7,561,068	\$ 7,247,353	\$ 7,255,917
Employee benefits	681,071	698,493	811,701
Contractual services	117,667	87,442	88,625
Material and supplies	380,168	261,141	280,587
Conferences and meetings	153,239	60,964	87,612
Fixed charges	11,070	1,962	4,305
Capital outlay	166,774	112,449	106,373
Other	6,485	1,206	69,315
<b>Total instructional</b>	<b>9,077,542</b>	<b>8,471,010</b>	<b>8,704,435</b>
<b>Academic support:</b>			
Salaries	1,077,094	942,635	961,365
Employee benefits	127,931	127,433	136,167
Contractual services	339,969	331,285	342,400
Material and supplies	215,251	203,306	148,933
Conferences and meetings	23,624	7,581	12,942
Capital outlay	48,280	68,927	383,948
Other			948
<b>Total academic support</b>	<b>1,832,149</b>	<b>1,681,167</b>	<b>1,986,703</b>
<b>Student services:</b>			
Salaries	1,377,030	1,268,465	1,347,432
Employee benefits	192,505	191,364	212,312
Contractual services	37,310	21,220	16,593
Material and supplies	101,654	71,544	79,201
Conferences and meetings	41,840	14,720	13,360
Utilities	6,000		1,950
Capital outlay			13,389
<b>Total student services</b>	<b>1,756,339</b>	<b>1,567,313</b>	<b>1,684,237</b>
<b>Public services:</b>			
Salaries	400,980	358,159	385,963
Employee benefits	62,917	62,918	66,359
Contractual services	48,000	38,053	52,453
Material and supplies	75,525	38,480	81,353
Conferences and meetings	16,300	4,732	13,279
Other	40,612	24,439	37,507
<b>Total public services</b>	<b>644,334</b>	<b>526,781</b>	<b>636,914</b>

(Continued)



**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**SCHEDULE OF EXPENDITURES AND COMPARISON WITH BUDGET**  
**EDUCATIONAL FUND**  
**(Continued)**

**For the year ended June 30, 2020**  
**(With comparative totals for 2019)**

	2020		2019
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Institutional support:</b>			
Salaries	\$ 2,390,482	\$ 2,465,405	\$ 2,396,466
Employee benefits	1,033,455	582,200	621,130
Contractual services	836,708	875,206	963,504
Material and supplies	409,174	427,554	412,728
Conferences and meetings	144,652	87,875	119,157
Fixed charges	200		26,375
Utilities	2,484	2,494	2,893
Capital outlay	926,369	702,621	517,894
Other	<u>1,890,374</u>	<u>1,808,836</u>	<u>1,871,631</u>
<b>Total institutional support</b>	<u>7,633,898</u>	<u>6,952,191</u>	<u>6,931,778</u>
<b>Total expenditures</b>	<u>\$ 20,944,262</u>	<u>\$ 19,198,462</u>	<u>\$ 19,944,067</u>



**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**BUDGETARY COMPARISON SCHEDULE**  
**OPERATIONS AND MAINTENANCE FUND**  
**For the year ended June 30, 2020**  
**(With comparative totals for 2019)**

	2020		2019
	Budget	Actual	Actual
<b>Revenues:</b>			
Local government sources:			
General property taxes	\$ 1,575,626	\$ 1,584,070	\$ 1,567,354
State government sources:			
State apportionment/equalization	253,212	257,588	265,904
Replacement taxes	74,615	78,995	73,056
Total state government sources	327,827	336,583	338,960
Student tuition	375,788	365,463	385,565
Interest	65,216	58,194	59,408
Other	573,397	646,556	444,362
Total revenues	2,917,854	2,990,866	2,795,649
<b>Expenditures:</b>			
Operations and maintenance:			
Salaries	1,128,626	964,170	1,040,232
Employee benefits	213,437	204,194	244,782
Contractual services	106,758	167,273	167,701
Materials and supplies	257,425	213,742	299,111
Conference and meetings	5,000	1,283	4,243
Fixed charges	75,000	27,936	29,322
Utilities	901,865	840,721	955,881
Capital outlay	683,700	339,650	647,990
Other		47,279	
Total operations and maintenance	3,371,811	2,806,248	3,389,262
Institutional support:			
Employee benefits	42,510		
Contractual services	47,000	25,179	48,587
Materials and supplies		11,975	10,097
Fixed charges	97,925	105,790	90,622
Capital outlay	9,500		
Other	1,000	1,107	1,304
Total institutional support	197,935	144,051	150,610
Total expenditures	3,569,746	2,950,299	3,539,872
Excess (deficiency) of revenues over expenditures	(651,892)	40,567	(744,223)
<b>Other financing sources (uses):</b>			
Proceeds from debt certificates			1,750,000
Payment to debt escrow			(1,750,000)
Proceeds from bond issuance			1,417,362
Premiums on bond issuance			416,923
Transfer in (out)			(780,772)
Total other financing sources (uses)	-0-	-0-	1,053,513
Net change in fund balance	\$ (651,892)	\$ 40,567	\$ 309,290

