

# Kankakee Community College

Kankakee, Illinois

Annual Financial Report  
Year Ended June 30, 2021



**TABLE OF CONTENTS**

**Page  
Number**

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1 - 3</b>
Management’s Discussion and Analysis .....	4 - 12
<b><u>Basic Financial Statements</u></b>	
Statement of Net Position/Net Assets.....	13
Statement of Revenues, Expenses, and Changes in Net Position/Net Assets .....	14
Statement of Cash Flows.....	15 – 16
Component Unit – Kankakee Community College Foundation, Inc.	
Statement of Financial Position .....	17
Statement of Activities .....	18
Notes to Financial Statements.....	19 - 48
<b><u>Required Supplementary Information</u></b>	
Schedule of Share of Net Pension Liability .....	49
Schedule of Pension Contributions.....	50
Schedule of Share of Net OPEB Liability .....	51
Schedule of OPEB Contributions.....	52
Notes to Required Supplementary Information .....	53 - 54

**SPECIAL REPORTS SECTION**

**Supplemental Financial Information**

Supplemental Financial Information Section .....	55
Uniform Financial Statements.....	56 - 65
Certification of Chargeback Reimbursement.....	66

**Other Supplemental Financial Information**

Reconciliation of Fund Equity to Net Position.....	67
Reconciliation of Changes in Fund Equity to Changes in Net Position .....	68
Budgetary Comparison Schedule – Educational Fund.....	69
Schedule of Revenues and Comparison with Budget – Educational Fund .....	70 – 72

**SPECIAL REPORTS SECTION  
(Continued)**

Budgetary Comparison Schedule	
Operations and Maintenance Fund .....	73
College Bookstore Fund .....	74
Athletics Fund .....	75
Student Center .....	76
College Center .....	77
Esports .....	78
Fitness Center .....	79
Schedule of Bonds Payable.....	80
Balance Sheet – All Fund Types .....	81 - 83
Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types .....	84 - 87
Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections .....	88

**State Grant Activity and Schedule of Enrollment Data**

<b>INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR STATE ADULT EDUCATION AND FAMILY LITERACY GRANTS .....</b>	<b>89 - 90</b>
--	----------------

State Adult Education and Family Literacy Funds:	
Balance Sheet .....	91
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	92
ICCB Compliance Statement for the Adult Education and Family Literacy Grant – Expenditure Amounts and Percentages for ICCB Grant Funds Only .....	93
Notes to ICCB Grant Programs Financial Statements.....	94
Background Information on State Grant Activity .....	95

<b>INDEPENDENT ACCOUNTANT’S REPORT ON ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED .....</b>	<b>96</b>
---	-----------

Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed .....	97 - 98
Note to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed.....	99

**ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* ..... 100 - 101**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE..... 102 - 103**

Schedule of Expenditures of Federal Awards..... 104

Notes to the Schedule of Expenditures of Federal Awards ..... 105

Schedule of Findings and Questioned Costs..... 106 - 107

Summary Schedule of Prior Audit Findings ..... 108

## FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Kankakee Community College –  
Community College District 520  
Kankakee, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Kankakee Community College - Community College District 520 (the "College") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States; 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 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 of material misstatement. The financial statements of Kankakee 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 College'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 College'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 discretely presented component unit of Kankakee Community College - Community College District 520, as of June 30, 2021, 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that the Management's Discussion and Analysis, Schedule of Share of Net Pension Liability, Schedule of Pension Contributions, Schedule of Share of Net OPEB Liability, and Schedule of OPEB Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, 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 College's basic financial statements. The special reports section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards in the annual federal financial compliance section is presented for purposes of additional analysis as required by U.S. Office of Management and Budget and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental financial information listed in the special reports section and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplemental financial information listed under the special reports section and the annual federal financial compliance section of the table of contents are fairly presented in all material respects in relation to the financial statements taken as a whole.

The other supplemental financial information listed in the special reports section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2022, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Wipfli LLP*

Sterling, Illinois  
March 7, 2022



# Kankakee Community College District 520

## Management's Discussion and Analysis

---

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, 2021 and 2020. 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	* Statement of net position * Statement of revenues, expenses and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic 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 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.

# Kankakee Community College District 520

## Management's Discussion and Analysis

---

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/Net Assets 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.

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 \$112.0 million or 4.4%. Over the previous three years the District had averaged a 3.75% annual increase.
- Overall revenues were \$48.8 million; overall expenses were \$46.0 million.
- Credit hour enrollment decreased 12.2% to 43,647 hours.

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

#### Net Position

The District's combined net position increased 7.2% to \$40.1 million for fiscal 2021. The District's financial position increase is primarily due to a decrease in actual expenditures as compared to budgeted expenditures as well Higher Education Emergency Relief (HEERF) funding.

# Kankakee Community College District 520

## Management's Discussion and Analysis

<b>Condensed Statement of Net Position (in millions of dollars)</b>				
	<u>2021*</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Current assets	\$ 40.4	\$ 39.9	\$ 0.5	1.3
Non-current assets	40.8	40.4	0.4	1.0
Total assets	<u>81.2</u>	<u>80.3</u>	<u>0.9</u>	1.1
Deferred outflows of resources	0.4	0.4	-	0.0
Total assets and deferred outflow:	<u>81.6</u>	<u>80.7</u>	<u>0.9</u>	1.1
Current liabilities	7.4	7.5	(0.1)	(1.3)
Long-term obligations	23.6	26.8	(3.2)	(11.9)
Total liabilities	<u>31.0</u>	<u>34.3</u>	<u>(3.3)</u>	(9.6)
Deferred inflows of resources	10.5	9.0	1.5	16.7
Total liabilities and deferred inflow	<u>41.5</u>	<u>43.3</u>	<u>(1.8)</u>	(4.2)
Net position				
Invested in capital assets, net	29.4	28.7	0.7	2.4
Restricted	5.3	6.6	(1.3)	(19.7)
Unrestricted	<u>5.4</u>	<u>2.1</u>	<u>3.3</u>	(157.1)
Total net position	<u><b>\$ 40.1</b></u>	<u><b>\$ 37.4</b></u>	<u><b>\$ 2.7</b></u>	<b>7.2</b>

\*2021 restated to incorporate changes related to unamortized bond premiums. 2020 was not restated for these changes.

### Changes in Net Position

The District's total revenues were \$48.8 million. State grants account for 10.7% and State of IL on-behalf payments for 25.0% while federal sources account for 18.9%. Real estate and other taxes account for about 27.5%, tuition and student fees 14.3%, and the balance is from miscellaneous sources.

The total cost of all programs and services was \$46.0 million. The District's program related expenses are predominantly instructional cost, academic support, student services and public services, which were \$24.3 million or 52.8% of total expenses. Operations and maintenance of the District's facilities were \$4.4 million or 9.6% of total expenses. Scholarships and awards were \$2.7 million or 5.9% of expenses. Auxiliary enterprises representing operations such as the bookstore and student activities were \$2.2 million or 4.8% of total expenses, which by definition are to be self-supporting. The District's administrative/business activities, including institutional support were \$9.3 million or 20.2% of total expenses.

Total revenues exceeded expenses, increasing net position by \$2.8 million over last year.

### Fiscal Year 2021 Compared to 2020

Net tuition and fee revenue increased slightly by \$0.4 million or 6.1% due to an accounting change within summer semester revenue recognition combined with an overall enrollment decrease of 12.2% over last year.

Auxiliary revenue increased by \$0.3 million or 42.9% and other revenues decreased by \$1.8 million or 69.2%.

# Kankakee Community College District 520

## Management's Discussion and Analysis

---

Instructional expenses decreased by \$1.3 million while academic support increased by \$0.3 million. Student services expenses decreased by \$0.4 million or 11.8% due to a decrease in expenditures covered by HEERF grants. The increase in public services of \$1.8 million or 66.7% is primarily due to the increase of grant-funded expenditures along with an increase in other public service expenditures.

Auxiliary enterprises increased \$0.2 million or 10.0% due to increased costs within the bookstore, athletics, student activities, and college center fund.

Operations and maintenance expenses increased by \$1.1 million or 33.3% due primarily to an increase in contractual and capital outlay expenditures with the Tech building renovation. Institutional support decreased by \$0.1 million.

Scholarships and awards increased \$1.1 million or 68.8% due to the increase in institutional scholarships due to HEERF grant funds. Depreciation expense decreased by \$0.1 million.

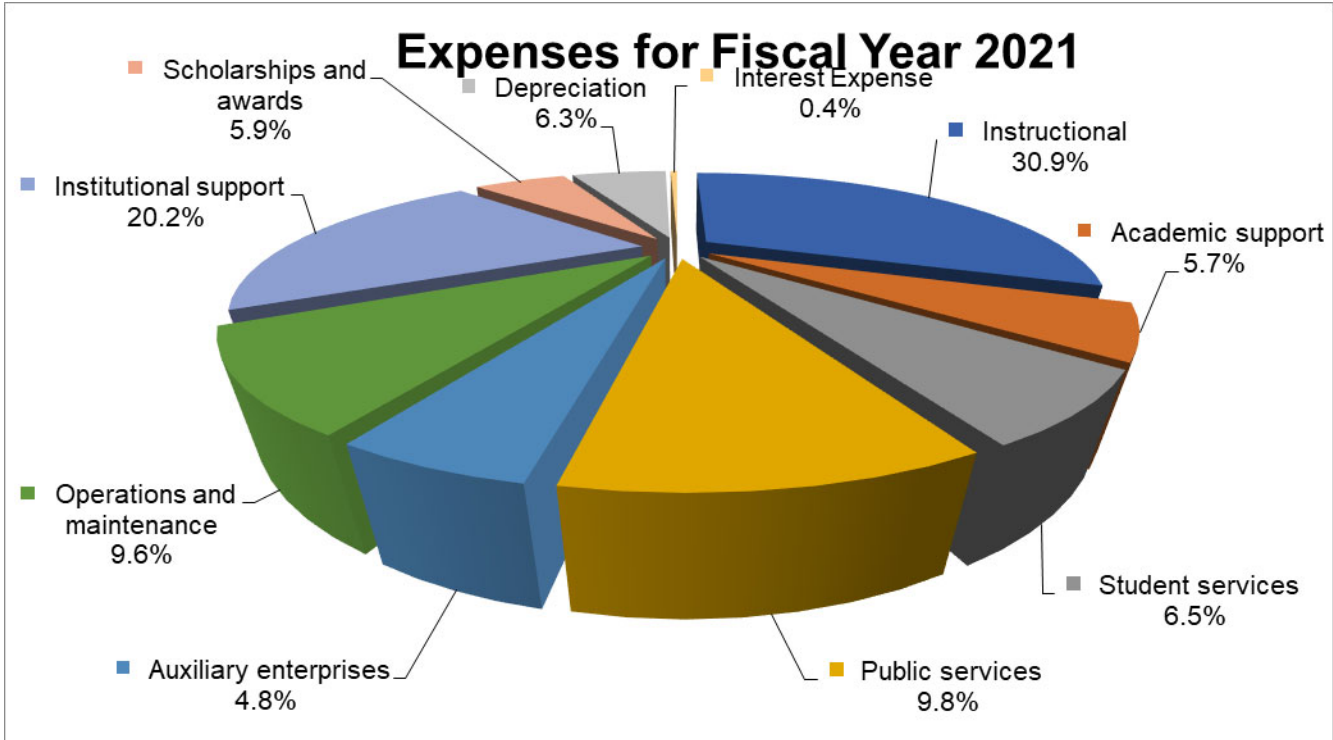
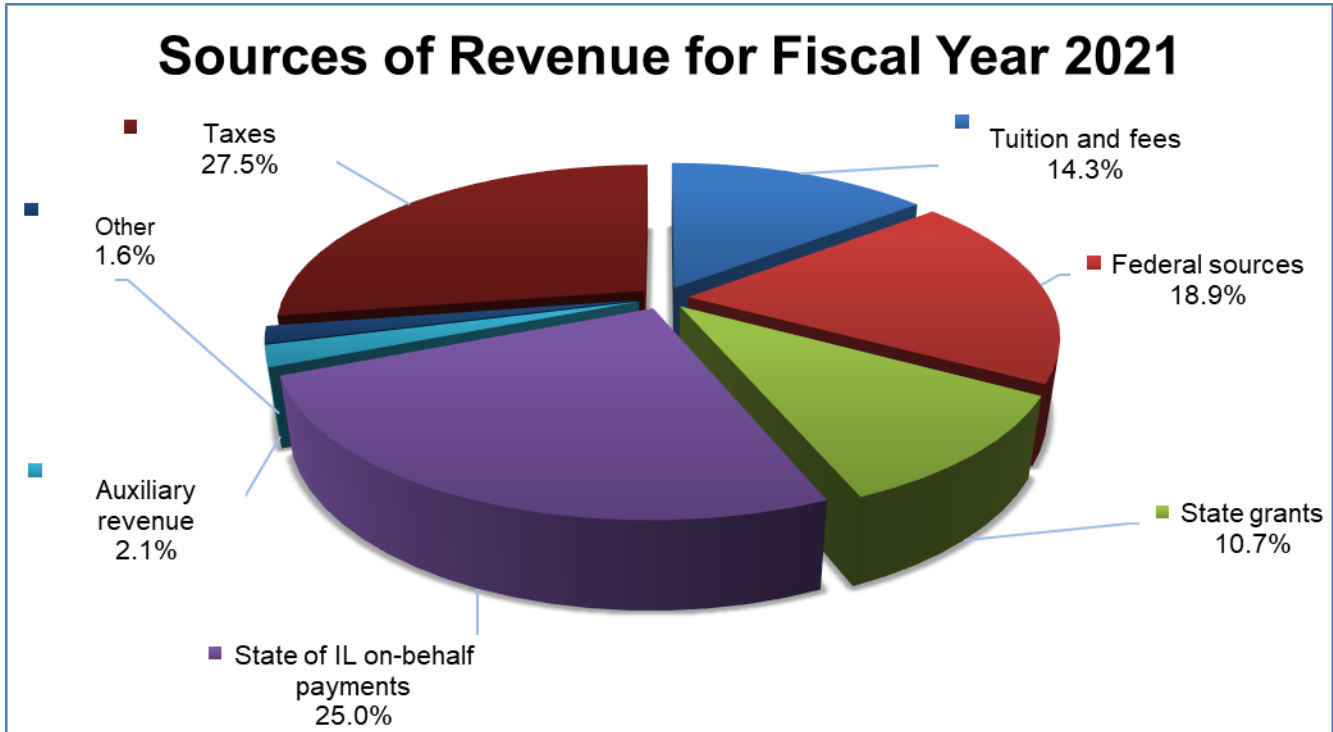
Non-operating revenues (expenses) increased by \$1.6 million or 4.1% primarily due to the increase of federal grant revenues from HEERF grant funds. State grants increased by \$1.6 million or 44.4% due to Governors Emergency Education Relief (GEER). State of Illinois on-behalf payments decreased by \$0.2 or 1.6%. Federal grants increased \$1.2 million or 15.0% due to receiving Higher Education Emergency Relief (HEERF) funding. Taxes increased by \$0.6 million due to higher extensions based on a significant increase in equalized assessed value. Other revenues decreased by \$1.8 million due to a decrease in capital gifts from KCC Foundation, Inc.