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**BUDGETARY COMPARISON SCHEDULE**  
**COLLEGE BOOKSTORE FUND**  
**For the year ended June 30, 2020**  
**(With comparative totals for 2019)**

	2020		2019
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenues:</b>			
Sales and services	\$ 1,438,974	\$ 1,179,105	\$ 1,291,355
Interest	58,000	45,303	48,935
Other		555	
<b>Total revenues</b>	<u>1,496,974</u>	<u>1,224,963</u>	<u>1,340,290</u>
<b>Expenses:</b>			
<b>Independent operations:</b>			
Salaries	108,814	98,893	93,324
Employee benefits	11,509	7,629	8,094
Contractual services	13,401	21,048	12,632
Material and supplies	1,163,670	956,211	1,104,655
Conferences and meetings	1,500	1,251	887
Other	9,672	7,990	9,426
<b>Total expenses</b>	<u>1,308,566</u>	<u>1,093,022</u>	<u>1,229,018</u>
<b>Income before transfers</b>	188,408	131,941	111,272
<b>Transfers in (out)</b>			<u>(58,022)</u>
<b>Net income</b>	<u>\$ 188,408</u>	<u>\$ 131,941</u>	<u>\$ 53,250</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**BUDGETARY COMPARISON SCHEDULE**  
**ATHLETICS FUND**  
**For the year ended June 30, 2020**  
**(With comparative totals for 2019)**

	2020		2019
	Budget	Actual	Actual
<b>Revenues:</b>			
Student fees	\$ 402,311	\$ 380,634	\$ 325,423
Sales and services	2,200	4,357	2,548
Interest		1,229	938
Other	77,000	107,921	130,191
<b>Total revenues</b>	<b>481,511</b>	<b>494,141</b>	<b>459,100</b>
<b>Expenses:</b>			
<b>Independent operations:</b>			
Salaries	167,215	169,689	161,079
Employee benefits	15,037	14,652	14,204
Contractual services	87,582	66,977	81,410
Material and supplies	53,802	52,083	46,022
Conferences and meetings	151,366	149,707	191,275
Fixed charges	6,000	4,149	4,535
Capital outlay			16,500
Other	500		265
<b>Total expenses</b>	<b>481,502</b>	<b>457,257</b>	<b>515,290</b>
<b>Income (loss) before transfers</b>	<b>9</b>	<b>36,884</b>	<b>(56,190)</b>
<b>Transfers in</b>			<b>58,022</b>
<b>Net income</b>	<b>\$ 9</b>	<b>\$ 36,884</b>	<b>\$ 1,832</b>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**BUDGETARY COMPARISON SCHEDULE**  
**STUDENT CENTER FUND**  
**For the year ended June 30, 2020**  
**(With comparative totals for 2019)**

	2020		2019
	Budget	Actual	Actual
<b>Revenues:</b>			
Student fees	\$ 131,484	\$ 124,400	\$ 175,426
Interest	1,994	1,724	1,380
Other	51,200	65,298	15,906
<b>Total revenues</b>	<b>184,678</b>	<b>191,422</b>	<b>192,712</b>
<b>Expenses:</b>			
<b>Independent operations:</b>			
Salaries	68,496	70,393	82,564
Employee benefits	16,882	9,123	15,238
Contractual services	9,955	6,775	19,114
Material and supplies	2,850	1,466	2,140
Conferences and meetings	5,250	2,537	2,494
Other	71,200	73,565	28,375
<b>Total expenses</b>	<b>174,633</b>	<b>173,904</b>	<b>149,925</b>
<b>Net income</b>	<b>\$ 10,045</b>	<b>\$ 17,518</b>	<b>\$ 42,787</b>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**BUDGETARY COMPARISON SCHEDULE**  
**COLLEGE CENTER FUND**  
**For the year ended June 30, 2020**  
**(With comparative totals for 2019)**

	2020		2019
	Budget	Actual	Actual
<b>Revenues:</b>			
Sales and services	\$ 18,000	\$ 9,570	\$ 13,063
Interest		117	106
Total revenues	18,000	9,687	13,169
<b>Expenses:</b>			
Independent operations:			
Material and supplies	18,000	10,978	9,540
Net income (loss)	\$ -0-	\$ (1,291)	\$ 3,629

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**BUDGETARY COMPARISON SCHEDULE**  
**ESPORTS FUND**  
**For the year ended June 30, 2020**

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	2020	
	<u>Budget</u>	<u>Actual</u>
Revenues:		
Student fees	<u>\$ 21,100</u>	<u>\$ 19,963</u>
Expenses:		
Independent operations:		
Salaries	14,000	
Material and supplies	800	
Conferences and meetings	<u>5,000</u>	<u>425</u>
Total expenses	<u>19,800</u>	<u>425</u>
Net income	<u>\$ 1,300</u>	<u>\$ 19,538</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**BUDGETARY COMPARISON SCHEDULE**  
**FITNESS CENTER FUND**  
**For the year ended June 30, 2020**  
**(With comparative totals for 2019)**

	2020		2019
	Budget	Actual	Actual
<b>Revenues:</b>			
Sales and services	\$ 14,640	\$ 14,433	\$ 14,844
Interest	118	117	86
Other	600	270	675
<b>Total revenues</b>	<b>14,758</b>	<b>14,820</b>	<b>15,605</b>
<b>Expenses:</b>			
Independent operations:			
Salaries	6,968	6,885	6,800
Contractual services	150	459	383
Material and supplies	500	75	406
Other	2,500	957	3,489
<b>Total expenses</b>	<b>10,118</b>	<b>7,816</b>	<b>11,078</b>
<b>Net income</b>	<b>\$ 4,640</b>	<b>\$ 7,004</b>	<b>\$ 4,527</b>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**UNIFORM FINANCIAL STATEMENT**  
**For the year ended June 30, 2020**

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**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 the District's statement of net position and statement of revenues, expenses and changes in net position, 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:

- Schedule 22 - All Funds Summary
  - Schedule 23 - Summary of Fixed Assets and Debt
  - Schedule 24 - Schedule of Operating Funds Revenues by Source
  - Schedule 25 - Schedule of Operating Funds Expenditures by Program and by Object
  - Schedule 26 - Restricted Purposes Funds Revenues and Expenditures
  - Schedule 27 - Current Funds Expenditures by Activity
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**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**UNIFORM FINANCIAL STATEMENT**  
**ALL FUNDS SUMMARY**  
**For the year ended June 30, 2020**

	Educational Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund
Fund balance, July 1, 2019	<u>\$ 8,000,905</u>	<u>\$ 5,538,203</u>	<u>\$ 2,930,329</u>	<u>\$ 1,426,614</u>
Revenues:				
Local tax revenue	5,988,824	1,663,065	1,217,649	2,461,064
All other local revenue				
ICCB grants	3,636,877	257,588		
All other state revenue				
Federal revenue				
Student tuition and fees	8,856,427	365,463		
CIP - on behalf				
SURS - on behalf				
All other revenue	<u>343,539</u>	<u>704,750</u>	<u>1,531,761</u>	<u>6,007</u>
Total revenue	<u>18,825,667</u>	<u>2,990,866</u>	<u>2,749,410</u>	<u>2,467,071</u>
Expenditures:				
Instruction	8,471,010			
Academic support	1,681,167			
Student services	1,567,313			
Public service/continuing education	526,781			
Auxiliary				
Operations and maintenance		2,806,248	5,742,324	2,618,079
Institutional support	6,952,191	144,051		
Scholarships, grants, waivers				
Total expenditures	<u>19,198,462</u>	<u>2,950,299</u>	<u>5,742,324</u>	<u>2,618,079</u>
Net transfers	<u>42,897</u>		<u>1,000,000</u>	
Fund balance, June 30, 2020	<u>\$ 7,671,007</u>	<u>\$ 5,578,770</u>	<u>\$ 937,415</u>	<u>\$ 1,275,606</u>

Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
<u>\$ 7,786,298</u>	<u>\$ -0-</u>	<u>\$ 3,384,824</u>	<u>\$ 69,849</u>	<u>\$ 1,795,526</u>	<u>\$ 30,932,548</u>
			59,083	1,385,790	12,775,475
	24,296				24,296
	288,445				4,182,910
	713,152				713,152
	7,993,949				7,993,949
524,997					9,746,887
	69,366				69,366
	11,085,094				11,085,094
<u>3,757,479</u>	<u>2,114</u>	<u>63,410</u>	<u>336</u>	<u>8,855</u>	<u>6,418,251</u>
<u>4,282,476</u>	<u>20,176,416</u>	<u>63,410</u>	<u>59,419</u>	<u>1,394,645</u>	<u>53,009,380</u>
	6,939,939				15,410,949
	658,113				2,339,280
	2,026,639				3,593,952
	2,724,021				3,250,802
3,881,550	242,052				4,123,602
	673,729				11,840,380
	2,045,728		50,000	1,092,665	10,284,635
	4,866,195				4,866,195
<u>3,881,550</u>	<u>20,176,416</u>	<u>-0-</u>	<u>50,000</u>	<u>1,092,665</u>	<u>55,709,795</u>
<u>(1,000,000)</u>		<u>(42,897)</u>			<u>-0-</u>
<u>\$ 7,187,224</u>	<u>\$ -0-</u>	<u>\$ 3,405,337</u>	<u>\$ 79,268</u>	<u>\$ 2,097,506</u>	<u>\$ 28,232,133</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**UNIFORM FINANCIAL STATEMENT**  
**SUMMARY OF FIXED ASSETS AND DEBT**  
**For the year ended June 30, 2020**