# Kankakee Community College District 520

## Management's Discussion and Analysis

Changes in Net Position from Operating Results (in millions of dollars)				
	<u>2021*</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating revenues:				
Tuition and fees	\$ 7.0	\$ 6.6	\$ 0.4	6.1
Auxiliary revenue	1.0	0.7	0.3	42.9
Total operating revenues	<u>8.0</u>	<u>7.3</u>	<u>0.7</u>	9.6
Less operating expenses				
Instructional	14.2	15.5	(1.3)	(8.4)
Academic support	2.6	2.3	0.3	13.0
Student services	3.0	3.4	(0.4)	(11.8)
Public services	4.5	2.7	1.8	66.7
Auxiliary enterprises	2.2	2.0	0.2	10.0
Operations and maintenance	4.4	3.3	1.1	33.3
Institutional support	9.3	9.4	(0.1)	(1.1)
Scholarships and awards	2.7	1.6	1.1	68.8
Depreciation	2.9	3.0	(0.1)	(3.3)
Total operating expenses	<u>45.8</u>	<u>43.2</u>	<u>2.6</u>	6.0
Operating Income (loss)	<u>(37.8)</u>	<u>(35.9)</u>	<u>(1.9)</u>	5.3
Non-operating revenues (expenses):				
State grants and contracts	5.2	3.6	1.6	44.4
State of Illinois on-behalf payments	12.2	12.4	(0.2)	(1.6)
Federal grants and contracts	9.2	8.0	1.2	15.0
Taxes	13.4	12.8	0.6	4.7
Other	0.8	2.6	(1.8)	(69.2)
Interest expense	(0.2)	(0.4)	0.2	(50.0)
Non-operating revenues (expenses), net	<u>40.6</u>	<u>39.0</u>	<u>1.6</u>	4.1
<b>Increase (decrease) in net position</b>	<b>2.8</b>	<b>3.1</b>	<b>(0.3)</b>	<b>(9.7)</b>
Net position:				
Net position, beginning of year, restated	<u>37.3</u>	<u>34.3</u>	<u>3.0</u>	8.7
Net position, end of year	<u><b>\$ 40.1</b></u>	<u><b>\$ 37.4</b></u>	<u><b>\$ 2.7</b></u>	<b>7.2</b>

\*2021 restated to incorporate changes related to unamortized bond premiums. 2020 was not restated for these changes.



# Kankakee Community College District 520

## Management's Discussion and Analysis

### CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

As of June 30, 2021, the District had \$40.5 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 3 to the financial statements.) Total depreciation expense for the year was \$2.9 million, while building improvements and deletions to equipment, furniture, leasehold improvements and construction in progress amounted to \$3.1 million.

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Land	\$ 2.1	\$ 2.1	\$ -	-
Land improvements	3.8	3.8	-	-
Buildings and improvements	57.2	52.9	4.3	8.1
Furniture and equipment	26.2	25.9	0.3	1.2
Leasehold Improvements	0.9	0.9	-	-
Construction in progress	2.0	3.6	(1.6)	-
	<u>92.2</u>	<u>89.2</u>	<u>3.0</u>	<u>3.4</u>
Less accumulated depreciation	<u>51.7</u>	<u>48.8</u>	<u>2.9</u>	<u>5.9</u>
<b>Total</b>	<b><u>\$ 40.5</u></b>	<b><u>\$ 40.4</u></b>	<b><u>\$ 0.1</u></b>	<b>0.2</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 4 to the financial statements.

	<u>2021</u>	<u>2020</u>
Outstanding Long-term liabilities, beginning of the year	\$29.3	\$31.7
Debt Issued:		
College Bonds	0.0	0.0
Debt Retired:	(2.3)	(2.3)
Compensated Absences Increase (Decrease):	0.1	0.1
Retiree Health Insurance Liability Increase (Decrease):	<u>(0.7)</u>	<u>(0.2)</u>
Outstanding Long-term liabilities, end of the year	<u>\$26.4</u>	<u>\$29.3</u>

Debt service requirements over the next 5 years average \$2.5 million per year.

# Kankakee Community College District 520

## Management's Discussion and Analysis

---

### **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.

As the global pandemic COVID-19 continues to bring new challenges, our faculty and staff remain flexible and innovative. Several student services are offered virtually as well as in-person including advising, registration, financial aid, accounting, student activities, and mental health counseling. Faculty have also developed additional hybrid and online learning opportunities to expand learning options available to students.

Supporting students continues to be the central priority as the College adapts to the ever-changing environment, administering over \$1 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, 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 second priority in the facilities master plan focused on redesigning teaching and learning spaces in the original technology building, instructional spaces designed to facilitate high demand career programming in the manufacturing sector served by the College. The redesigned technology building is scheduled to open in May 2022 offering cutting-edge technology and learning spaces for students interested in the following programs: electrical engineering technology, computer graphics technology, automotive, and law enforcement.

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 an upward trend, with average increases of 3.75% over the past three 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 520

## Management's Discussion and Analysis

---

### **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**

# Kankakee Community College District 520

## Statement of Net Position

June 30, 2021

	Primary Government
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$21,465,623
Property taxes receivable	12,877,424
Other receivables	5,131,710
Inventory	583,055
Prepaid expenses	387,447
<b>Total current assets</b>	<b>40,445,259</b>
Noncurrent assets:	
Assets held by College Foundation	278,512
Capital assets	92,244,126
Less accumulated depreciation	(51,735,396)
<b>Total noncurrent assets</b>	<b>40,787,242</b>
<b>Total assets</b>	<b>81,232,501</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to OPEB	197,020
Related to pension	152,514
<b>Total deferred outflows of resources</b>	<b>349,534</b>
<b>Total assets and deferred outflows of resources</b>	<b>81,582,035</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	965,554
Accrued liabilities	909,991
Unearned tuition and fees	2,731,663
Accrued compensated absences	454,232
Bonds payable	2,342,961
<b>Total current liabilities</b>	<b>7,404,401</b>
Noncurrent liabilities:	
Accrued compensated absences	492,084
Net OPEB liability	13,748,158
Bonds payable	9,386,440
<b>Total noncurrent liabilities</b>	<b>23,626,682</b>
<b>Total liabilities</b>	<b>31,031,083</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property tax revenue	6,440,380
Related to OPEB	3,533,661
Deferred grant revenues	475,176
<b>Total deferred inflows of resources</b>	<b>10,449,217</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>41,480,300</b>
<b>NET POSITION</b>	
Net investment in capital assets	29,413,730
Expendable:	
Capital projects	531,546
Debt service	1,257,697
Working cash	3,377,932
Audit	85,259
Unrestricted	5,435,571
<b>Total net position</b>	<b>\$40,101,735</b>

See Notes to Financial Statements.

# Kankakee Community College District 520

## Statement of Revenues, Expenses, and Changes in Net Position

### For the year ended June 30, 2021

	<b>Primary Government</b>
<b>Operating revenues:</b>	
Student tuition and fees, net of scholarship allowances of \$2,195,919	\$6,999,037
Auxiliary enterprises revenue	1,019,156
<b>Total operating revenue</b>	<b>8,018,193</b>
<b>Operating expenses:</b>	
Instruction	14,138,057
Academic support	2,585,090
Student services	2,969,423
Public services	4,528,683
Auxiliary services	2,219,358
Operation and maintenance	4,417,416
Institutional support	9,274,327
Scholarships, student grants, and waivers	2,715,301
Depreciation expense	2,933,617
<b>Total operating expenses</b>	<b>45,781,272</b>
<b>Operating income (loss)</b>	<b>(37,763,079)</b>
<b>Nonoperating revenues (expenses):</b>	
State grants	5,214,408
State of Illinois on-behalf payments	12,173,032
Federal grants	9,193,641
Property taxes	12,670,483
Personal property replacement tax	733,754
Investment income	92,082
Other nonoperating revenues	761,007
Interest expense	(249,815)
<b>Net nonoperating revenues (expenses)</b>	<b>40,588,592</b>
<b>Change in net position</b>	<b>2,825,513</b>
<b>Net position:</b>	
Beginning of year, as restated	37,276,222
<b>End of year</b>	<b>\$40,101,735</b>

See Notes to Financial Statements.

# Kankakee Community College District 520

## Statement of Cash Flows

For the year ended June 30, 2021

	<b>Primary Institution Business-Type Activities</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Tuition and fees	\$9,473,614
Payments to suppliers	(13,391,969)
Payments to employees	(14,801,993)
Payments to students for scholarships and student grants	(4,911,220)
Auxiliary enterprise charges	1,075,613
Net cash flows from operating activities	(22,555,955)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Proceeds from property taxes	12,480,649
Proceeds from grants	15,715,154
Net cash flows from noncapital financing activities	28,195,803
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of capital assets	(3,085,295)
Principal paid on bonds payable	(2,090,000)
Interest paid on bonds payable	(451,911)
Net cash flows from capital and related financing activities	(5,627,206)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received (paid)	161,955
Proceeds from maturities of investment securities	9,009,209
Net cash flows from investing activities	9,171,164
Net increase (decrease) in cash and cash equivalents	9,183,806
<b>CASH AND CASH EQUIVALENTS:</b>	
Beginning of year	12,281,817
End of year	\$21,465,623

See Notes to Financial Statements.

# Kankakee Community College District 520

Statement of Cash Flows (Continued)

For the year ended June 30, 2021

	<u>Primary Institution</u> <u>Business-Type</u> <u>Activities</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED</b>	
<b>IN OPERATING ACTIVITIES:</b>	
Operating loss	(\$37,763,079)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	2,933,617
State on-behalf payments for fringe benefits	12,173,032
Changes in assets and liabilities:	
Inventory	102,703
Prepaid expenses	307,544
Receivables	(81,993)
Deferred outflows of resources	55,791
Accounts payable	(1,418,955)
Accrued liabilities	(196,252)
Accrued compensated absences	96,051
Deferred inflows of resources	818,478
Unearned tuition and fees	417,108
<b>Net cash used in operating activities</b>	<b>(\$22,555,955)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCIAL:</b>	
Acquisition of capital assets using accounts payable	\$260,525
<b>STATE ON-BEHALF PAYMENTS</b>	<b>\$12,173,032</b>

See Notes to Financial Statements.

# Kankakee Community College District 520

Component Unit - Kankakee Community College Foundation, Inc.

Statement of Financial Position

June 30, 2021

---

## ASSETS

---

Current assets:

Cash and cash equivalents	\$320,798
Deposits	349,016
Investments	9,889,849
Property taxes receivable	2,191
Other receivables	236,162
Prepaid expenses	1,707

---

Total assets	\$10,799,723
--------------	--------------

---

## LIABILITIES

---

Current liabilities:

Accounts payable	\$6,599
Due to Kankakee Community College	278,512

---

Total liabilities	285,111
-------------------	---------

---

## NET ASSETS

---

Net assets:

Without donor restrictions	1,416,824
With donor restrictions	9,097,788

---

Total net assets	10,514,612
------------------	------------

---

Total liabilities and net assets	\$10,799,723
----------------------------------	--------------

---

---

See Notes to Financial Statements.

# Kankakee Community College District 520

Component Unit - Kankakee Community College Foundation, Inc.

Statement of Activities

For the year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support received:			
Contributions	\$51,151	\$674,376	\$725,527
Donated materials and services	141,812	0	141,812
Investment return (loss), net	68,911	1,781,675	1,850,586
Net assets released from restrictions	510,365	(510,365)	0
Total revenue, gains and other services received	772,239	1,945,686	2,717,925
Expenses:			
Program services:			
Scholarships	241,542	0	241,542
Special projects	35,109	0	35,109
Total program services	276,651	0	276,651
Supporting services:			
Management and general	195,577	0	195,577
Fundraising	268,479	0	268,479
Total supporting services	464,056	0	464,056
Total expenses	740,707	0	740,707
Change in net assets	31,532	1,945,686	1,977,218
Net assets, beginning of year	1,385,292	7,152,102	8,537,394
Net assets, end of year	\$1,416,824	\$9,097,788	\$10,514,612

See Notes to Financial Statements.



# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 1    Summary of Significant Accounting Policies**

#### **Nature of entity**

Kankakee Community College – College District 520 (the College) 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 College's ruling body which establishes the policies and procedures by which the District is governed.

The accounting policies of the College 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 College reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements.

#### **Financial 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 College. 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 College is not financially accountable, is accountable, is created to act primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. Although the College 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 College by the donors. Because these restricted resources held by the Foundation can only be used by or for the benefit of, the College, 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 financial statement presentation**

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College'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 incurred. All significant intra-fund transactions have been eliminated.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 1    Summary of Significant Accounting Policies (continued)**

#### **Measurement focus, basis of accounting, and financial statement presentation (continued)**

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

#### **Cash and cash equivalents**

Cash includes deposits held at banks plus small amounts maintained for a change fund. Cash equivalents are defined as short-term investments readily converted to cash with original maturities of three months or less. The College has deposits with financial institutions, which at times exceed the federally insured limits. Management does not believe this represents any significant risk to the College.

#### **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.

#### **Investments**

Investment securities are stated at fair value based on quoted market prices. Income is recognized on the accrual basis of accounting. The types of investments allowed are regulated by Illinois State laws and include municipal bonds, fixed income mutual funds, U.S. Government or Illinois obligations, insured deposits or other investments of state or national banks, Federal National Mortgage Association obligations, Illinois Funds, and agreements collateralized by securities or mortgages in an amount at least equal to the fair value of the funds deposited.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 1    Summary of Significant Accounting Policies (continued)**

#### **Receivables**

All property tax, student tuition and governmental claims and grant receivables are expected to be received within one year. Governmental claims and grants are from state and federal funding agencies. The College has a reserve of \$549,523 for uncollectible student tuition and fees. The College wrote off approximately \$56,417 of tuition and fees during the year ended June 30, 2021.

#### **Property taxes**

The College's property taxes are levied each calendar year on all taxable real property located in the College's district. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board's resolution, property tax levies are allocated 50 percent for each of the two fiscal years after the levy year. Accordingly, the College estimates 50 percent of property taxes extended for the 2020 tax year and collected in 2021 are recorded as revenue in fiscal year 2021. The remaining 50 percent of revenues related to tax year 2020 has been deferred and will be recorded as revenue in fiscal year 2021. The 50 percent allocation is an approximation based on tax collections in prior years.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the taxing bodies their respective share of collections. Taxes levied in one year become due and payable in two installments during the following year, generally on June 1st and September 1st. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1, immediately following the levy year.

#### **Capital assets**

Capital assets include land, land improvements, buildings and equipment. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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 asset lives are not capitalized. Gains and losses realized upon retirement or disposition of capital assets are recognized in Statement of Revenues, Expenses, and Changes in Net Position/Net Assets as incurred. Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

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

#### **Unearned tuition and fee revenue**

Tuition and fee revenues received prior to the end of the fiscal year that are related to the subsequent fiscal year.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 1    Summary of Significant Accounting Policies (continued)**

#### **Long-term debt**

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position/net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds and are recorded in other assets or liabilities.

#### **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.

#### **Other post-employment (OPEB) obligations**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and to OPEB expense, information about the plan net position of the College Insurance Plan ("CIP") and additions to/deductions from CIP's plan net position has been determined on the same basis as they are reported by CIP. For this purpose, OPEB payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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 OPEB plan that is used to provide OPEB 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 OPEB or (2) the non-employer is the only entity with a legal obligation to make contributions directly to an OPEB plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

#### **Deferred inflows and outflows of resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time.

The deferred contributions to SURS represent the federal, trust, or grant contributions made by the College to SURS subsequent to the pension liability measurement date. The contributions will be recognized as an expense in the next fiscal year.

In addition to liabilities, the statement of net position reports 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(s) and will be recognized as an inflow of resources (revenue) at that time. Deferred revenue, which is derived from property taxes, are deferred and recognized as an inflow of resources in the period that the amounts become available.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 1    Summary of Significant Accounting Policies (continued)**

#### **Deferred inflows and outflows of resources (continued)**

Other postemployment benefits (OPEB) expense, as well as deferred outflows of resources and deferred inflows of resources related to OPEB, should be recognized for the employers' (and non-employer contributing entity's) proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB.

Other than differences between projected and actual investment earnings, deferred inflows and outflows of resources are recognized in OPEB expense beginning in the current period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive), determined as of the beginning of the measurement period.

#### **Internal service activities**

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

#### **Classification of revenues and expenses**

Operating revenues include activities that have the characteristics of exchange transactions, such as student tuition and fees and sales and service fees. Revenue from exchange transactions is recognized when earned. Student tuition and fees are recorded on the statement of revenues, expenses, and changes in net position, net of scholarship allowance and student aid. Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as local property taxes, state appropriations, most federal, state and local grants and interest. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

#### **Federal financial assistance programs**

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Federal Direct Loan programs. Federal programs are audited in accordance with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Uniform Guidance Compliance Supplement.

#### **On-behalf payments for fringe benefits and salaries**

Contributions made by the State of Illinois relating to the State Universities Retirement Systems and College Insurance Plan on behalf of the College's employees are recognized by the College as revenues and expenses. In fiscal years 2021 and 2020, the state made contributions of \$12,173,032 and \$11,154,461, respectively.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 1    Summary of Significant Accounting Policies (continued)**

#### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS) 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.

#### **Net position**

The College's net position is classified as follows:

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

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

Unrestricted – 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 College and may be used at the discretion of the governing board to meet current expenses for any purpose.