	Fixed Asset/Debt Account Groups <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Fixed Asset/Debt Account Groups <u>June 30, 2020</u>
<b>Fixed assets:</b>				
Land	\$ 2,142,785			\$ 2,142,785
Construction in progress	-0-	\$ 3,576,476		3,576,476
Equipment	25,818,547	1,141,449	\$ 1,030,509	25,929,487
Other Fixed Assets	55,040,563	2,469,520		57,510,083
Less: accumulated depreciation	<u>(46,744,670)</u>	<u>(3,011,741)</u>	<u>(954,632)</u>	<u>(48,801,779)</u>
Net fixed assets	<u>\$ 36,257,225</u>	<u>\$ 4,175,704</u>	<u>\$ 75,877</u>	<u>\$ 40,357,052</u>
<b>Fixed debt:</b>				
Bonds payable	\$ 16,142,675		\$ 2,289,361	\$ 13,853,314
Retiree health insurance liability	14,758,978		228,769	14,530,209
Other fixed liabilities	<u>819,542</u>	<u>\$ 380,605</u>	<u>349,882</u>	<u>850,265</u>
Total fixed liabilities	<u>\$ 31,721,195</u>	<u>\$ 380,605</u>	<u>\$ 2,868,012</u>	<u>\$ 29,233,788</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**UNIFORM FINANCIAL STATEMENT**  
**SCHEDULE OF OPERATING FUNDS REVENUES BY SOURCE**  
**For the year ended June 30, 2020**

	Educational Fund	Operations and Maintenance Fund	Total Operating Funds
<b>Local government revenue:</b>			
Local taxes	\$ 5,541,186	\$ 1,584,070	\$ 7,125,256
Replacement taxes	447,638	78,995	526,633
<b>Total local government</b>	<b>5,988,824</b>	<b>1,663,065</b>	<b>7,651,889</b>
<b>State government:</b>			
ICCB - Base Operating grant	2,009,081	103,924	2,113,005
ICCB - Equalization grants	1,382,976	153,664	1,536,640
ICCB - other	244,820		244,820
<b>Total state government</b>	<b>3,636,877</b>	<b>257,588</b>	<b>3,894,465</b>
<b>Student tuition and fees:</b>			
Tuition	8,000,440	365,463	8,365,903
Fees	855,987		855,987
<b>Total student tuition and fees</b>	<b>8,856,427</b>	<b>365,463</b>	<b>9,221,890</b>
<b>Other sources:</b>			
Facilities revenue	16,250	214,385	230,635
Investment revenue	74,845	58,194	133,039
Other	252,444	432,171	684,615
<b>Total other sources</b>	<b>343,539</b>	<b>704,750</b>	<b>1,048,289</b>
<b>Total revenues</b>	<b>\$ 18,825,667</b>	<b>\$ 2,990,866</b>	<b>\$ 21,816,533</b>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**UNIFORM FINANCIAL STATEMENT**  
**SCHEDULE OF OPERATING FUNDS EXPENDITURES**  
**BY PROGRAM AND BY OBJECT**  
**For the year ended June 30, 2020**

	Educational Fund	Operations and Maintenance Fund	Total Operating Funds
<b>By program:</b>			
Instructional	\$ 8,471,010		\$ 8,471,010
Academic support	1,681,167		1,681,167
Student services	1,567,313		1,567,313
Public services	526,781		526,781
Operations and maintenance		\$ 2,806,248	2,806,248
Institutional support	6,952,191	144,051	7,096,242
<b>Total expenditures</b>	<b>19,198,462</b>	<b>2,950,299</b>	<b>22,148,761</b>
<b>Less non-operating items:</b>			
Transfers	42,897		42,897
<b>Adjusted expenditures</b>	<b>\$ 19,155,565</b>	<b>\$ 2,950,299</b>	<b>\$ 22,105,864</b>
<b>By object:</b>			
Salaries	\$ 12,282,017	\$ 964,170	\$ 13,246,187
Employee benefits	1,662,408	204,194	1,866,602
Contractual services	1,353,206	192,452	1,545,658
General materials and supplies	1,002,025	225,717	1,227,742
Conference and meeting expenses	175,872	1,283	177,155
Fixed charges	1,962	133,726	135,688
Utilities	2,494	840,721	843,215
Capital outlay	883,997	339,650	1,223,647
Other	1,834,481	48,386	1,882,867
<b>Total expenditures</b>	<b>19,198,462</b>	<b>2,950,299</b>	<b>22,148,761</b>
<b>Less non-operating items:</b>			
Transfers	42,897		42,897
<b>Adjusted expenditures</b>	<b>\$ 19,155,565</b>	<b>\$ 2,950,299</b>	<b>\$ 22,105,864</b>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**UNIFORM FINANCIAL STATEMENT**  
**RESTRICTED PURPOSES FUNDS**  
**REVENUES AND EXPENDITURES**  
**For the year ended June 30, 2020**