#### **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, expenses, gains, losses, and other changes in net position during the reporting period. Material estimates that are particularly susceptible to significant change in the near term relate to depreciation on capital assets, allowance for doubtful accounts, and the fair value of investments. Actual results could differ from those estimates.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 2 Cash

The College's cash and deposits throughout the year and at year-end consisted of demand deposit accounts and certificates of deposit. The College classifies these accounts between cash and deposits on the statement of net position according to liquidity and intended use.

Cash and deposits as of June 30, 2021 consist of the following:

	<b>Carrying Amount</b>
Cash on hand	\$5,599
Deposits with financial institutions	21,460,024
<b>Total</b>	<b>\$21,465,623</b>

*Custodial credit risk – deposits* – Custodial credit risk for deposits is the risk that in the event of a financial institution's failure, the College's deposits may not be returned to it. The College's policies require deposits in excess of the federally insured amounts be collateralized at the rate of 110% of such deposits. As of June 30, 2021, the bank balances of the College's deposits were \$21,874,914. The College had pledged securities of \$20,191,938 and FDIC coverage of \$1,682,976.

### Note 3 Capital Assets

A summary of the changes in capital assets for the College for the year ended June 30, 2021, is as follows:

	<b>Balance June 30, 2020</b>	<b>Additions</b>	<b>and Transfers</b>	<b>Balance June 30, 2021</b>
Land	\$2,142,785	\$0	\$0	\$2,142,785
Constructions in progress	3,576,476	2,060,897	(3,576,476)	2,060,897
Land improvements	3,762,753	19,925	0	3,782,678
Building and improvements	52,878,548	699,374	3,576,476	57,154,398
Equipment	25,929,487	305,099	0	26,234,586
Leasehold improvements	868,782	0	0	868,782
Total capital assets	89,158,831	3,085,295	0	92,244,126
Less accumulated depreciation	48,801,779	2,933,617	0	51,735,396
Capital assets, net	\$40,357,052	\$151,678	\$0	\$40,508,730

# Kankakee Community College District 520

## Notes to Financial Statements

### Note 4 Long-Term Debt

The following is a summary of the long-term debt activity for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Payments	Balance June 30, 2021	Due Within One Year
Long-term debt:					
General obligation bonds	\$13,185,000	\$0	\$2,090,000	\$11,095,000	\$2,155,000
Bond premiums (discounts)	836,497	0	202,096	634,401	187,961
Compensated absences	850,265	462,461	366,410	946,316	454,232
OPEB liability	14,530,209	0	782,051	13,748,158	N/A
<b>Totals</b>	<b>\$29,401,971</b>	<b>\$462,461</b>	<b>\$3,440,557</b>	<b>\$26,423,875</b>	<b>\$2,797,193</b>

Details on the debt as of June 30, 2021 are as follows:

#### 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 \$0

\$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 2,970,000

\$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 3,140,000

\$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 4,985,000

Total general obligation bonds 11,095,000

Add: unamortized premium on bond issuance 634,401

Total bonds payable 11,729,401

Less: amount due in one year 2,342,961

Bonds payable-less current portion \$9,386,440



# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 4 Long-Term Debt (continued)

The annual requirements to amortize all debt outstanding as of June 30, 2021, including interest, are as follows:

<b>Year Ending June 30,</b>	<b>General Obligation Bonds</b>	<b>Compensated Absences</b>	<b>Total Principal</b>	<b>Interest</b>	<b>Total Principal And Interest</b>
2022	\$2,155,000	\$454,232	\$2,609,232	\$395,600	\$3,004,832
2023	2,220,000	492,084	2,712,084	333,213	3,045,297
2024	2,295,000	0	2,295,000	259,225	2,554,225
2025	2,390,000	0	2,390,000	161,500	2,551,500
2026	2,035,000	0	2,035,000	50,875	2,085,875
<b>Total</b>	<b>\$11,095,000</b>	<b>\$946,316</b>	<b>\$12,041,316</b>	<b>\$1,200,413</b>	<b>\$13,241,729</b>

The following is a schedule of the legal debt margin of the College as of June 30, 2021:

Assessed valuation – 2020 levy	\$2,633,171,557
Debt limit – 2.875% of assessed valuation	75,703,682
Less indebtedness	(11,095,000)
Legal debt margin, June 30, 2021	\$64,608,682

### Note 5 Defined Benefit Pension Plans

#### General Information about the Pension Plan

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

*Benefits Provided.* A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2020 can be found in the State Universities Retirement System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 5    Defined Benefit Pension Plans (continued)**

*Contributions.* The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from “trust, federal, and other funds” are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2020 and 2021 respectively, was 13.02% and 12.70% of employee payroll. The normal cost is equal to the value of current year’s pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of “affected annuitants” or specific return to work annuitants) and Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

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

#### *Net Pension Liability.*

The net pension liability (NPL) was measured as of June 30, 2020. At June 30, 2020, SURS reported a net pension liability (NPL) of \$30,619,504,321.

#### *Employer Proportionate Share of Net Pension Liability.*

The amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the State’s net pension liability associated with the College is \$107,952,349 or 0.3526%. The proportionate share changed by (0.0056%) from 0.3582% since the last measurement date on June 30, 2019. This amount should not be recognized in the financial statement. The net pension liability and total pension liability as of June 30, 2020 was determined based on the June 30, 2019 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2020.

#### *Pension Expense.*

At June 30, 2020 SURS reported a collective net pension expense of \$3,364,411,021.

#### *Employer Proportionate Share of Pension Expense.*

The employer 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 contributions made to SURS during fiscal year 2020. As a result, the College recognized on-behalf revenue and pension expense of \$11,861,592 for the fiscal year ended June 30, 2021.

# Kankakee Community College District 520

## Notes to Financial Statements

### Note 5 Defined Benefit Pension Plans (continued)

#### *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. Conversely, deferred inflows of resources are the acquisition of net position by SURS that is applicable to future reporting periods.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$170,987,483	\$0
Changes in assumption	473,019,629	0
Net difference between projected and actual earnings on pension plan investments	474,659,178	0
<b>Total</b>	<b>\$1,118,666,290</b>	<b>\$0</b>

### **Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

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

Year Ending June 30	Net Deferred Outflows of Resources
2021	\$435,271,667
2022	346,428,171
2023	183,483,935
2024	153,482,517
<b>Total</b>	<b>\$1,118,666,290</b>

### **Employer Deferral of Fiscal Year 2021 Contributions**

The College paid \$152,514 in federal, trust or grant contributions for the fiscal year ended June 30, 2021. These contributions were made subsequent to the pension liability date of June 30, 2020 and are recognized as Deferred Outflows of Resources as of June 30, 2021.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 5 Defined Benefit Pension Plans (continued)

#### Assumptions and Other Inputs

*Actuarial assumptions.* The actuarial assumptions used in the June 30, 2020 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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.25 to 12.25 percent, including inflation
Investment rate of return	6.75 percent beginning with the actuarial valuation as of June 30, 2018

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
<b>Traditional Growth</b>		
Global Public Equity	44%	6.67%
<b>Stabilized Growth</b>		
Credit Fixed Income	14%	2.39%
Core Real Assets	5%	4.14%
Options Strategies	6%	4.44%
<b>Non-Traditional Growth</b>		
Private Equity	8%	9.66%
Non-Core Real Assets	3%	8.70%
<b>Inflation Sensitive</b>		
U.S. TIPS	6%	0.13%
<b>Principal Protection</b>		
Core Fixed Income	8%	(0.45%)
<b>Crisis Risk Offset</b>		
Systematic Trend Following	2.1%	2.16%
Alternative Risk Premia	1.8%	1.60%
Long Duration	2.1%	0.86%
<b>Total</b>	<b>100%</b>	<b>4.84%</b>
<b>Inflation</b>		<b>2.25%</b>
<b>Expected arithmetic return</b>		<b>7.09%</b>

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 5 Defined Benefit Pension Plans (continued)

*Discount Rate.* A single discount rate of 6.49% 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% and a municipal bond rate of 2.45% (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.

*Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate.* Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.49%, 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:

<b>1% Decrease</b> <b>5.49%</b>	<b>Current Single Discount</b> <b>Rate Assumption</b> <b>6.49%</b>	<b>1% Increase</b> <b>7.49%</b>
<hr/> <b>\$36,893,469,884</b>	<hr/> <b>\$30,619,504,321</b>	<hr/> <b>\$25,441,837,592</b>

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).

### Note 6 Other Post-Employment Benefits

*Plan Administration.* The Community College Health Insurance Security Fund (CCHISF) (also known as The College Insurance Program, ("CIP") is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. The CIP was established under the State Employees Group Insurance Act of 1971, as amended, 5 ILCS 375/6.9 (f), which became effective July 1, 1999. The purpose of the CCHISF is to receive and record all revenues from the administration of health benefit programs under Article 15 of the Illinois Pension Code. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan with a special funding situation that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 6    Other Post-Employment Benefits (continued)**

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

*Benefit Provisions.* A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706-4100.

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

*Contributions.* The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of the salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriate Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1071 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

### **OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

*Net OPEB Liability.* The net OPEB liability was measured as of June 30, 2020. CIP reported a net OPEB liability at June 30, 2020 of \$1,822,763,538.

*Employer Proportionate Share of Net OPEB Liability.* The amount of the proportionate share of the net OPEB liability to be recognized for the College is \$13,748,158 or 0.7542%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0151%. The proportionate share of the State's net OPEB liability associated with the College is \$13,748,131. The total proportionate share of the net OPEB liability associated with the College is \$27,496,289. The net OPEB liability and total OPEB liability as of June 30, 2020 was determined based on the June 30, 2019 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2020.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 6 Other Post-Employment Benefits (continued)

*OPEB Expense.* At June 30, 2020, CIP reported a collective net OPEB expense of \$38,455,955.

*Employer Proportionate Share of OPEB Expense.* The employer proportionate share of collective OPEB 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 OPEB expense is the actual reported OPEB contributions made to CIP during fiscal year 2020. As a result, the College recognized on-behalf revenue of \$244,514 for the fiscal year ended June 30, 2021. Additionally, the College recognized OPEB expense of \$82,150 for the fiscal year ended June 30, 2021.

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

### **OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)**

The College's Deferred Outflows and Deferred Inflows of Resources by Sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$124,890	\$769,456
Changes in assumption	0	2,197,827
Net difference between projected and actual earnings on OPEB plan investments	0	582
Changes in proportion and differences between employer contributions and share of contributions	5,204	565,796
Total deferred amounts to be recognized in pension expense in future periods	130,094	3,533,661
OPEB contributions made subsequent to the measurement date	66,926	0
Total	\$197,020	\$3,533,661

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 6 Other Post-Employment Benefits (continued)

The College reported \$66,926 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

<u>Year ended June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2021	(\$567,261)
2022	(567,261)
2023	(567,261)
2024	(567,261)
2025	(567,261)
2026	(567,262)
<u>Total</u>	<u>(\$3,403,567)</u>

### **OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)**

#### **Assumptions and Other Inputs**

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

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2020 based on premium increases. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate due to the repeal of the Excise Tax.
Asset Valuation Method	Market value



# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 6 Other Post-Employment Benefits (continued)

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 Whited 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, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2018.

#### **Assumptions and Other Inputs (continued)**

*Discount Rate.* 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 fixed income municipal bonds with the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity's "20-year Municipal GO AA Index" has been selected. The discount rates are 2.45% as of June 30, 2020, and 3.13% as of June 30, 2019.

The decrease in the single discount rate, from 3.13 percent to 2.45 percent, caused the total OPEB liability to increase by approximately \$152.7 million from 2019 to 2020.

#### **Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate**

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 2.45% at June 30, 2020, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

<b>Sensitivity of Net OPEB Liability as of June 30, 2020 to the Single Discount Rate Assumption</b>			
	<b>1% Decrease (1.45%)</b>	<b>Current Single Discount Rate Assumption (2.45%)</b>	<b>1% Increase (3.45%)</b>
Net OPEB liability	\$15,665,010	\$13,748,158	\$12,095,174

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 6 Other Post-Employment Benefits (continued)

#### Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net 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 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037

<b>Sensitivity of Net OPEB Liability as of June 30, 2020 to the Healthcare Cost Trend Rate Assumption</b>			
	<b>Healthcare Cost Trend</b>		
	<b>1% Decrease (a)</b>	<b>Rates Assumption</b>	<b>1% Increase (b)</b>
Net OPEB liability	\$11,391,725	\$13,748,158	\$16,873,855

#### Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate (continued)

- (a) One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037.
- (b) One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

### Note 7 Risk Management

The College is exposed to various risks of loss related to torts, property damage and general business risks. The College 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 uninsured 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 College is a defendant in various lawsuits. Although the outcome of these lawsuits is presently not determinable, in the opinion of the College's attorney and management, the resolution of these matters will not materially affect the financial condition of the College. Therefore, there is no provision for estimated claims.

### Note 8 Impact of Pending Accounting Pronouncements

GASB Statement No. 87, Leases, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 8     Impact of Pending Accounting Pronouncements**

GASB Statement No. 91, Conduit Debt Obligations provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 92, Omnibus 2020, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 93, Replacement of Interbank Offered Rates, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, provides more guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, provides more guidance for determining whether a primary government is financially accountable for a potential component unit, when the financial burden criterion in paragraph 7 of Statement No. 84 applies, and this statement clarifies that Statement 84 should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged if Statement 84 has been implemented. The College has not determined the effect of this Statement.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 9    Component Unit**

The following are the significant accounting policies and footnotes related to the component unit which do not conflict with the College.

#### **Summary of Significant Accounting Policies**

##### Nature of Business

The Kankakee Community College Foundation, Inc. (the Foundation), is a tax-exempt nonprofit corporation committed to providing scholarships and financial assistance to students and expenses to third parties on behalf of students in the Kankakee and surrounding areas. The Foundation is reported as a component unit of Kankakee Community College (The College) and is discretely presented as such on the College's financial statements. The Foundation receives cash contributions annually from the College and other local donors which it invests in short-term investments, equities, bonds, and other investment vehicles to earn income in the pursuit of its mission.

##### 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.

##### Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

*Net assets without donor restrictions:* net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net assets with donor restrictions:* net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, long-lived assets placed in service, or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 9 Component Unit (continued)

#### Summary of Significant Accounting Policies (continued)

##### Contributions and Revenues

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as without donor restriction support. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restriction support that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as without donor restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions. Contributions of assets other than cash are recorded at fair value at the date of the donation.

The Foundation reports gifts of land, buildings, and equipment as without donor support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restriction support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

##### Pledges Receivable

Unconditional pledges receivable are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional pledges receivable are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional. As of June 30, 2021, pledges receivables were \$236,162 less allowances. Management has assessed the collectability of pledges receivable and determined they are fully collectible as of June 30, 2021.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 9    Component Unit (continued)**

#### **Summary of Significant Accounting Policies (continued)**

##### Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation files Forms 990 (Return of Organization Exempt from Income Tax) annually. When these returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes that it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Tax positions are not offset or aggregated with other positions. Tax positions that meet the “more likely than not” recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying statements of financial position along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

Forms 990 filed by the Foundation are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return. Forms 990 filed by the Foundation are no longer subject to examination for tax years before June 30, 2016.

##### Functional Allocation of Expenses

Included on the statement of activities is expenses by function with natural classification detail. Expenses that can be identified with a specific program are recorded directly according to their natural expense classification. Other expenses that are common to several functions are allocated by various methods. 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.

##### Cash and Cash Equivalents

The Foundation considers Cash, money markets and all liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.

##### Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and certificates of deposits. As of June 30, 2021, the bank balances of the Foundation's deposits were \$543,983, and the entire balance was secured by FDIC coverage and collateralized securities in the Foundation's name.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 9    Component Unit (continued)**

#### **Summary of Significant Accounting Policies (continued)**

##### Certificates of Deposit

The Foundation holds non-brokered certificates of deposit which are carried at cost.

##### Investments and Investment Earnings

Investments consist primarily of assets invested in alternative investments and marketable equity securities. Investments in equity securities with readily determinable fair values are measured at the fair value in the statement of financial position. Alternative investments are measured at the net asset value per share as a practical expedient in the statement of financial position. Investment income or loss is included in the statement of activities as an increase or decrease in net assets without donor restrictions unless the income or loss is restricted by donor or law.