## Revenue by source:

Local government	\$ 24,296
State government:	
ICCB - adult education	288,445
CIP - on behalf	69,366
SURS - on behalf	11,085,094
Other	713,152
Total state government	<u>12,156,057</u>
Federal government:	
Department of Education	6,513,504
Department of Labor	1,266,232
Other	214,213
Total federal government	<u>7,993,949</u>
Other sources	<u>2,114</u>
Total restricted purposes funds revenues	<u><u>\$ 20,176,416</u></u>

## Expenditures by program:

Instructional	\$ 6,939,939
Academic support	658,113
Student services	2,026,639
Public service/continuing education	2,724,021
Auxiliary services	242,052
Operations and maintenance	673,729
Institutional support	2,045,728
Scholarships, grants and waivers	4,866,195
Total restricted purposes fund expenditures by program	<u><u>\$ 20,176,416</u></u>

## Expenditures by object:

Salaries	\$ 1,918,188
Employee benefits (including SURS on-behalf)	11,562,740
Contractual services	237,021
General materials and supplies	227,701
Conference and meeting expenses	55,182
Fixed charges	24,462
Utilities	7,369
Capital outlay	370,061
Other	5,773,692
Total restricted purposes funds expenditures by object	<u><u>\$ 20,176,416</u></u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**UNIFORM FINANCIAL STATEMENT**  
**CURRENT FUNDS**  
**EXPENDITURES BY ACTIVITY**  
**For the year ended June 30, 2020**

Instructional programs	\$ 12,705,201
Academic support:	
Library center	353,147
Instructional materials center	16,425
Educational Media Services	353,989
Academic computing support	506,339
Academic administration and planning	162,798
Other	890,812
Total academic support	<u>2,283,510</u>
Student services support:	
Admissions and records	274,409
Counseling and career services	1,007,369
Financial aid administration	265,214
Other	991,508
Total student services support	<u>2,538,500</u>
Public service/continuing education:	
Community education	1,047,716
Customized training (instructional)	231,564
Community services	335,790
Other	2,298,021
Total public service/continuing education	<u>3,913,091</u>
Auxiliary services	<u>5,273,626</u>
Operations and maintenance of plant:	
Maintenance	590,187
Custodial services	695,195
Grounds	381,520
Campus security	511,627
Transportation	32,736
Utilities	845,184
Administration	261,425
Other	1,187,950
Total operations and maintenance of plant	<u>4,505,824</u>
Institutional support:	
Executive management	992,820
Fiscal operations	1,078,239
Community relations	739,862
Board of trustees	29,024
General institutional	3,313,773
Administrative data processing	2,003,149
Other	2,921,353
Total institutional support	<u>11,078,220</u>
Scholarships, students' grants and waivers	<u>5,051,420</u>
Total current funds expenditures	<u>\$ 47,349,392</u>



**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**SCHEDULES OF ASSESSED VALUATIONS, RATES,**  
**EXTENSIONS AND COLLECTIONS**  
**For the tax levy years 2019, 2018 and 2017**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Assessed valuation (by county):</b>			
Ford	\$ 38,582,972	\$ 37,404,012	\$ 37,409,739
Grundy	2,868,749	2,835,475	2,690,075
Iroquois	415,482,800	398,698,509	385,131,987
Kankakee	1,987,089,735	1,925,003,360	1,861,819,455
Livingston	75,769,120	73,546,260	69,643,499
Will	1,351,153	1,281,428	1,222,571
<b>Total assessed valuation</b>	<b><u>\$2,521,144,529</u></b>	<b><u>\$2,438,769,044</u></b>	<b><u>\$2,357,917,326</u></b>
<b>Tax rates:</b>			
Educational Fund	0.140	0.139	0.140
Liability, Protection and Settlement Fund	0.058	0.054	0.055
Capital Projects Fund	0.049	0.050	0.050
Bond and Interest Fund	0.102	0.098	0.098
Audit Fund	0.002	0.002	0.002
Operations and Maintenance Fund	0.040	0.040	0.040
Prior Period Adjustment	(0.002)	(0.004)	
Additional Educational and Operations and Maintenance Levy	<u>0.110</u>	<u>0.111</u>	<u>0.116</u>
<b>Total tax rates</b>	<b><u>0.499</u></b>	<b><u>0.490</u></b>	<b><u>0.501</u></b>
<b>Tax extensions:</b>			
Educational Fund	\$ 3,527,304	\$ 3,400,927	\$ 3,299,447
Liability, Protection and Settlement Fund	1,470,309	1,327,187	1,306,368
Capital Projects Fund	1,238,625	1,215,438	1,178,369
Bond and Interest Fund	2,570,087	2,396,157	2,325,620
Audit Fund	60,362	58,237	56,568
Operations and Maintenance Fund	1,007,825	971,983	942,714
Prior Period Adjustment	(53,744)	(102,613)	
Additional Educational and Operations and Maintenance Levy	<u>2,784,056</u>	<u>2,701,726</u>	<u>2,738,565</u>
<b>Total Extensions</b>	<b><u>\$ 12,604,824</u></b>	<b><u>\$ 11,969,042</u></b>	<b><u>\$ 11,847,651</u></b>
<b>Tax Collections</b>	<b><u>\$ 3,216</u></b>	<b><u>\$ 11,940,979</u></b>	<b><u>\$ 11,872,718</u></b>
<b>Percentage of extensions collected</b>	<b><u>0.03%</u></b>	<b><u>99.77%</u></b>	<b><u>100.21%</u></b>



**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**SCHEDULE OF BONDS PAYABLE**  
**June 30, 2020**

	Series 2013		Series 2016A		Series 2016B	
Date of issue	July 1, 2013		February 4, 2016		February 29, 2016	
Interest rates	2.0% to 3.75%		0.90% to 3.25%		3.00%	
Principal redemption date	December 1		December 1		December 1	
Interest payments dates	June 1 and December 1		June 1 and December 1		June 1 and December 1	
Original issue	\$ 8,275,000		\$ 3,370,000		\$ 3,305,000	
Paid to date	<u>(6,520,000)</u>		<u>(250,000)</u>		<u>(65,000)</u>	
Balance, June 30, 2020	<u>\$ 1,755,000</u>		<u>\$ 3,120,000</u>		<u>\$ 3,240,000</u>	
Due as follows:						
Year ending						
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,755,000	\$ 32,906	\$ 150,000	\$ 80,100	\$ 100,000	\$ 95,700
2022			2,000,000	55,025	100,000	92,700
2023			970,000	15,763	1,100,000	74,700
2024					1,940,000	29,100
2025						
2026						
	<u>\$ 1,755,000</u>	<u>\$ 32,906</u>	<u>\$3,120,000</u>	<u>\$ 150,888</u>	<u>\$3,240,000</u>	<u>\$ 292,200</u>

**Schedule 29**

Series 2019		Totals		
June 27, 2019				
5.00%				
December 1				
June 1 and December 1				
\$5,070,000		\$	20,020,000	
			(6,835,000)	
<u>\$5,070,000</u>		\$	<u>13,185,000</u>	
Principal	Interest	Principal	Interest	Totals
\$ 85,000	\$ 251,375	\$ 2,090,000	\$ 460,081	\$ 2,550,081
55,000	247,875	2,155,000	395,600	2,550,600
150,000	242,750	2,220,000	333,213	2,553,213
355,000	230,125	2,295,000	259,225	2,554,225
2,390,000	161,500	2,390,000	161,500	2,551,500
2,035,000	50,875	2,035,000	50,875	2,085,875
<u>\$5,070,000</u>	<u>\$1,184,500</u>	<u>\$ 13,185,000</u>	<u>\$ 1,660,494</u>	<u>\$ 14,845,494</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
ILLINOIS COMMUNITY COLLEGE BOARD  
CERTIFICATION OF CHARGEBACK REIMBURSEMENT  
For Fiscal Year 2020**

All Fiscal Year 2020 Non-Capital Audited Operating Expenditures from the Following Funds:

Educational Fund	\$ 18,314,465
Operations and Maintenance Fund	2,610,649
Bond and Interest Fund	2,618,079
Restricted Purpose Fund	7,656,869
Audit Fund	50,000
Liability, Protection, and Settlement Fund	<u>1,054,814</u>

Total All Non-Capital Operating Expenditures \$ 32,304,876

Plus Depreciation on Capital Outlay Expenditures (Equipment, Buildings and Fixed Equipment Paid from Non-State and Non-Federal Monies) 2,818,505

Total Costs Included \$ 35,123,381

Total Certified Semester Credit Hours for Fiscal Year 2020 48,975

Per Capita Cost Per Semester Credit Hour \$ 717.17

All Fiscal Year 2020 State and Federal Grants for Non-Capital Expenditures, Except ICCB Grants \$ 7,456,190

Fiscal Year 2020 State and Federal Grants Per Semester Credit Hour (152.24)

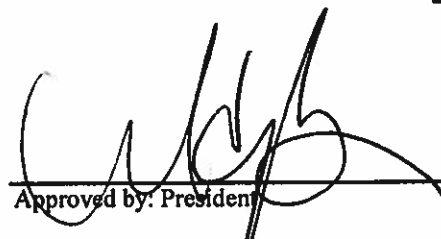
District's Average Credit Hour Grant Rate for the Fiscal Year 2021 (40.80)

District's Student Tuition and Fees Per Semester Credit Hour for Fiscal Year 2021 (165.00)

Chargeback Reimbursement Per Semester Credit Hour \$ 359.13

Beth Nunley  
Approved by: Chief Fiscal Officer

1/6/2021  
Date

  
Approved by: President

1.6.21  
Date

**ILLINOIS COMMUNITY COLLEGE BOARD**  
**STATE GRANTS FINANCIAL COMPLIANCE SECTION**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE REQUIREMENTS  
FOR ADULT EDUCATION AND FAMILY LITERACY GRANTS**

The Board of Trustees  
Kankakee Community College District 520  
Kankakee, Illinois 60901

**Report on the Financial Statements**

We have audited the accompanying balance sheet of the Adult Education and Family Literacy grants of Kankakee Community College District 520 as of June 30, 2020, and the related statements of revenues and expenditures for the year then ended and the related notes to the financial statements.