##### Donated Services

Donated services are to be recognized in the financial statements. The services must either (a) create or enhance a non-financial asset or (b) be specialized skills, provided by entities or persons possessing those skills that would be purchased if not donated. The Foundation receives donated services generally in the form of contributed time by volunteers. However, these donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services. Donated services funded by the College are recognized in the financial statements and included in supporting services.

For the year ended June 30, 2021, the Foundation received contributed administrative services totaling \$141,637 from the College, a related party. The Foundation also received operational supplies valued at \$175 from various businesses and individuals during the year ended June 30, 2021.

##### 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### Subsequent Events

The Foundation has evaluated subsequent events through September 23, 2021 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2021 have been incorporated herein.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 9 Component Unit (continued)

#### Summary of Significant Accounting Policies (continued)

##### Pending Accounting Pronouncements

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. Management is evaluating what impact this new standard will have on its financial statements.

In 2020, the FASB issued *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07)*— Effective for fiscal years beginning after June 15, 2022, the amendments in this Update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets.

##### Cash and Cash Equivalents:

Cash and cash equivalents consist of the following at June 30, 2021:

Brokerage money market	\$128,921
Brokerage cash	1,150
Checking	190,727
<hr/>	
Total	\$320,798

##### Liquidity and Availability of Financial Assets:

The Foundation's primary sources of support are contributions, fundraising and income from investing its endowment. Most of that support is required to be used in accordance with the purpose restrictions imposed by the donors. The following table reflects the Foundation's financial assets as of June 30, 2021, reduced by amounts not available for general expenditures:

Total financial assets	\$10,798,016
Less those unavailable for general expenditure within one year due to:	
Purpose restrictions	1,353,903
Board designated restrictions	773,683
Perpetual endowments	6,970,202
<hr/>	
Financial assets available to meet cash needs for general expenditures within one year	\$1,700,228



# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 9 Component Unit (continued)

#### Investments

Interest, dividends, realized and unrealized gains and losses attributable to investments have been distributed based on each fund's percentage holdings of that investment. The investments at June 30, 2021 consisted of the following:

	<b>Fair Value</b>	<b>Cost</b>	<b>Unrealized Appreciation (Depreciation)</b>
U.S. treasury obligations	\$112,858	\$112,305	\$553
U.S. government agencies	71,953	71,730	223
Mutual funds	3,796,403	3,697,295	99,108
Exchange-traded and closed-end funds	3,997,212	3,079,950	917,262
Preferred stock	282,029	266,852	15,177
Common stock	1,602,844	1,153,011	449,833
Hedge funds	26,550	24,965	1,585
<b>Total investments</b>	<b>\$9,889,849</b>	<b>\$8,406,108</b>	<b>\$1,483,741</b>

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended June 30, 2021:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Interest and dividends	\$65,261	\$107,767	\$173,028
Unrealized gains (losses)	3,478	1,633,081	1,636,559
Realized gains (losses)	172	40,827	40,999
<b>Total</b>	<b>\$68,911</b>	<b>\$1,781,675</b>	<b>\$1,850,586</b>

#### Derivative Gains and Losses

For the fiscal year ended June 30, 2021, the Foundation reported its gains and losses on derivative investments as investment income on the Statement of Activities. The hedge fund loss of \$1,584 consisted of an increase in unrealized gains of \$1,584.

#### Endowment Funds:

The Foundation's policy is that endowments must include initial donations of at least \$25,000. All endowments have been created by donor restrictions instead of Board designation, and endowments are invested as described in Note 1 above.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 9 Component Unit (continued)

The Foundation considers its endowment to be underwater if the fair value is less than the sum of (1) the original value of initial and subsequent gift amounts donated to the endowment and (2) any accumulations to the endowment required to be held in perpetuity per donor direction. Foundation has no underwater endowment funds at June 30, 2021.

Changes in endowment net assets for the year ended June 30, 2021:

<u>Endowment net assets, July 1, 2020</u>	<u>\$5,415,814</u>
Contributions	92,250
Investment income (loss), net	1,545,376
<u>Net assets related from restrictions</u>	<u>(86,238)</u>
<u>Change in endowment net assets</u>	<u>1,554,388</u>
<u>Endowment net assets, June 30, 2021</u>	<u>\$6,970,202</u>

The Foundation's investment objectives for endowment funds include that they exist in perpetuity, and therefore, should provide for grant making in perpetuity. To attain this goal, the objective is to maintain purchasing power and grow the aggregate portfolio value at the rate of inflation over the investment horizon.

In order to meet its needs, the Foundation emphasizes total return, that is, the aggregate return from capital appreciation and dividend and interest income. The primary objective in the investment management for the Foundation's assets are to emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

The Investment/Finance Committee establishes the expendable portion of the combined endowment investment accounts for the coming year as of December 31. The expendable portion will be set at no more than 5% of the rolling five-year average (or all years if less than five) portfolio value. This is based on the total return system which includes interest, dividends, realized and unrealized gains/losses. Each sub account will be allocated its proportionate share of the expendable funds based on the average balances. Distributions are made semi-annually as agreed to with the College and in accordance with donor restrictions. Income available for spending is calculated each December 31 and is reviewed and approved by the Investment/Finance Committee annually.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 9 Component Unit (continued)

#### Net Assets with Donor Restrictions:

Net assets with donor restrictions consist of the following as of June 30, 2021

Subject to expenditure for specified purpose:	
Student scholarships, awards and College support	\$2,217,586
Endowment subject to spending policy and appropriation	6,970,202
	<hr/>
Net assets with donor restrictions	\$9,097,788

The Foundation reports gifts or cash as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the purpose of the restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the year ended June 30, 2021 for scholarships, awards and College support totaled \$510,365.

#### Pledge Receivable:

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. The breakdown of pledges receivable as of June 30, 2021 is as follows:

Total Pledges Receivable	\$250,000
Less discounts to net present value	(13,838)
	<hr/>
Pledges Receivable	\$236,162
	<hr/>
Amounts due in:	
Less than one year	\$100,000
Due in more than one year	136,162
	<hr/>
Pledges Receivable	\$236,162

#### Fair Value of Financial Instruments:

Current accounting standards establish 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 or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy, as described under current accounting standards, are 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.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 9 Component Unit (continued)

#### Fair Value of Financial Instruments (continued):

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value of investments in investment companies have a value of their capital account or net asset value calculated in accordance with, or in a manner consistent with U.S. generally accepted accounting principles (referred to as NAV). As a practical expedient, the Foundation is permitted under U.S. GAAP to estimate the fair value of an investment at the measurement date using the reported NAV without further adjustment unless the entity expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with U.S. GAAP. The Foundation's investments in Skybridge Multi-Adviser Hedge Fund Portfolios LLC – Series G in the alternative investment portfolio are generally valued based on the most current NAV received, adjusted for cash flows when the reported NAV is not at the measurement date. The Foundation adopted FASB Accounting Standards Update No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, and therefore is not required to assign a level in the hierarchy to investments measured using NAV.

#### *Equity Investments*

Investments in equity vehicles are comprised of corporate stocks and daily traded mutual funds. Securities held in corporate stocks and daily traded mutual funds are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied.

#### *Alternative Investments*

The alternative investment portfolio is made up of investments of shares of funds in Skybridge Multi-Adviser Hedge Fund Portfolios LLC – Series G. The fund managers invest in a variety of securities based on the strategy of the fund. Some of the shares in those multi-strategy funds are traded in an active market. All alternative investments, classified as hedge funds, are valued at NAV and are categorized as Level 3.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### Note 9 Component Unit (continued)

#### Fair Value of Financial Instruments (continued):

At June 30, 2021, the Foundation's approximate fair value hierarchy for investments valued at fair value were as follows:

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value on a recurring basis:</b>				
U.S. treasury obligations	\$112,858	\$112,858	\$0	\$0
U.S. government agencies	71,953	71,953	0	0
Mutual funds	3,796,403	3,796,403	0	0
Exchange-traded and closed-end funds	3,997,212	3,997,212	0	0
Preferred stock	282,029	282,029	0	0
Common stock	1,602,844	1,602,844	0	0
Hedge funds	26,550	0	0	26,550
Total	\$9,889,849	\$9,863,299	\$0	\$26,550

The Foundation does not have any unfunded commitments related to the above investments as of June 30, 2021.

Management has elected not to disclose the hedge funds valued at NAV due to insignificance to the financial statements as a whole.

#### Related Parties:

The Foundation is a component unit of Kankakee Community College District 520 (College) for financial reporting purposes. The financial balances and activities included in these financial statements are, therefore, also included in the College's financial statements. The College provides office space and support services for the Foundation. The estimated fair value of such in-kind benefits to the Foundation was \$141,637 for the year ended June 30, 2021 and is recognized as both a revenue and expense in the statement of activities. The Foundation paid the College \$241,542 for scholarships and awards and had during the year ended June 30, 2021. At June 30, 2021, the Foundation had accounts payable of \$278,512 to the College.

# Kankakee Community College District 520

## Notes to Financial Statements

---

### **Note 10**    Contingencies and Commitments

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the College expects such amounts, if any, to be immaterial.

### **Note 11**    Subsequent Events

The College has evaluated subsequent events through March 7, 2022 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2021 have been incorporated herein. There are no other subsequent events that require disclosure.

On July 1, 2021, the College issued General Obligation Series 2021A Debt Certificates in the amount of \$3,520,000. These Debt Certificates were then refunded by the issuance of General Obligation Series 2021B Bonds in the amount of \$3,340,000 on September 27, 2021.

On July 13, 2021, the College entered into an agreement with Troop Contracting, Inc. for Phase 2 Renovations of the Technology Center in the amount of \$3,302,800.

### **Note 12**    Current Year Restatement

As a result of reporting changes from the 2020 audit related to amortization of bond premiums, prior year restatements are as follows:

	<u>Long-Term Debt Fund</u>
Balance at July 1, 2020	(\$30,897,569)
add: unamortized premium on long-term debt	(168,183)
	<hr/>
Balance at July 1, 2020, as restated	(\$31,065,752)
	<hr/>
	<u>Net Position</u>
Balance at July 1, 2020	\$37,444,405
add: unamortized premium on long-term debt	(168,163)
	<hr/>
Balance at July 1, 2020, as restated	\$37,276,222
	<hr/>

## **Required Supplementary Information**

# Kankakee Community College District 520

## Schedule of Share of Net Pension Liability

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2014)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion percentage of the collective net pension liability	0%	0%	0%	0%	0%	0%				
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 associated with the College	\$107,952,349	\$102,875,295	\$98,650,469	\$93,515,659	\$98,606,011	\$89,176,468				
College defined benefit covered payroll	\$13,071,288	\$12,957,659	\$12,832,132	\$12,969,639	\$13,735,863	\$13,755,070				
Proportion of collective net pension liability associated with the College as a percentage of defined benefit covered payroll	825.87%	793.93%	768.78%	721.04%	717.87%	648.32%				
SURS plan net position as a percentage of total pension liability	39.05%	40.71%	41.27%	42.04%	39.57%	42.37%				

Note: The College implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedule is intended to show information for 10 years.



# Kankakee Community College District 520

## Schedule of Pension Contributions

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2014)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Federal, trust, grant and other contribution	\$152,514	\$162,582	\$139,029	\$139,567	\$140,569	\$176,970	\$155,372			
Contribution in relation to required contribution	152,514	162,582	139,029	139,567	140,569	176,970	155,372			
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
College covered payroll	\$12,324,407	\$13,071,288	\$12,957,659	\$12,832,132	\$12,969,639	\$13,735,863	\$13,755,070			
Contribution as a percentage of covered - employee payroll	1.24%	1.24%	1.07%	1.09%	1.08%	1.29%	1.13%			

Note: The College implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

# Kankakee Community College District 520

## Schedule of Share of Net OPEB Liability

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2016)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion percentage of the collective net OPEB liability	0.75%	0.77%	0.78%	0.79%						
Proportion amount of the collective net OPEB liability	\$13,748,158	\$14,530,209	\$14,758,978	\$14,341,851						
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	\$13,748,131	\$14,530,209	\$14,758,978	\$14,152,960						
Total collective net OPEB liability associated with the College	\$27,496,289	\$29,060,418	\$29,517,956	\$28,494,811						
College covered payroll	\$13,071,288	\$12,957,659	\$12,832,132	\$12,969,639						
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	210.36%	224.27%	230.03%	219.70%						
College insurance plan net position as a percentage of total OPEB liability	-5.07%	-4.13%	-3.54%	-2.87%						

Note: The College implemented GASB No. 75 in fiscal year 2017. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

# Kankakee Community College District 520

## Schedule of OPEB Contributions

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2016)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statorily required contribution	\$66,926	\$69,366	\$69,064	\$68,365	\$68,230	\$71,943				
Contribution in relation to the required statorily	66,926	69,366	69,064	68,365	68,230	71,943				
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0				
College covered payroll	\$12,324,407	\$13,071,288	\$12,957,659	\$12,832,132	\$12,969,639	\$13,735,863				
Contribution as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%				

Note: The College implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

# Kankakee Community College District 520

## Notes to Required Supplementary Information

---

### **Note 1**    **Changes of Benefit Terms:**

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2020.

### **Note 2**    **Changes of Assumptions:**

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding 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 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 the 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 MP2014 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.

### **Note 3**    **Changes of OPEB Benefit Terms:**

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2020.

### **Note 4**    **Changes of OPEB Assumptions:**

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of CIP. An experience review for the years June 30, 2014 to June 30, 2017, resulting in the adoption of new assumptions as of June 30, 2019. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2018:

# Kankakee Community College District 520

## Notes to Required Supplementary Information

---

### Note 4 Changes of OPEB Assumptions (continued):

- The price inflation was decreased from 2.75 percent to 2.25 percent.
- The salary scale assumption was decreased.
- The rates of retirement were decreased.
- The rates of termination were decreased.
- The rates of disability were decreased.
- The mortality table was updated to reflect recent experience and mortality improvement scales.
- The discount rate was changed from 3.13 percent at June 30, 2019, to 2.45 percent at June 30, 2020.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2019, projected plan cost for plan year end June 30, 2020, premium changes through plan year end 2020, and expectation of future trend increases after June 30, 2020;
- Since the Excise Tax was repealed, the Excise Tax trend adjustment was removed;
- Per capita claim costs for plan year end June 30, 2020, were updated based on projected claims and enrollment experience through June 30, 2020, and updated premium rates through plan year end 2021; and
- Healthcare plan participation rates by plan were updated based on observed experience.

## **Supplemental Financial Information**

# Kankakee Community College District 520

## Supplemental Financial Information Section

---

### **Uniform Financial Statements**

The Uniform Financial Statements are required by the Illinois Community College Board for the purpose of providing consistent audited data for every community college district. Regardless of the basis of accounting used for a College's 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 and a current financial resource measurement focus.

The Uniform Financial Statements include the following:

- No. 1 - All Funds Summary
- No. 2 - Summary of Capital Assets and Long-Term Debt
- No. 3 - Operating Funds Revenues and Expenditures
- No. 4 - Restricted Purposes Fund Revenues and Expenditures
- No. 5 - Current Funds Expenditures by Activity

### **Certificate of Chargeback Reimbursement**

- No. 6 - Certificate of Chargeback Reimbursement

# Kankakee Community College District 520

Uniform Financial Statement #1

All Funds Summary

For the year ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund
Fund balance (deficit) at July 1, 2020	\$7,671,007	\$5,578,770	\$937,415	\$1,275,606
Revenue:				
Local taxes	6,359,744	1,750,843	1,226,610	2,533,369
All other local government	0	0	0	0
ICCB grants	3,384,133	227,975	801,712	0
All other state revenue	0	0	0	0
Federal revenue	359,026	126,815	0	0
Student tuition and fees	8,324,071	339,711	0	0
On-Behalf CIP	0	0	0	0
On-Behalf SURS	0	0	0	0
All other revenue	224,362	447,288	50,870	1,104
Total revenue	18,651,336	2,892,632	2,079,192	2,534,473
Expenditures:				
Instruction	7,782,867	0	0	0
Academic support	1,719,152	0	0	0
Student services	1,558,737	0	0	0
Public service	417,287	0	0	0
Auxiliary services	0	0	0	0
Operation and maintenance	0	2,620,105	3,064	0
Institutional support	6,275,851	232,385	0	2,300
Scholarships, student grants, and waivers	0	0	0	0
Principal retirement	0	0	0	2,090,000
Interest	0	0	0	460,082
Building construction, building improvements, and equipment	197,076	99,989	2,693,595	0
Total expenditures	17,950,970	2,952,479	2,696,659	2,552,382
Other financing sources (uses):				
Transfers in	209,001	0	1,091,811	0
Transfers out	0	(1,000,000)	(245,812)	0
	209,001	(1,000,000)	845,999	0
Fund balance (deficit) at June 30, 2021	\$8,580,374	\$4,518,923	\$1,165,947	\$1,257,697



# Kankakee Community College District 520

Uniform Financial Statement #1

All Funds Summary

(Continued)

For the year ended June 30, 2021

	Auxiliary Enterprise Fund	Restricted Purpose Fund	Working Cash Fund
Fund balance (deficit) at July 1, 2020	\$7,187,224	\$0	\$3,405,337
Revenue:			
Local taxes	0	11,649	0
All other local government	0	0	0
ICCB grants	0	298,836	0
All other state revenue	0	501,752	0
Federal revenue	644,863	8,062,937	0
Student tuition and fees	528,263	0	0
On-Behalf CIP	0	244,514	0
On-Behalf SURS	0	11,928,518	0
All other revenue	1,118,013	0	27,595
<b>Total revenue</b>	<b>2,291,139</b>	<b>21,048,206</b>	<b>27,595</b>
Expenditures:			
Instruction	0	6,477,789	0
Academic support	0	868,770	0
Student services	0	1,402,841	0
Public service	0	4,033,617	0
Auxiliary services	1,900,065	317,153	0
Operation and maintenance	0	1,196,387	0
Institutional support	0	2,138,074	0
Scholarships, student grants, and waivers	0	4,911,220	0
Principal retirement	0	0	0
Interest	0	0	0
Building construction, building improvements, and equipment	0	94,635	0
<b>Total expenditures</b>	<b>1,900,065</b>	<b>21,440,486</b>	<b>0</b>
Other financing sources (uses):			
Transfers in	0	0	0
Transfers out	0	0	(55,000)
	0	0	(55,000)
<b>Fund balance (deficit) at June 30, 2021</b>	<b>\$7,578,298</b>	<b>(\$392,280)</b>	<b>\$3,377,932</b>

# Kankakee Community College District 520

Uniform Financial Statement #1

All Funds Summary

(Continued)

For the year ended June 30, 2021

	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund balance (deficit) at July 1, 2020	\$79,268	\$2,097,506	\$28,232,133
Revenue:			
Local taxes	61,130	1,460,892	13,404,237
All other local government	0	0	0
ICCB grants	0	0	4,712,656
All other state revenue	0	0	501,752
Federal revenue	0	0	9,193,641
Student tuition and fees	0	0	9,192,045
On-Behalf CIP	0	0	244,514
On-Behalf SURS	0	0	11,928,518
All other revenue	111	2,902	1,872,245
<b>Total revenue</b>	<b>61,241</b>	<b>1,463,794</b>	<b>51,049,608</b>
Expenditures:			
Instruction	0	0	14,260,656
Academic support	0	0	2,587,922
Student services	0	0	2,961,578
Public service	0	0	4,450,904
Auxiliary services	0	0	2,217,218
Operation and maintenance	0	489,799	4,309,355
Institutional support	55,250	512,768	9,216,628
Scholarships, student grants, and waivers	0	0	4,911,220
Principal retirement	0	0	2,090,000
Interest	0	0	460,082
Building construction, building improvements, and equipment	0	0	3,085,295
<b>Total expenditures</b>	<b>55,250</b>	<b>1,002,567</b>	<b>50,550,858</b>
Other financing sources (uses):			
Transfers in	0	0	1,300,812
Transfers out	0	0	(1,300,812)
	0	0	0
<b>Fund balance (deficit) at June 30, 2021</b>	<b>\$85,259</b>	<b>\$2,558,733</b>	<b>\$28,730,883</b>

# Kankakee Community College District 520

## Uniform Financial Statement #2

### Summary of Capital Assets and Long-Term Debt \*

For the year ended June 30, 2021

	Balance July 1, 2020	Additions	Deletions	Reclassification	Balance June 30, 2021
Capital assets:					
Sites and improvements	\$5,905,538	\$19,925	\$0	\$0	\$5,925,463
Buildings, additions and improvements	53,747,330	699,374	0	3,576,476	58,023,180
Equipment	25,929,487	305,099	0	0	26,234,586
Construction in process	3,576,476	2,060,897	0	(3,576,476)	2,060,897
Equipment in process	0	0	0	0	0
<b>Total capital assets</b>	<b>89,158,831</b>	<b>3,085,295</b>	<b>0</b>	<b>0</b>	<b>92,244,126</b>
<b>Accumulated depreciation</b>	<b>48,801,779</b>	<b>2,933,617</b>	<b>0</b>	<b>0</b>	<b>51,735,396</b>
<b>Net capital assets</b>	<b>\$40,357,052</b>	<b>\$151,678</b>	<b>\$0</b>	<b>\$0</b>	<b>\$40,508,730</b>
Long-Term Debt:					
Bonds payable	\$13,185,000	\$0	\$2,090,000	\$0	\$11,095,000
Bond premium	836,497	0	202,096	0	634,401
Compensated absences	850,265	462,461	366,410	0	946,316
OPEB liability	14,530,209	0	782,051	0	13,748,158
<b>Total long-term debt</b>	<b>\$29,401,971</b>	<b>\$462,461</b>	<b>\$3,440,557</b>	<b>\$0</b>	<b>\$26,423,875</b>

\* Kankakee Community College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2021.

# Kankakee Community College District 520

## Uniform Financial Statement #3

### Operating Funds Revenues and Expenditures

For the year ended June 30, 2021

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government:			
Local taxes	\$5,736,053	\$1,640,780	\$7,376,833
Corporate personal property replacement tax	623,691	110,063	733,754
<b>Total local government</b>	<b>6,359,744</b>	<b>1,750,843</b>	<b>8,110,587</b>
State government:			
ICCB base operating grant	1,892,580	99,610	1,992,190
ICCB equalization grant	1,155,286	128,365	1,283,651
ICCB career and technical education	242,519	0	242,519
Other state sources	93,748	0	93,748
<b>Total state government</b>	<b>3,384,133</b>	<b>227,975</b>	<b>3,612,108</b>
Federal government:			
Department of Education	359,026	126,815	485,841
<b>Total federal government</b>	<b>359,026</b>	<b>126,815</b>	<b>485,841</b>
Student tuition and fees:			
Tuition	7,601,721	339,711	7,941,432
Fees	722,350	0	722,350
<b>Total tuition and fees</b>	<b>8,324,071</b>	<b>339,711</b>	<b>8,663,782</b>
Other sources:			
Interest	7,619	13,951	21,570
Other	216,743	433,337	650,080
<b>Total other sources</b>	<b>224,362</b>	<b>447,288</b>	<b>671,650</b>
<b>Total revenue</b>	<b>18,651,336</b>	<b>2,892,632</b>	<b>21,543,968</b>
Less nonoperating items *			
Tuition chargeback revenue	0	0	0
<b>Adjusted revenue</b>	<b>\$18,651,336</b>	<b>\$2,892,632</b>	<b>\$21,543,968</b>

\* Intercollege revenues that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

# Kankakee Community College District 520

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures (Continued)

For the year ended June 30, 2021

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By program:			
Instruction	\$7,979,943	\$0	\$7,979,943
Academic support	1,719,152	0	1,719,152
Student services	1,558,737	0	1,558,737
Public services	417,287	0	417,287
Auxiliary services	0	0	0
Operation and maintenance of plant	0	2,720,094	2,720,094
Institutional support	6,275,851	232,385	6,508,236
Scholarships, student grants, and waivers	0	0	0
<b>Total expenditures</b>	<b>17,950,970</b>	<b>2,952,479</b>	<b>20,903,449</b>
Less nonoperating items *			
Tuition chargeback	0	0	0
<b>Adjusted expenditures</b>	<b>\$17,950,970</b>	<b>\$2,952,479</b>	<b>\$20,903,449</b>
By object:			
Salaries	\$11,222,964	\$1,046,399	\$12,269,363
Employee benefits	1,559,487	187,129	1,746,616
Contractual services	1,270,845	191,555	1,462,400
General materials and supplies	1,376,479	223,265	1,599,744
Conference and meeting expense	63,868	1,298	65,166
Fixed charges	2,549	150,884	153,433
Utilities	4,544	753,395	757,939
Capital outlay	337,772	360,801	698,573
Other	2,112,462	37,753	2,150,215
<b>Total expenditures</b>	<b>17,950,970</b>	<b>2,952,479</b>	<b>20,903,449</b>
Less nonoperating items *			
Tuition chargeback	0	0	0
<b>Adjusted expenditures</b>	<b>\$17,950,970</b>	<b>\$2,952,479</b>	<b>\$20,903,449</b>

\* Intercollege revenues that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

# Kankakee Community College District 520

## Uniform Financial Statement #4

### Restricted Purposes Fund Revenues and Expenditures

For the year ended June 30, 2021

---

Revenue by source:

Local government:

Community Foundation	\$2,500
Book in hand	2,364
United Way	4,540
Making Connections	2,245
<b>Total local government</b>	<b>11,649</b>

---

State government:

ICCB:

State Adult Education Restricted Funds	\$283,836
Other	15,000
SURS on behalf contributions	11,928,518
CIP on behalf contributions	244,514
Illinois Veterans' Grant	0
ISAC - Monetary Award Grants	0
CARES - GEERF	0
Other	501,752
<b>Total state government</b>	<b>12,973,620</b>

---

Federal government:

Department of Education:

College Work Study Grants	60,628
Pell Grants	3,142,376
FSEOG	121,640
Direct Loans	634,005
Federal Adult Basic	151,734
Trio - Student Support Services	240,252
Trio - Upward Bound	403,729
Trio - Talent Search	373,376
COVID-19 - Emergency Funding	513,562
CARES - Institutional Funding	203,989
HEERF Grants	302,244
Strengthening Institutions	59,509
Department of Labor:	
WIOA	1,400,451
Other	267
Other Federal Government Sources:	
Perkins Title III	237,155
CURES ICCB	35,000
Other	183,020
<b>Total federal government</b>	<b>8,062,937</b>

---

Revenue by source (continued):

Other sources	0
---------------	---

---

**Total restricted purposes fund revenues** **\$21,048,206**

---

---

# Kankakee Community College District 520

## Uniform Financial Statement #4

### Restricted Purposes Fund Revenues and Expenditures (Continued)

For the year ended June 30, 2021

---

Expenditures by program:

Instruction	\$6,503,767
Academic support	868,770
Student services	1,402,841
Public services	4,102,274
Auxiliary services	317,153
Operations and maintenance	1,196,387
Institutional support	2,138,074
Scholarships, student grants, and waivers	4,911,220

---

Total restricted purposes fund expenditures  
by program

\$21,440,486

---

---

Expenditures by object:

Salaries	\$1,840,553
Employee benefits (including on-behalf)	12,652,610
Contractual services	268,740
General materials and supplies	580,715
Travel, conference and meeting expense	47,192
Fixed charges	18,150
Utilities	29
Capital outlay	264,207
Other	5,768,290

---

Total restricted purposes fund expenditures by object

\$21,440,486

---

---

# Kankakee Community College District 520

## Uniform Financial Statement #5

### Current Funds\* - Expenditures by Activity

For the year ended June 30, 2021

---

Instruction:	
Instructional programs	\$8,486,917
Other	5,857,958
Total instructional	14,344,875
Academic support:	
Library center	627,271
Instructional materials center	28,747
Educational media center	351,637
Academic computing support	455,066
Academic administration and planning	155,139
Other academic support	977,557
Total academic support	2,595,417
Student services:	
Admissions and records	284,567
Counseling and career guidance	940,347
Financial aid administration	234,910
Other student services	1,501,754
Total student services	2,961,578
Public service/continuing education:	
Community education	887,812
Customized training	202,633
Community services	439,445
Other public service	2,989,671
Total public service/continuing education	4,519,561
Organized research	0
Auxiliary services	2,217,218
Operations and maintenance of plant:	
Maintenance	682,649
Custodial	762,579
Grounds	278,442
Campus Security	489,799
Transportation	23,845
Plant utilities	753,170
Administration	219,409
Other operations and maintenance	1,196,387
Total operations and maintenance of plant	4,406,280

\* Current Funds include Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; and Liability, Protection, and Settlement.



# Kankakee Community College District 520

Uniform Financial Statement #5

Current Funds\* - Expenditures by Activity

For the year ended June 30, 2021

---

Institutional support:	
Executive management	808,340
Fiscal operations	928,581
Community relations	670,674
Administrative support services	0
Board of trustees	23,555
General institution	3,723,606
Institutional research	0
Administrative data processing	1,571,856
Other institutional support	1,619,056
<hr/> Total institutional support	<hr/> 9,345,668
Scholarships, student grants, and waivers	4,911,220
<hr/>	<hr/>
Total current funds expenditures	\$45,301,817

\* Current Funds include Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; and Liability, Protection, and Settlement.

# Kankakee Community College District 520

## Certification of Chargeback Reimbursement For Fiscal Year 2021

All fiscal year 2021 noncapital audited operating expenditures from the following funds:

1	Education Fund	\$17,753,894	
2	Operations and Maintenance Fund	2,852,490	
3	Public Building Commission Operation and Maintenance Fund	3,064	
4	Bond and Interest Fund	2,552,382	
5	Public Building Commission Rental Fund	0	
6	Restricted Purposes Fund	9,172,819	
7	Audit Fund	55,250	
8	Liability, Protection, and Settlement Fund	1,002,567	
9	Auxiliary Enterprises Fund (subsidy only)	<u>0</u>	
10	Total noncapital expenditures (sum of lines 1-6)		<u><u>\$33,392,466</u></u>
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u><u>\$2,119,183</u></u>	
12	Total costs included (line 10 plus line 11)		<u><u>\$35,511,649</u></u>
13	Total certified semester credit hours for FY 2021	<u>43,647</u>	
14	Per capita cost (line 12 divided by line 13)		\$ 813.62
15	All FY 2021 state and federal operating grants for noncapital expenditures, except ICCB grants	<u><u>\$9,313,144</u></u>	
16	FY 2021 state and federal grants per semester credit hour (line 15 divided by line 13)		213.38
17	District's average ICCB grant rate (excluding equalization grants) for FY 2022		40.66
18	District's student tuition and fee rate per semester credit hour for FY 2022		<u>165.00</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)		<u><u>\$394.58</u></u>

Approved: Beth Nunley  
Chief Fiscal Officer

March 7, 2022

Date

[Signature]  
President

March 7, 2022

Date

## **Other Supplemental Financial Information**

# Kankakee Community College District 520

## Reconciliation of Fund Equity to Net Position

June 30, 2021

---

Governmental funds equity	\$21,152,585
Proprietary funds equity	7,578,298
<hr/>	
Total fund equity	28,730,883
<hr/>	
Reconciling items:	
Capital assets, net	40,508,730
Deferred contractually required contributions	152,514
Compensated absences	(897,900)
Deferred salaries	(115,745)
Unearned tuition	570,888
Bonds payable	(11,729,401)
OPEB deferred inflows	(3,533,661)
OPEB deferred outflows	197,020
OPEB liability	(13,748,158)
Accrued interest on bonds	(33,435)
<hr/>	
Net position	\$40,101,735
<hr/> <hr/>	

# Kankakee Community College District 520

## Reconciliation of Changes in Fund Equity

### to Changes in Net Position

For the year ended June 30, 2021

---

Net change in fund equity - governmental funds	\$107,676
Net change in fund equity - proprietary funds	391,074
<hr/>	
Total change in fund equity	498,750

#### Reconciling items:

Addition of capital assets	3,085,295
Depreciation	(2,933,617)
Change in deferred contractually required contributions	(10,068)
Change in unearned summer salaries	49,261
Change in compensated absences	(85,136)
Change in unearned summer tuition	2,911
bond principal payments	2,090,000
Amortization of premium on bond issuance	202,096
Change in OPEB deferred inflows	(818,478)
Change in OPEB deferred outflows	(45,723)
Change in OPEB liability	782,051
Change in accrued interest on bonds	8,171

---

Change in net position	\$2,825,513
------------------------	-------------

---

---

# Kankakee Community College District 520

## Budgetary Comparison Schedule

### Educational Fund

For the year ended June 30, 2021

(With Comparative totals for 2020)