**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 and the guidelines of the Illinois Community College Board (ICCB) Fiscal Management Manual; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 statement. We also reviewed the compliance with the provisions of the agreement between the District and the ICCB.

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

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1949 West Court Street  
Kankakee, Illinois 60901  
Phone: (815) 933-7781

216 Hack Street  
Cullom, Illinois 60929  
Phone: (815) 689-2174

214 South Center Street  
Forrest, Illinois 61741  
Phone: (815) 657-8433

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy grants of Kankakee Community College District 520 as of June 30, 2020, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

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

*Groskreutz, Abraham, Eshterman & Gerretse LLC*

Kankakee, Illinois  
January 4, 2021

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**BALANCE SHEET**  
**STATE ADULT EDUCATION AND**  
**FAMILY LITERACY RESTRICTED FUNDS**  
**June 30, 2020**

<u>Assets</u>	<u>State Basic</u>	<u>Performance</u>	<u>Total</u>
Grant receivables	\$ 19,880	\$ 8,965	\$ 28,845
<b><u>Liabilities and Fund Balance</u></b>			
Accounts payable and accrued expenses	\$ 2,113	\$ 2,223	\$ 4,336
Due to other funds	17,767	6,742	24,509
Total liabilities	19,880	8,965	28,845
Fund balance	-0-	-0-	-0-
Total liabilities and fund balance	\$ 19,880	\$ 8,965	\$ 28,845

See accompanying notes.



**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS**  
**For the year ended June 30, 2020**

	<u>State Basic</u>	<u>Performance</u>	<u>Total</u>
<b>Revenues:</b>			
ICCB grants	\$ 198,800	\$ 89,645	\$ 288,445
<b>Expenditures:</b>			
<b>Instructional and student services:</b>			
Instruction	135,248	5,481	140,729
Social work services	10,570	11,432	22,002
Guidance services	15,354	11,432	26,786
Assessment and testing		(1,606)	(1,606)
<b>Total instructional and student services</b>	<u>161,172</u>	<u>26,739</u>	<u>187,911</u>
<b>Program support:</b>			
Improvement of instructional services		10,209	10,209
General administration	13,647	11,432	25,079
Operation and maintenance of plant services		3,946	3,946
Workforce coordination	18,117	11,432	29,549
Data and information services	5,864	25,887	31,751
<b>Total program support</b>	<u>37,628</u>	<u>62,906</u>	<u>100,534</u>
<b>Total expenditures</b>	<u>198,800</u>	<u>89,645</u>	<u>288,445</u>
<b>Excess of revenues over expenditures</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See accompanying notes.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
EXPENDITURE AMOUNTS AND PERCENTAGES  
STATE ADULT EDUCATION AND  
FAMILY LITERACY RESTRICTED FUNDS  
For the year ended June 30, 2020**

---

	<u>Audited Expenditure Amount</u>	<u>Audited Expenditure Percentage</u>
State Basic:		
Instruction (45% minimum required)	\$135,248	68%
General administration (9% maximum allowed)	13,647	7%

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
ILLINOIS COMMUNITY COLLEGE BOARD  
STATE GRANTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020**

---

**NOTE 1 – DESCRIPTION OF PROGRAMS:**

**State Basic**

Grant 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 other instruction as may be necessary to increase their qualifications for employment other means of self-support and their ability to meet their responsibilities as citizens including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and General Education Development Review classes. Included in this grant are funds for support services such as student transportation and child care facilities or provision.

**Performance**

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

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:**

The significant accounting policies followed by Kankakee Community College District 520 are as follows:

**General**

The preceding statements include only those transactions resulting from the Illinois Community College Board (ICCB) Adult Education and Family Literacy Restricted Funds Programs. These transactions have been accounted for in the restricted purposes funds.

**Basis of Accounting**

The statements have been prepared on the modified accrual basis. Expenditures include all liabilities for goods and services received as of June 30, 2020. Revenues are recognized as funds are expended. Unexpended grant receipts for grant periods ending on or before June 30, 2020 are reflected as a liability due to the ICCB by October 15.

**Fixed Assets**

Fixed asset purchases are recorded as capital outlay expenditures and are not capitalized.

**Deferred Revenue**

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until earned.



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

The Board of Trustees  
Kankakee Community College District 520  
Kankakee, Illinois 60901

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Kankakee Community College District 520 for the year ended June 30, 2020 and the related notes to the schedules.

**Management's Responsibility**

Management is responsible for the preparation and fair presentation of these schedules in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these schedules based on our examination. We conducted our examination in accordance with Attestation Standards Established by the American Institute of Certified Public Accounts and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*.