	2021		2020
	Budget	Actual	Actual
Revenues:			
Local government sources	\$5,715,753	\$5,736,053	\$5,541,186
Federal government sources	107,370	359,026	117,188
State government sources	3,925,967	4,007,824	4,084,515
Student tuition and fees	7,691,792	8,324,071	8,856,427
Interest	16,967	7,619	74,845
Other	148,358	216,743	151,506
Total revenues	17,606,207	18,651,336	18,825,667
Expenditures:			
Instructional	9,905,423	7,841,108	8,471,010
Academic support	1,783,844	1,726,647	1,681,167
Student services	1,361,973	1,558,737	1,567,313
Public services	445,339	417,287	526,781
Institutional support	8,267,238	6,407,191	6,952,191
Total expenditures	21,763,817	17,950,970	19,198,462
Excess (deficiency) of revenues over expenditures	(4,157,610)	700,366	(372,795)
Other financing sources (uses)			
Transfers in	116,567	209,001	42,897
Net change in fund balance	(\$4,041,043)	\$909,367	(\$329,898)

# Kankakee Community College District 520

## Schedule of Revenues and Comparison with Budget

### Educational Fund

For the year ended June 30, 2021

(With Comparative totals for 2020)

	2021		2020
	Budget	Actual	Actual
Revenues:			
Local government sources:			
General property taxes	\$5,715,753	\$5,736,053	\$5,541,186
Federal government sources:			
Department of Education	107,370	359,026	117,188
State government sources:			
State apportionment/equalization	3,138,468	3,109,356	3,359,799
ICCB Career and Technical education	244,820	242,519	244,820
Replacement taxes	542,679	655,949	479,896
	3,925,967	4,007,824	4,084,515
Student tuition:			
Tuition	6,943,733	7,601,250	7,988,708
Fees	747,859	722,350	855,987
Other	200	471	11,732
	7,691,792	8,324,071	8,856,427
Interest	16,967	7,619	74,845
Other	148,358	216,743	151,506
Total revenues	\$17,606,207	\$18,651,336	\$18,825,667

# Kankakee Community College District 520

## Schedule of Expenditures and Comparison with Budget

### Educational Fund

For the year ended June 30, 2021

(With Comparative totals for 2020)

	2021		2020
	Budget	Actual	Actual
<b>Instructional:</b>			
Salaries	7,269,834	6,716,036	7,247,353
Employee benefits	4,000	665,645	698,493
Contractual services	99,823	70,719	87,442
Material and supplies	326,222	302,645	261,141
Conference and meetings	105,324	19,946	60,964
Fixed charges	8,986	2,549	1,962
Capital outlay	113,565	63,568	112,449
Other	1,977,669	0	1,206
	<b>9,905,423</b>	<b>7,841,108</b>	<b>8,471,010</b>
<b>Academic support:</b>			
Salaries	1,063,692	798,534	942,635
Employee benefits	0	108,719	127,433
Contractual services	356,832	346,215	331,285
Material and supplies	252,950	459,895	203,306
Conferences and meetings	23,620	5,789	7,581
Capital outlay	86,000	7,495	68,927
Other	750	0	0
	<b>1,783,844</b>	<b>1,726,647</b>	<b>1,681,167</b>
<b>Student services:</b>			
Salaries	1,201,219	1,216,571	1,268,465
Employee benefits	0	199,990	191,364
Contractual services	35,500	42,631	21,220
Material and supplies	91,764	76,358	71,544
Conferences and meetings	27,490	4,341	14,720
Utilities	6,000	572	0
Capital outlay	0	18,274	0
	<b>1,361,973</b>	<b>1,558,737</b>	<b>1,567,313</b>
<b>Public services:</b>			
Salaries	273,493	251,447	358,159
Employee benefits	0	46,333	62,918
Contractual services	57,929	77,376	38,053
Material and supplies	61,900	30,734	38,480
Conferences and meetings	11,325	1,106	4,732
Other	40,692	10,291	24,439
	<b>445,339</b>	<b>417,287</b>	<b>526,781</b>



# Kankakee Community College District 520

## Schedule of Expenditures and Comparison with Budget

### Educational Fund (Continued)

For the year ended June 30, 2021

(With Comparative totals for 2020)

	2021		2020
	Budget	Actual	Actual
Institutional support:			
Salaries	2,244,829	2,240,376	2,927,560
Employee benefits	1,842,809	538,800	582,200
Contractual services	817,568	733,904	890,994
Material and supplies	433,612	506,847	(50,389)
Conferences and meetings	128,950	32,686	87,875
Fixed charges	200	0	0
Utilities	1,750	3,972	2,494
Capital outlay	592,000	248,435	702,621
Other	2,205,520	2,102,171	1,808,836
	8,267,238	6,407,191	6,952,191
Total expenditures	\$21,763,817	\$17,950,970	\$19,198,462

# Kankakee Community College District 520

Budgetary Comparison Schedule  
 Operations and Maintenance Fund  
 For the year ended June 30, 2021  
 (With Comparative totals for 2020)

	2021		2020
	Budget	Actual	Actual
Revenues:			
Local government sources:			
General property taxes	\$1,634,020	\$1,640,780	\$1,584,070
State government sources:			
State apportionment/equalization	227,975	227,975	257,588
Replacement taxes	90,074	110,063	78,995
Total state government sources	318,049	338,038	336,583
Federal government sources	0	126,815	0
Student tuition	316,033	339,711	365,463
Interest	14,179	13,951	58,194
Other	298,776	433,337	646,556
<b>Total revenues</b>	<b>2,581,057</b>	<b>2,892,632</b>	<b>2,990,866</b>
Expenditures:			
Operations and maintenance:			
Salaries	1,161,207	1,046,399	964,170
Employee benefits	0	187,129	204,194
Contractual services	116,988	163,356	167,273
Materials and supplies	232,875	213,580	213,742
Conference and meetings	2,750	1,298	1,283
Fixed charges	44,100	24,998	27,936
Utilities	865,053	753,395	840,721
Capital outlay	391,460	293,545	339,650
Other	427,203	36,394	47,279
Total operations and maintenance	3,241,636	2,720,094	2,806,248
Institutional support:			
Employee benefits	243,816	0	0
Contractual services	90,000	28,199	25,179
Materials and supplies	10,900	9,685	11,975
Fixed charges	106,876	125,886	105,790
Capital outlay	5,000	67,256	0
Other	1,000	1,359	1,107
Total institutional support	457,592	232,385	144,051
<b>Total expenditures</b>	<b>3,699,228</b>	<b>2,952,479</b>	<b>2,950,299</b>
Transfers:			
Transfer out	(1,000,000)	(1,000,000)	0
<b>Net change in fund balance</b>	<b>(\$2,118,171)</b>	<b>(\$1,059,847)</b>	<b>\$40,567</b>

# Kankakee Community College District 520

## Budgetary Comparison Schedule

### College Bookstore Fund

For the year ended June 30, 2021

(With Comparative totals for 2020)

	2021		2020
	Budget	Actual	Actual
Revenues:			
Sales and services	\$1,320,629	\$997,739	\$1,179,105
Federal government sources - lost revenue	0	659,256	0
Interest	18,000	13,232	45,303
Other	0	0	555
Total revenues	1,338,629	1,670,227	1,224,963
Expenses:			
Independent operation:			
Salaries	99,558	92,708	98,893
Employee benefits	8,268	6,819	7,629
Contractual services	13,695	18,628	21,048
Material and supplies	1,169,465	1,002,566	956,211
Conferences and meetings	600	49	1,251
Other	1,258,532	7,308	7,990
Total expenses	2,550,118	1,128,078	1,093,022
Net income (loss)	(\$1,211,489)	\$542,149	\$131,941

# Kankakee Community College District 520

## Budgetary Comparison Schedule

### Athletics Fund

For the year ended June 30, 2021

(With Comparative totals for 2020)

	2021		2020
	Budget	Actual	Actual
Revenues:			
Student fees	\$334,381	\$295,681	\$380,634
Sales and services	4,000	0	4,357
Federal government sources - lost revenue	0	35,470	0
Interest	0	510	1,229
Other	209,425	60,470	107,921
<b>Total revenues</b>	<b>547,806</b>	<b>392,131</b>	<b>494,141</b>
Expenses:			
Independent operation:			
Salaries	180,055	186,275	169,689
Employee benefits	16,089	15,993	14,652
Contractual services	108,675	83,692	66,977
Material and supplies	64,920	53,813	52,083
Conferences and meetings	170,567	107,104	149,707
Fixed charges	7,000	6,145	4,149
Other	500	590	0
<b>Total expenses</b>	<b>547,806</b>	<b>453,612</b>	<b>457,257</b>
<b>Net income (loss)</b>	<b>\$0</b>	<b>(\$61,481)</b>	<b>\$36,884</b>

# Kankakee Community College District 520

## Budgetary Comparison Schedule

### Student Center Fund

For the year ended June 30, 2021

(With Comparative totals for 2020)

	2021		2020
	Budget	Actual	Actual
Revenues:			
Student fees	\$263,149	\$232,582	\$124,400
Federal government sources - lost revenue	0	(59,522)	0
Interest	720	588	1,724
Other	50,000	0	19,385
Total revenues	313,869	173,648	145,509
Expenses:			
Independent operation:			
Salaries	77,327	64,065	70,393
Employee benefits	9,158	8,477	9,123
Contractual services	21,859	7,058	6,775
Material and supplies	2,850	11,701	1,466
Conferences and meetings	5,250	50	2,537
Capital outlay	0	0	10,045
Other	197,425	9,507	73,565
Total expenses	313,869	100,858	173,904
Net income	\$0	\$72,790	(\$28,395)

# Kankakee Community College District 520

## Budgetary Comparison Schedule

### College Center Fund

For the year ended June 30, 2021

(With Comparative totals for 2020)

---

	2021		2020
	Budget	Actual	Actual
Revenues:			
Sales and services	\$12,000	\$6,967	\$9,570
Interest	0	34	117
Total revenues	12,000	7,001	9,687
Expenses:			
Independent operations:			
Material and supplies	12,000	8,266	10,978
Net income (loss)	\$0	(\$1,265)	(\$1,291)

# Kankakee Community College District 520

## Budgetary Comparison Schedule

### Esports Fund

For the year ended June 30, 2021

(With Comparative totals for 2020)

	2021		2020
	Budget	Actual	Actual
Revenues:			
Student fees	\$0	\$0	\$19,963
Federal government sources - lost revenue	0	7,963	0
Interest	0	6	0
Total revenues	0	7,969	19,963
Expenses:			
Independent operations:			
Conferences and meetings	0	0	425
Total expenses	0	0	425
Net income	\$0	\$7,969	\$19,538

# Kankakee Community College District 520

## Budgetary Comparison Schedule

### Fitness Center Fund

For the year ended June 30, 2021

(With Comparative totals for 2020)

	2021		2020
	Budget	Actual	Actual
Revenues:			
Sales and services	\$11,000	\$14,450	\$14,433
Federal government sources - lost revenue	0	1,696	0
Interest	72	46	117
Other	100	405	270
Total revenues	11,172	16,597	14,820
Expenses:			
Independent operation:			
Salaries	5,953	10,224	6,325
Contractual services	287	892	459
Material and supplies	305	1,527	75
Other	2,617	1,897	957
Total expenses	9,162	14,540	7,816
Net income	\$2,010	\$2,057	\$7,004



# Kankakee Community College District 520

## Schedule of Bonds Payable

For the year ended June 30, 2021

	<b>Series 2016A</b>	<b>Series 2016B</b>	<b>Series 2019</b>	<b>Totals</b>
Date of issue	February 4, 2016	February 29, 2016	June 27, 2019	
Interest rates	0.90% to 3.25%	3.00%	5.00%	
Principal redemption date	December 1, 2021	December 1, 2021	December 1, 2021	
Interest payments dates	June 1 and December 1	June 1 and December 1	June 1 and December 1	
Original issue	\$3,370,000	\$3,305,000	\$5,070,000	\$11,745,000
Paid to date	(400,000)	(165,000)	(85,000)	(650,000)
<b>Balance, June 30, 2021</b>	<b>\$2,970,000</b>	<b>\$3,140,000</b>	<b>\$4,985,000</b>	<b>\$11,095,000</b>

Due as follows:

<b>Year ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2022	\$2,000,000	\$55,025	\$100,000	\$92,700	\$55,000	\$247,875	\$2,155,000	\$395,600	\$2,550,600
2023	970,000	15,763	1,100,000	74,700	150,000	242,750	2,220,000	333,213	2,553,213
2024	0	0	1,940,000	29,100	355,000	230,125	2,295,000	259,225	2,554,225
2025	0	0	0	0	2,390,000	161,500	2,390,000	161,500	2,551,500
2026	0	0	0	0	2,035,000	50,875	2,035,000	50,875	2,085,875
	<b>\$2,970,000</b>	<b>\$70,788</b>	<b>\$3,140,000</b>	<b>\$196,500</b>	<b>\$4,985,000</b>	<b>\$933,125</b>	<b>\$11,095,000</b>	<b>\$1,200,413</b>	<b>\$12,295,413</b>

# Kankakee Community College District 520

Balance Sheet - All Fund Types

June 30, 2021

<b>ASSETS</b>	<b>Education</b>	<b>Operations and Maintenance</b>	<b>Operations and Maintenance Restricted</b>	<b>Bond and Interest</b>
Cash and cash equivalents	\$4,984,721	\$3,733,021	\$691,925	(\$10,032)
Receivables:				
Property taxes	5,880,605	1,682,710	1,237,281	2,536,715
Government claims and grants	268,323	20,591	0	0
Other	3,031,953	5,618	0	0
Advances to other funds	1,681,992	181,064	73,278	0
Inventory	0	0	0	0
Prepaid items	378,783	61,374	0	0
Due from component unit	278,512	0	0	0
Capital assets, net	0	0	0	0
Total assets	16,504,889	5,684,378	2,002,484	2,526,683
Deferred outflows of resources:				
Deferred OPEB	0	0	0	0
Deferred pension	0	0	0	0
Total deferred outflows	0	0	0	0
Total assets and deferred outflows	\$16,504,889	\$5,684,378	\$2,002,484	\$2,526,683
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$238,144	\$123,710	\$217,736	\$300
Accrued liabilities	570,859	89,125	0	0
Advances from other funds	1,292,164	2,270	0	0
Unearned tuition and fees	2,882,284	108,777	0	0
Accrued compensated absences	0	0	0	0
OPEB liability	0	0	0	0
Bonds payable, net of unamortized premiums (discounts)	0	0	0	0
Total liabilities	4,983,451	323,882	217,736	300
Deferred inflows of resources:				
Deferred property taxes	2,941,064	841,573	618,801	1,268,686
Deferred grant revenue	0	0	0	0
Deferred OPEB	0	0	0	0
Total deferred inflows	2,941,064	841,573	618,801	1,268,686
Fund balance/net position (deficit):				
Net investment in capital assets	0	0	0	0
Reserved for capital improvements	116,781	330,047	728,236	0
Restricted	0	0	437,711	1,257,697
Unrestricted	8,463,593	4,188,876	0	0
Total fund balance/net position (deficit)	8,580,374	4,518,923	1,165,947	1,257,697
Total liabilities, deferred inflows of resources, and fund balances/net position	\$16,504,889	\$5,684,378	\$2,002,484	\$2,526,683

# Kankakee Community College District 520

Balance Sheet - All Fund Types (Continued)

June 30, 2021

<b>ASSETS</b>	<b>Auxiliary Enterprises Fund</b>	<b>Restricted Purpose</b>	<b>Working Cash Fund</b>	<b>Audit</b>	<b>Liability, Protection, and Settlement Fund</b>
Cash and cash equivalents	\$6,896,538	(\$226,233)	\$3,377,932	\$55,124	\$1,962,627
Receivables:					
Property taxes	0	0	0	62,786	1,477,327
Government claims and grants	0	1,743,986	0	0	0
Other	61,239	0	0	0	0
Advances to other funds	755,845	459,338	0	0	101,912
Inventory	583,055	0	0	0	0
Prepaid items	8,098	1,387	0	0	53,550
Due from component unit	0	0	0	0	0
Capital assets, net	0	0	0	0	0
<b>Total assets</b>	<b>8,304,775</b>	<b>1,978,478</b>	<b>3,377,932</b>	<b>117,910</b>	<b>3,595,416</b>
Deferred outflows of resources:					
Deferred OPEB	0	0	0	0	0
Deferred pension	0	0	0	0	0
<b>Total deferred outflows</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total assets and deferred outflows</b>	<b>\$8,304,775</b>	<b>\$1,978,478</b>	<b>\$3,377,932</b>	<b>\$117,910</b>	<b>\$3,595,416</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$133,242	\$234,220	\$0	\$1,250	\$16,952
Accrued liabilities	143,827	53,822	0	0	18,923
Advances from other funds	89,502	1,607,540	0	0	261,953
Unearned tuition and fees	311,490	0	0	0	0
Accrued compensated absences	48,416	0	0	0	0
OPEB liability	0	0	0	0	0
Bonds payable, net of unamortized premiums (discounts)	0	0	0	0	0
<b>Total liabilities</b>	<b>726,477</b>	<b>1,895,582</b>	<b>0</b>	<b>1,250</b>	<b>297,828</b>
Deferred inflows of resources:					
Deferred property taxes	0	0	0	31,401	738,855
Deferred grant revenue	0	475,176	0	0	0
Deferred OPEB	0	0	0	0	0
<b>Total deferred inflows</b>	<b>0</b>	<b>475,176</b>	<b>0</b>	<b>31,401</b>	<b>738,855</b>
Fund balance/net position (deficit):					
Net investment in capital assets	0	0	0	0	0
Reserved for capital improvements	0	0	0	0	0
Restricted	7,187,224	0	3,377,932	85,259	2,558,733
Unrestricted	391,074	(392,280)	0	0	0
<b>Total fund balance/net position (deficit)</b>	<b>7,578,298</b>	<b>(392,280)</b>	<b>3,377,932</b>	<b>85,259</b>	<b>2,558,733</b>
<b>Total liabilities, deferred inflows of resources, and fund balances/net position</b>	<b>\$8,304,775</b>	<b>\$1,978,478</b>	<b>\$3,377,932</b>	<b>\$117,910</b>	<b>\$3,595,416</b>

# Kankakee Community College District 520

Balance Sheet - All Fund Types (Continued)

June 30, 2021

	<b>GASB</b>				<b>Adjusted Totals</b>
	<b>Fund Totals</b>	<b>General Fixed Assets Account</b>	<b>General Long Term Debt Account</b>	<b>Other Adjustments</b>	
<b>ASSETS</b>					
Cash and cash equivalents	\$21,465,623	\$0	\$0	\$0	\$21,465,623
Receivables:					
Property taxes	12,877,424	0	0	0	12,877,424
Government claims and grants	2,032,900	0	0	0	2,032,900
Other	3,098,810	0	0	0	3,098,810
Advances to other funds	3,253,429	0	0	(3,253,429)	0
Inventory	583,055	0	0	0	583,055
Prepaid items	503,192	0	0	(115,745)	387,447
Due from component unit	278,512	0	0	0	278,512
Capital assets, net	0	40,508,730	0	0	40,508,730
<b>Total assets</b>	<b>44,092,945</b>	<b>40,508,730</b>	<b>0</b>	<b>(3,369,174)</b>	<b>81,232,501</b>
Deferred outflows of resources:					
Deferred OPEB	0	0	197,020	0	197,020
Deferred pension	0	0	0	152,514	152,514
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>197,020</b>	<b>152,514</b>	<b>349,534</b>
<b>Total assets and deferred outflows</b>	<b>\$44,092,945</b>	<b>\$40,508,730</b>	<b>\$197,020</b>	<b>(\$3,216,660)</b>	<b>\$81,582,035</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$965,554	\$0	\$0	\$0	\$965,554
Accrued liabilities	876,556	0	33,435	0	909,991
Advances from other funds	3,253,429	0	0	(3,253,429)	0
Unearned tuition and fees	3,302,551	0	0	(570,888)	2,731,663
Accrued compensated absences	48,416	0	0	897,900	946,316
OPEB liability	0	0	13,748,158	0	13,748,158
Bonds payable, net of unamortized premiums (discounts)	0	0	11,729,401	0	11,729,401
<b>Total liabilities</b>	<b>8,446,506</b>	<b>0</b>	<b>25,510,994</b>	<b>(2,926,417)</b>	<b>31,031,083</b>
Deferred inflows of resources:					
Deferred property taxes	6,440,380	0	0	0	6,440,380
Deferred grant revenue	475,176	0	0	0	475,176
Deferred OPEB	0	0	3,533,661	0	3,533,661
<b>Total deferred inflows</b>	<b>6,915,556</b>	<b>0</b>	<b>3,533,661</b>	<b>0</b>	<b>10,449,217</b>
Fund balance/net position (deficit):					
Net investment in capital assets	0	40,508,730	(11,095,000)	0	29,413,730
Reserved for capital improvements	1,175,064	0	0	0	1,175,064
Restricted	14,904,556	0	(634,401)	0	14,270,155
Unrestricted	12,651,263	0	(17,118,234)	(290,243)	(4,757,214)
<b>Total fund balance/net position (deficit)</b>	<b>28,730,883</b>	<b>40,508,730</b>	<b>(28,847,635)</b>	<b>(290,243)</b>	<b>40,101,735</b>
<b>Total liabilities, deferred inflows of resources, and fund balances/net position</b>	<b>\$44,092,945</b>	<b>\$40,508,730</b>	<b>\$197,020</b>	<b>(\$3,216,660)</b>	<b>\$81,582,035</b>

# Kankakee Community College District 520

Combining Schedule of Revenues, Expenditures/Expenses,  
and Changes in Fund Balance/Net Position (Deficit) - All Fund Types  
For the year ended June 30, 2021

	Education	Operations and Maintenance	Operations and Maintenance Restricted
Revenues:			
Local government	\$6,359,744	\$1,750,843	\$1,226,610
State government	3,384,133	227,975	801,712
State of Illinois on-behalf payments	0	0	0
Federal government	359,026	126,815	0
Student tuition and fees	8,324,071	339,711	0
Sales and service fees	0	0	0
Interest	7,619	13,951	870
Other	216,743	433,337	50,000
<b>Total revenues</b>	<b>18,651,336</b>	<b>2,892,632</b>	<b>2,079,192</b>
Expenditures/expenses:			
Current:			
Instruction	7,841,108	0	0
Academic support	1,726,647	0	0
Student services	1,558,737	0	0
Public services	417,287	0	0
Auxiliary services	0	0	0
Operation and maintenance of plant	0	2,720,094	2,696,659
Institutional support	6,407,191	232,385	0
Scholarships, student grants	0	0	0
Depreciation expense	0	0	0
Debt service:			
Principal retirement	0	0	0
Interest	0	0	0
<b>Total expenditures/expenses</b>	<b>17,950,970</b>	<b>2,952,479</b>	<b>2,696,659</b>
Excess (deficiency) of revenues over expenditures/expenses	700,366	(59,847)	(617,467)
Other financing sources (uses):			
Transfers in	209,001	0	1,091,811
Transfers out	0	(1,000,000)	(245,812)
<b>Total other financing sources (uses)</b>	<b>209,001</b>	<b>(1,000,000)</b>	<b>845,999</b>
Net change in fund balance / net position	909,367	(1,059,847)	228,532
Fund balance/net position at beginning of year (deficit), as restated	7,671,007	5,578,770	937,415
<b>Fund balance/net position at end of year (deficit)</b>	<b>\$8,580,374</b>	<b>\$4,518,923</b>	<b>\$1,165,947</b>

# Kankakee Community College District 520

Combining Schedule of Revenues, Expenditures/Expenses,  
and Changes in Fund Balance/Net Position (Deficit) - All Fund Types (Continued)  
For the year ended June 30, 2021

	Bond and Interest	Auxiliary Enterprises Fund	Restricted Purpose
<b>Revenues:</b>			
Local government	\$2,533,369	\$0	\$11,649
State government	0	0	800,588
State of Illinois on-behalf payments	0	0	12,173,032
Federal government	0	644,863	8,062,937
Student tuition and fees	0	528,263	0
Sales and service fees	0	1,019,156	0
Interest	1,104	37,982	0
Other	0	60,875	0
<b>Total revenues</b>	<b>2,534,473</b>	<b>2,291,139</b>	<b>21,048,206</b>
<b>Expenditures/expenses:</b>			
<b>Current:</b>			
Instruction	0	0	6,503,767
Academic support	0	0	868,770
Student services	0	0	1,402,841
Public services	0	0	4,102,274
Auxiliary services	0	1,900,065	317,153
Operation and maintenance of plant	0	0	1,196,387
Institutional support	2,300	0	2,138,074
Scholarships, student grants	0	0	4,911,220
Depreciation expense	0	0	0
<b>Debt service:</b>			
Principal retirement	2,090,000	0	0
Interest	460,082	0	0
<b>Total expenditures/expenses</b>	<b>2,552,382</b>	<b>1,900,065</b>	<b>21,440,486</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>(17,909)</b>	<b>391,074</b>	<b>(392,280)</b>
<b>Other financing sources (uses):</b>			
Transfers in	0	0	0
Transfers out	0	0	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net change in fund balance / net position</b>	<b>(17,909)</b>	<b>391,074</b>	<b>(392,280)</b>
<b>Fund balance/net position at beginning of of year (deficit), as restated</b>	<b>1,275,606</b>	<b>7,187,224</b>	<b>0</b>
<b>Fund balance/net position at end of year (deficit)</b>	<b>\$1,257,697</b>	<b>\$7,578,298</b>	<b>(\$392,280)</b>

# Kankakee Community College District 520

Combining Schedule of Revenues, Expenditures/Expenses,  
and Changes in Fund Balance/Net Position (Deficit) - All Fund Types (Continued)  
For the year ended June 30, 2021

	Working Cash Fund	Audit	Liability, Protection, and Settlement Fund
<b>Revenues:</b>			
Local government	\$0	\$61,130	\$1,460,892
State government	0	0	0
State of Illinois on-behalf payments	0	0	0
Federal government	0	0	0
Student tuition and fees	0	0	0
Sales and service fees	0	0	0
Interest	27,595	111	2,850
Other	0	0	52
<b>Total revenues</b>	<b>27,595</b>	<b>61,241</b>	<b>1,463,794</b>
<b>Expenditures/expenses:</b>			
<b>Current:</b>			
Instruction	0	0	0
Academic support	0	0	0
Student services	0	0	0
Public services	0	0	0
Auxiliary services	0	0	0
Operation and maintenance of plant	0	0	489,799
Institutional support	0	55,250	512,768
Scholarships, student grants	0	0	0
Depreciation expense	0	0	0
<b>Debt service:</b>			
Principal retirement	0	0	0
Interest	0	0	0
<b>Total expenditures/expenses</b>	<b>0</b>	<b>55,250</b>	<b>1,002,567</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>27,595</b>	<b>5,991</b>	<b>461,227</b>
<b>Other financing sources (uses):</b>			
Transfers in	0	0	0
Transfers out	(55,000)	0	0
<b>Total other financing sources (uses)</b>	<b>(55,000)</b>	<b>0</b>	<b>0</b>
<b>Net change in fund balance / net position</b>	<b>(27,405)</b>	<b>5,991</b>	<b>461,227</b>
<b>Fund balance/net position at beginning of of year (deficit), as restated</b>	<b>3,405,337</b>	<b>79,268</b>	<b>2,097,506</b>
<b>Fund balance/net position at end of year (deficit)</b>	<b>\$3,377,932</b>	<b>\$85,259</b>	<b>\$2,558,733</b>

# Kankakee Community College District 520

Combining Schedule of Revenues, Expenditures/Expenses,  
and Changes in Fund Balance/Net Position (Deficit) - All Fund Types (Continued)  
For the year ended June 30, 2021

	Fund Totals	GASB		Other Adjustments	Adjusted Totals
		General Fixed Assets Account	General Long-Term Debt Account		
Revenues:					
Local government	\$13,404,237	\$0	\$0	\$0	\$13,404,237
State government	5,214,408	0	0	0	5,214,408
State of Illinois on-behalf payments	12,173,032	0	0	0	12,173,032
Federal government	9,193,641	0	0	0	9,193,641
Student tuition and fees	9,192,045	0	0	(2,193,008)	6,999,037
Sales and service fees	1,019,156	0	0	0	1,019,156
Interest	92,082	0	0	0	92,082
Other	761,007	0	0	0	761,007
<b>Total revenues</b>	<b>51,049,608</b>	<b>0</b>	<b>0</b>	<b>(2,193,008)</b>	<b>48,856,600</b>
Expenditures/expenses:					
Current:					
Instruction	14,344,875	(197,076)	39,519	(49,261)	14,138,057
Academic support	2,595,417	(99,989)	4,526	85,136	2,585,090
Student services	2,961,578	0	7,845	0	2,969,423
Public services	4,519,561	0	9,122	0	4,528,683
Auxiliary services	2,217,218	0	2,140	0	2,219,358
Operation and maintenance of plant	7,102,939	(2,693,596)	8,073	0	4,417,416
Institutional support	9,347,968	(94,634)	10,925	10,068	9,274,327
Scholarships, student grants	4,911,220	0	0	(2,195,919)	2,715,301
Depreciation expense	0	2,933,617	0	0	2,933,617
Debt service:					
Principal retirement	2,090,000	0	(2,090,000)	0	0
Interest	460,082	0	(210,267)	0	249,815
<b>Total expenditures/expenses</b>	<b>50,550,858</b>	<b>(151,678)</b>	<b>(2,218,117)</b>	<b>(2,149,976)</b>	<b>46,031,087</b>
Excess (deficiency) of revenues over expenditures/expenses	498,750	151,678	2,218,117	(43,032)	2,825,513
Other financing sources (uses):					
Transfers in	1,300,812	0	0	0	1,300,812
Transfers out	(1,300,812)	0	0	0	(1,300,812)
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net change in fund balance / net position	498,750	151,678	2,218,117	(43,032)	2,825,513
Fund balance/net position at beginning of of year (deficit), as restated	28,232,133	40,357,052	(31,065,752)	(247,211)	37,276,222
Fund balance/net position at end of year (deficit)	\$28,730,883	\$40,508,730	(\$28,847,635)	(\$290,243)	\$40,101,735



# Kankakee Community College District 520

## Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections Levy Years 2020, 2019, and 2018

	2020	2019	2018
<b>Assessed Valuations:</b>			
Ford	\$38,711,119	\$38,582,972	\$37,404,012
Groundy	3,120,694	2,868,749	2,835,475
Iroquois	431,571,734	415,482,800	398,698,509
Kankakee	2,079,556,626	1,987,089,735	1,925,003,360
Livingston	78,785,385	75,769,120	73,546,260
Will	1,425,999	1,351,153	1,281,428
<b>Total assessed valuations</b>	<b>\$ 2,633,171,557</b>	<b>\$2,521,144,529</b>	<b>\$2,438,769,044</b>
<b>Tax Rate (per \$100 assessed valuation):</b>			
Bond and Interest Fund	0.0975	0.1019	0.0982
Audit Fund	0.0024	0.0024	0.0024
Fire Prev, Safety, Security	0.0476	0.0492	0.0499
Liability, Protection, and Settlement	0.0484	0.0487	0.0434
Social Security	0.0083	0.0097	0.0111
Prior Year Adjustment	(0.0022)	(0.0026)	(0.0045)
Operations and Maintenance Accounts	0.0399	0.0400	0.0399
Educational Accounts	0.1394	0.1400	0.1396
Additional Tax	0.1105	0.1105	0.1109
<b>Total tax rate</b>	<b>0.4918</b>	<b>0.4998</b>	<b>0.4909</b>
<b>Tax Extensions:</b>			
Bonds and Interest	\$2,551,285	\$2,570,087	\$2,396,157
Audit	62,801	60,362	58,237
Fire Prev, Safety, Security	1,245,550	1,238,625	1,215,438
Liability Insurance	1,483,670	1,470,309	1,327,187
Prior Year Adjustment	(45,750)	(53,744)	(102,613)
Operations & Maintenance	1,044,064	1,007,825	971,983
Statewide Avg Addit. Tax	2,891,456	2,784,056	2,701,726
Educational Purposes	3,647,683	3,527,304	3,400,927
<b>Total tax extensions</b>	<b>\$12,880,759</b>	<b>\$12,604,824</b>	<b>\$11,969,042</b>
<b>Tax Collections:</b>	<b>\$3,335</b>	<b>\$12,655,499</b>	<b>\$11,940,979</b>
<b>Percent of extensions collected</b>	<b>0.03%</b>	<b>100.40%</b>	<b>99.77%</b>

## **State Grant Activity and Schedule of Enrollment Data**

## **INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR STATE ADULT EDUCATION AND FAMILY LITERACY GRANTS**

Board of Trustees  
Kankakee Community College –  
Community College District 520  
Kankakee, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Kankakee Community College - Community College District 520 (the “College”) as of and for the year ended June 30, 2021, which comprise of the balance sheet as of June 30, 2021, and the related statement of revenues, expenditures and changes in fund balances for the year then ended, and the related notes to the ICCB grant program financial statements, as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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 and the grant policy guidelines of the Illinois Community College Board’s *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College’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. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between the College and the State of Illinois and Illinois Community College Board (ICCB).