**Opinion**

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

*Groskreutz, Abraham, Eshleman & Gerretse LLC*

Kankakee, Illinois  
January 4, 2021

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KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
 SCHEDULE OF ENROLLMENT DATA AND OTHER BASES  
 UPON WHICH CLAIMS ARE FILED  
 For the year ended June 30, 2020

	Reimbursable Semester Credit Hours by Term								(Note 3)		
	Summer		Fall		Spring		Total	Total	Restricted		
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	
(Notes 1 and 2)											
Baccalaureate	3,330.0	5.0	13,041.0		12,197.0			28,568.0		5.0	
Business Occupational	117.0		719.0		781.0			1,617.0		0.0	
Technical Occupational	451.0	25.0	2,183.0	214.0	2,627.0	62.0		5,261.0		301.0	
Health Occupational	1,235.0		3,769.0	10.0	4,311.0			9,315.0		10.0	
Remedial Development Adult Basic/	192.0		1,505.0		928.0			2,625.0		0.0	
Secondary Education		76.0		643.5		553.5		0.0		1,273.0	
Total credit hours certified	<u>5,325.0</u>	<u>106.0</u>	<u>21,217.0</u>	<u>867.5</u>	<u>20,844.0</u>	<u>615.5</u>		<u>47,386.0</u>		<u>1,589.0</u>	

Note 1 - Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements.

Note 2 - Restricted credit hours are supported with more than 50% of restricted sources of funding.

Note 3 - Total of unrestricted and restricted should equal the S-3 record totals.

District Resident Reimbursable Credit Hours	
Attending In-District	<u>44,648.0</u>
Attending Out-of-District on Chargeback or Contractual Agreement	<u>1,119.5</u>
Total	<u>45,767.5</u>

District 520 equalized assessed valuation \$ 2,521,144,529

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520**  
**RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS**  
**For the year ended June 30, 2020**

<u>Categories</u>	<u>Total Unrestricted Credit Hours</u>	<u>Total Unrestricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>	<u>Total Restricted Credit Hours</u>	<u>Total Restricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate	28,568.0	28,568.0	0.0	5.0	5.0	0.0
Business Occupational	1,617.0	1,617.0	0.0	0.0	0.0	0.0
Technical Occupational	5,261.0	5,261.0	0.0	301.0	301.0	0.0
Health Occupational	9,315.0	9,315.0	0.0	10.0	10.0	0.0
Remedial Development	2,625.0	2,625.0	0.0	0.0	0.0	0.0
Adult Basic/Secondary Education	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1,273.0</u>	<u>1,273.0</u>	<u>0.0</u>
<b>Total</b>	<u><u>47,386.0</u></u>	<u><u>47,386.0</u></u>	<u><u>0.0</u></u>	<u><u>1,589.0</u></u>	<u><u>1,589.0</u></u>	<u><u>0.0</u></u>

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

	<u>Total Attending (Unrestricted and Restricted)</u>	<u>Total attending as Certified to the ICCB (Unrestricted and Restricted)</u>	<u>Difference</u>
In-District Residents	44,648.0	44,648.0	0.0
Out-of-District on Chargeback or Contractual Agreement	1,119.5	1,119.5	0.0
<b>Total</b>	<u><u>45,767.5</u></u>	<u><u>45,767.5</u></u>	<u><u>0.0</u></u>

	<u>Total Reimbursable</u>	<u>Total reimbursable certified to the ICCB</u>	<u>Difference</u>
Dual credit	3,204.0	3,204.0	0.0
Dual enrollment	1,798.0	1,798.0	0.0
<b>Total</b>	<u><u>5,002.0</u></u>	<u><u>5,002.0</u></u>	<u><u>0.0</u></u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520  
ILLINOIS COMMUNITY COLLEGE BOARD  
ENROLLMENT DATA AND OTHER BASES  
UPON WHICH CLAIMS ARE FILED  
NOTES TO SCHEDULES  
June 30, 2020**

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**NOTE 1 – STUDENT RESIDENCY VERIFICATION PROCESS:**

The Kankakee Community College District 520 requires that all credit students provide documentation to verify their permanent residence. This information is used to determine the student's residency for both tuition calculation and submission of reports for state funding purposes.

In order to prove residency, a student must submit, to the Office of Admissions and Registration, one of the following:

- A driver's license or vehicle registration,
- A voter's registration card, or
- other requested documentation

To be classified as a resident, the student must have occupied a dwelling in the community college district for 30 days immediately prior to beginning classes at the community college and must demonstrate district residency by providing the requested documentation.

Residents of a contiguous community college district whose "home" high school, due to consolidation of high school districts, is within Kankakee Community College District 520 will be considered in-district residents for purposes of tuition assessment.

Individuals who do not reside in Kankakee Community College District 520 but work at least 35 hours or more a week within the district are eligible for in-district tuition. Students will be asked to provide proof of employment by submitting a signed affidavit from their in-district employer on company letterhead stating they are employed for 35 hours or more per week.



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