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of the Kankakee Community College - Community College District 520 as of June 30, 2021, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the State Adult Education and Family Literacy Grants and do not purport to, and do not present fairly the financial position of the Kankakee Community College District 520 as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

### **Compliance**

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to materially comply with the provisions of laws, regulations, contracts and grants between the College and the State of Illinois and the Illinois Community College Board (ICCB). However, our audit was not directed primarily toward obtaining knowledge of all such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance with the above referenced laws, regulations, contracts and grants. We also believe that the College is materially in compliance with the provisions of laws, contracts, and ICCB policy guidelines with respect to restricted grants.

*Wipfli LLP*

Sterling, Illinois

March 7, 2022

# Kankakee Community College District 520

## Balance Sheet

### State Adult Education and Family Literacy Funds

June 30, 2021

---

<b>ASSETS</b>	<b>State Basic</b>	<b>State Performance</b>	<b>Total</b>
Cash	\$55,456	(\$447)	\$55,009
Investments	0	0	0
Receivables	1,130	5,421	6,551
<b>Total assets</b>	<b>\$56,586</b>	<b>\$4,974</b>	<b>\$61,560</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$43,652	\$1,927	\$45,579
Accrued liabilities	2,048	440	2,488
Advances from other funds	10,886	2,607	13,493
<b>Total liabilities</b>	<b>56,586</b>	<b>4,974</b>	<b>61,560</b>
Fund balance	0	0	0
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$56,586</b>	<b>\$4,974</b>	<b>\$61,560</b>

# Kankakee Community College District 520

## Statement of Revenues, Expenditures and Changes in Fund Balance

### State Adult Education and Family Literacy Funds

For the year ended June 30, 2021

	State Basic	State Performance	Total
Revenues -			
Grant revenue	\$212,081	\$71,755	\$283,836
Expenditures:			
Instruction	140,405	0	140,405
Contractual services	0	0	0
Social work services	14,435	9,763	24,198
Guidance services	18,423	9,763	28,186
Assessment and testing	0	342	342
Student transportation services	0	0	0
Literacy services	0	0	0
Subtotal instructional and student services	173,263	19,868	193,131
Operation & Maintenance of Plant Services	0	996	996
General administration	15,443	9,763	25,206
Workforce coordination	15,443	9,763	25,206
Data and information services	7,932	31,365	39,297
Subtotal program support	38,818	51,887	90,705
Total expenditures	212,081	71,755	283,836
Excess of revenues over expenditures	0	0	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	\$0	\$0	\$0

# Kankakee Community College District 520

ICCB Compliance Statement for the Adult Education and Family Literacy  
Grant - Expenditure Amounts and Percentages for ICCB Grant Funds Only  
State Adult Education and Family Literacy Funds  
For the year ended June 30, 2021

---

<b>State Basic</b>	<b>Audited Expenditure Amount</b>	<b>Actual Expenditure Percentage</b>
Instruction (45% minimum required)	\$140,405	66.20%
General Administration (15% maximum allowed)	\$15,443	7.28%

# Kankakee Community College District 520

## Notes to ICCB Grant Programs Financial Statements

---

### **Note 1    Summary of Significant Accounting Policies**

#### **General**

The accompanying statements include only those transactions resulting from the State Adult Education & Family Literacy grant programs. These transactions have been accounted for in the College's Restricted Purpose Fund.

#### **Basis of Accounting**

The statements have been prepared on the modified accrual basis. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2021. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, 2021 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

#### **Fixed Assets**

Capital asset purchases are recorded as capital outlay. However, for the Statement of Net Position for the College as a whole, capital assets are capitalized.

### **Note 2    Payment of Prior Year's Encumbrances**

Payments of prior year's encumbrances for goods received prior to August 31 are reflected as expenditures during the current fiscal year.



# **Kankakee Community College District 520**

## **Background Information on State Grant Activity**

---

### **Unrestricted Grants**

Base Operating Grants - General operating funds provided to colleges are based upon credit enrollment.

Small College Grants - Funds provided to colleges with full-time equivalent enrollments of less than 2,500 students. They are intended to help small colleges pay for some of the "fixed costs" of operating a smaller institution.

Equalization Grants - Grants provided to institutions with less than the statewide average local tax dollars available per full-time equivalent student.

### **Statewide Initiatives**

Special Incentive Grants - A new request to provide flexible funding for unique initiatives needed in the community college system. The grants will be awarded on a Request for Proposal basis and will focus on higher education priorities such as accessibility, affordability, productivity, partnerships, quality, and responsiveness. In addition, a significant proportion of the dollars available will focus on improving the availability of qualified information technology employees in the State of Illinois.

Other Grants - These other grants are additional contractual grants provided for special or specific system related initiatives. These grants are supported by signed contracts between the college and the State of Illinois. A brief description of each grant should be included in this section. A description of the grants supported by grant agreements may be found in the appendix of the grant agreement governing these grants.

### **Restricted Grants/State**

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

Public Assistance - Grant awarded to Adult Education and Family Literacy providers to pay for instruction, fees, books, and materials incurred in the program for students who are identified as recipients of public assistance.

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

**INDEPENDENT ACCOUNTANT’S REPORT ON ENROLLMENT DATA  
AND OTHER BASES UPON WHICH CLAIMS ARE FILED**

Board of Trustees  
Kankakee Community College –  
Community College District 520  
Kankakee, Illinois

We have examined management of Kankakee Community College - Community College District 520’s (the College) assertion that the College complied with the guidelines of the Illinois Community College Board’s *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Kankakee Community College - Community College District 520 during the period July 1, 2020 through June 30, 2021. The College’s management is responsible for its assertion. Our responsibility is to express an opinion on management’s assertion about the College’s compliance with the specified requirement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management’s assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management’s assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management’s assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the College’s compliance with the specified requirements.

In our opinion, management’s assertion that the College complied with the guidelines of the Illinois Community College Board’s *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Kankakee Community College - Community College District 520 is fairly stated, in all material respects.

*Wipfli LLP*

Sterling, Illinois  
March 7, 2022

# Kankakee Community College District 520

Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed  
For the year ended June 30, 2021

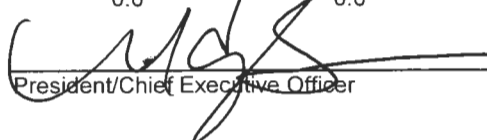
## Total Reimbursable Semester Credit Hours by Term

Credit Hour Categories	Summer Term		Fall Term		Spring Term		Total All Terms	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
	Baccalaureate	3,302.0	0.0	12,524.0	0.0	11,529.0	0.0	27,355.0
Business Occupational	190.0	0.0	489.0	0.0	711.0	0.0	1,390.0	0.0
Technical Occupational	222.0	0.0	1,671.0	90.0	1,966.0	204.0	3,859.0	294.0
Health Occupational	593.0	0.0	3,081.0	0.0	4,426.0	10.0	8,100.0	10.0
Remedial/Developmental	245.0	0.0	938.0	0.0	567.0	0.0	1,750.0	0.0
Adult Education	0.0	4.5	0.0	353.0	0.0	531.0	0.0	888.5
	4,552.0	4.5	18,703.0	443.0	19,199.0	745.0	42,454.0	1,192.5

	In-District (All terms)		Dual Credit (All Terms)		Dual Enrollment (All Terms)	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Reimbursable Credit Hours:	38,536.0	1,117.5	3,404.0	0.0	1,782.0	0.0
Credit Hours on Chargeback or Contractual Agreement:			430.5			
District Equalized Assessed Valuation:			\$2,633,171,557			

## Correctional Semester Credit Hours by Term

Credit Hour Categories	Summer	Fall	Spring	Total
	Correctional Hours	Correctional Hours	Correctional Hours	Correctional Hours
Baccalaureate	0.0	0.0	0.0	0.0
Business Occupational	0.0	0.0	0.0	0.0
Technical Occupational	0.0	0.0	0.0	0.0
Health Occupational	0.0	0.0	0.0	0.0
Remedial/Developmental	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0

Signature:  President/Chief Executive Officer

Signature:  CFO

See Notes to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed.

# Kankakee Community College District 520

## Reconciliation of Total Semester Credit Hours

(Continued)

For the year ended June 30, 2021

### Total Reimbursable Semester Credit Hours

Credit Hour Categories	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
	Baccalaureate	27,355.0		27,355.0	0.0	
Business Occupational	1,390.0	1,390.0	0.0	0.0	0.0	0.0
Technical Occupational	3,859.0	3,859.0	0.0	294.0	294.0	0.0
Health Occupational	8,100.0	8,100.0	0.0	10.0	10.0	0.0
Remedial/Developmental	1,750.0	1,750.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	888.5	888.5	0.0
Total	42,454.0	42,454.0	0.0	1,192.5	1,192.5	0.0

Credit Hour Categories	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
	In-District Credit Hours:	38,536.0		38,536.0	0.0	
Dual Credit Hours:	3,404.0	3,404.0	0.0	0.0	0.0	0.0
Dual Enrollment Hours:	1,782.0	1,782.0	0.0	0.0	0.0	0.0

### Total Correctional Semester Credit Hours

Credit Hour Categories	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
	Baccalaureate	0.0		0.0	0.0	
Business Occupational	0.0	0.0	0.0	0.0	0.0	0.0
Technical Occupational	0.0	0.0	0.0	0.0	0.0	0.0
Health Occupational	0.0	0.0	0.0	0.0	0.0	0.0
Remedial/Developmental	0.0	0.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

# **Kankakee Community College District 520**

## **Note to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed**

---

### **Note 1     Residency Verification Process**

#### **Procedures for Verifying and Classifying Residency**

An in-district student is one whose legal residency is within the boundaries of the Kankakee Community College District. New students to the district must reside in the district at least 30 days prior to registration to be eligible for in-district tuition. All students applying for admission to the College are required to certify on the Student Information Form that the address given is correct. They will be subject to dismissal if found inaccurate. Returned mail to the College creates cause to question residency. If an address is questioned, the student will be coded as out-of-district and must display proof of residency in order to regain in-district status. Proof of residency may include a driver's license, voter's registration card, property tax bill, or an apartment lease. For tuition purposes only (not for State funding classification), in-district tuition will be granted to a student who presents either a recent paycheck stub from an in-district employer, a property tax bill for in-district property owned by the student, or an authorized chargeback form. Residents of states other than Illinois will be classified as out-of-state.

**ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION**

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

Board of Trustees  
Kankakee Community College –  
Community College District 520  
Kankakee, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Kankakee Community College - Community College District 520 (the College), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated March 7, 2022. The financial statements of Kankakee College Foundation were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

*Wipfli LLP*

Sterling, Illinois  
March 7, 2022



## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Kankakee Community College –  
Community College District 520  
Kankakee, Illinois

### **Report on Compliance for Each Major Federal Program**

We have audited Kankakee Community College - Community College District 520's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2021. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility for Compliance***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

## ***Opinion on Each Major Federal Program***

In our opinion, Kankakee Community College - Community College District 520 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## **Report on Internal Control Over Compliance**

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wipfli LLP*

Sterling, Illinois  
March 7, 2022

# Kankakee Community College District 520

## Schedule of Expenditures of Federal Awards

For the year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
<b>Department of Labor:</b>				
Passed through Kankakee County:				
WIOA Cluster:				
WIOA Adult Program	17.258	17-1B	\$617,399	0
WIOA Youth Activities	17.259	17-02/17-02	380,278	0
WIOA Dislocated Workers	17.278	17-1B	370,824	0
Total WIOA Cluster			1,368,501	0
Passed through Kankakee County:				
Trade Adjustment Assistance	17.245	17-1B	32,216	0
Total Department of Labor			1,400,717	0
<b>Department of Treasury:</b>				
Passed through Illinois Community College Board:				
Coronavirus Relief Fund:				
COVID-19 - ICCB/DHS CURES Act for Adult Education	21.019	CURES-520	\$35,000	0
<b>Department of Education:</b>				
Passed through Illinois Community College Board:				
Adult Education:				
Federal Adult Basic	84.002	5200121	151,734	0
Direct award:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity Grants	84.007		121,640	0
Federal Work Study Program	84.033		85,543	0
Federal Pell Grant Program	84.063		3,142,376	0
Federal Direct Loan Program	84.268		634,005	0
Total Student Financial Aid Cluster			3,983,564	0
Direct award:				
TRIO Cluster:				
TRIO - Student Support Services	84.042A		240,252	0
TRIO - Upward Bound	84.047		403,729	0
TRIO - Talent Search	84.044		365,020	0
Total TRIO Cluster			1,009,001	0
Passed through Illinois Community College Board:				
Career and Technical Education - Basic Grants to States				
Perkins CTE Postsecondary Grants	84.048	CTE50321	237,155	0
Direct award:				
Education Stabilization Fund:				
COVID-19 - Education Stabilization Fund - Student Portion (m)	84.425E	P425E202075	952,572	0
COVID-19 - Education Stabilization Fund - Institutional Portion (m)	84.425F	P425F200600	1,481,395	0
COVID-19 - Education Stabilization Fund - Strengthening Institutions (m)	84.425M	P425M201022	59,509	0
Passed through Illinois Community College Board:				
COVID-19 - Governor's Emergency Education Fund (m)	84.425C	GEER-520	183,020	0
Total Education Stabilization Fund			2,676,496	0
Total Department of Education			\$8,057,950	0
Total Federal Awards Expended			\$9,493,667	0

(m) Denotes major program

See Notes to the Schedule of Expenditures of Federal Awards

# Kankakee Community College District 520

## Notes to the Schedule of Expenditures of Federal Awards

---

### **Note 1    Significant Accounting Policy**

#### Reporting entity and basis of accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Kankakee Community College – Community College District 520 (the “College”) for the year ended June 30, 2021, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2021.

### **Note 2    Federal Loan Program**

For the year ended June 30, 2021, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$634,005.

### **Note 3    Non-cash Assistance**

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2021.

# Kankakee Community College District 520

## Schedule of Findings and Questioned Costs

---

### Section I – Summary of Auditor’s Results

#### Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?                    \_\_\_ yes                     X  no

Significant deficiency(ies) identified that are  
not considered to be material weakness(es)?                    \_\_\_ yes                     X  none reported

Noncompliance material to financial statements noted?                    \_\_\_ yes                     X  no

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?                    \_\_\_ yes                     X  no

Significant deficiency(ies) identified that are  
not considered to be material weakness(es)                    \_\_\_ yes                     X  none reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?                    \_\_\_ yes                     X  no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425C, 84.425E, 84.425F, 84.425M	COVID-19 - Education Stabilization Funds

Dollar threshold used to distinguish between type A and type B programs:                    \$  750,000

Auditee qualified as low-risk auditee?                     X  yes                    \_\_\_ no

# Kankakee Community College District 520

## Schedule of Findings and Questioned Costs

---

### Section II – Financial Statement Findings

A. Internal Control

None

B. Compliance Finding

None

### Section III – Federal Award Findings and Questioned Costs

A. Internal Control

None

B. Compliance Findings

None

# Kankakee Community College District 520

## Summary Schedule of Prior Audit Findings

---

### Prior Year Findings:

#### June 30, 2020

- I. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

- A. Internal Control

None

- B. Compliance Finding

None

- II. Findings and Questioned Costs for Federal Awards

- A. Internal Control

None

- B. Compliance Finding

None

#### June 30, 2019

- I. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

- A. Internal Control

None

- B. Compliance Finding

None

- II. Findings and Questioned Costs for Federal Awards

- A. Internal Control

None

- B. Compliance Finding

None