Kankakee Community College District 520

Kankakee, IL

Annual Financial Report

Year Ended June 30, 2023

WIPFLI

Kankakee Community College District 520

Year Ended June 30, 2023

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Independent Auditor's Report

Board of Trustees
Kankakee Community College District 520
Kankakee, IL

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Kankakee Community College District 520 (the "College"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 the Kankakee Community College District 520 as of June 30, 2023, and respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States of America. The financial statements of Kankakee Community College Foundation were not audited in accordance with *Government Auditing Standards.* Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinions.

Change in Account Principle

As described in Note 1 to the financial statements, in 2023, the College adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a 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 is the responsibility of management and, 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 financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplemental financial information and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other financial information as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 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

Wipfli LLP

Sterling, Illinois
December 5, 2023

This section of Kankakee Community College District 520's (the College) annual financial report presents its discussion and analysis of the College's financial performance during the fiscal years ended June 30, 2023 and 2022. Please read it in conjunction with the College's financial statements. Responsibility for the completeness and fairness of this information rests with the College.

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 College's financial statements, including the portion of the College's activities they cover and the types of information they contain.

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

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

- Over time, increases or decreases in the College's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the College's overall health, additional non-financial factors such as changes in the College'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 College 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 College services to students and the public.

The Kankakee Community College Foundation, Inc. (the Foundation) is administered and operated exclusively for the benefit of the College. However, the Foundation is not a subsidiary or affiliate of the College and is not directly or indirectly controlled by the College. 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 College in all respects, the College has concluded that the Foundation is a "component unit" of the College as defined by GASB Statement No. 39 and GASB Statement No. 61. Therefore, the Foundation's Financial Statements are included in the College's Financial Statements in a separate exhibit. See the Notes to the Financial Statements for further discussion.

FINANCIAL HIGHLIGHTS

The financial highlights of the College are as follows:

- The Equalized Assessed Valuation of the College increased by $189.9 million or 6.8%. Over the previous three years the College had averaged a 5.64% annual increase.
- Overall revenues were $46.0 million; overall expenses were $38.6 million.
- Credit hour enrollment increased 7.68% to 43,866 hours.

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

Net Position

The College's combined net position increased 16.4% to $52.4 million for fiscal 2023. The College's financial position increase is primarily due to a decrease in actual expenditures as compared to budgeted expenditures as an increase in enrollment.

Condensed Statement of Net Position (in millions of dollars)

	2023	2022	Increase (Decrease)	Percent Change
Current assets	$ 48.4	$ 45.0	$ 3.4	7.6
Non-current assets	45.4	43.1	2.3	5.3
Total assets	93.8	88.1	5.7	6.5
Deferred outflows of resources	0.3	0.3	-	0.0
Total assets and deferred outflows	94.1	88.4	5.7	6.4
Current liabilities	10.0	8.7	1.3	14.9
Long-term obligations	14.4	23.2	(8.8)	(37.9)
Total liabilities	24.4	31.9	(7.5)	(23.5)
Deferred inflows of resources	17.2	11.4	5.8	50.9
Total liabilities and deferred inflows	41.6	43.3	(1.7)	(3.9)
Net position				
Invested in capital assets, net	33.7	31.9	1.8	5.6
Restricted	12.0	10.3	1.7	16.5
Unrestricted	6.7	2.8	3.9	(139.3)
Total net position	**$ 52.4**	**$ 45.0**	**$ 7.4**	**16.4**

Changes in Net Position

The College's total revenues were $46.0 million. State grants account for 9.8% and State of IL on-behalf payments for 9.8% while federal sources account for 22.6%. Real estate and other taxes account for about 34.6%, tuition and student fees 17.2%, and the balance is from miscellaneous sources.

The total cost of all programs and services was $38.6 million. The College's program related expenses are predominantly instructional cost, academic support, student services and public services, which were $17.4 million or 45.1% of total expenses. Operations and maintenance of the College's facilities were $3.3 million or 8.6% of total expenses. Scholarships and awards were $3.0 million or 7.8% of expenses. Auxiliary enterprises representing operations such as the bookstore and student activities were $2.9 million or 7.5% of total expenses, which by definition are to be self-supporting. The College's administrative/business activities, including institutional support were $8.7 million or 22.5% of total expenses.

Total revenues exceeded expenses, increasing net assets by $7.4 million over last year.

Fiscal Year 2023 Compared to 2022

Net tuition and fee revenue increased slightly by $0.7 million or 9.7% due to an overall enrollment increase of 7.68% over last year.

Auxiliary revenue increased by $0.2 million or 22.2% and other revenues increased by $1.1 million or 183.3%.

Instructional expenses decreased by $2.7 million due to HEERF funds being primary expended in the prior fiscal year and academic support increased by $0.1 million. Student services expenses remained the same at $2.4 million. Public services decreased $1.0 million.

Auxiliary enterprises increased $0.3 million or 11.5% due to decreased expenditures within the bookstore, athletics, student activities, and college center fund.

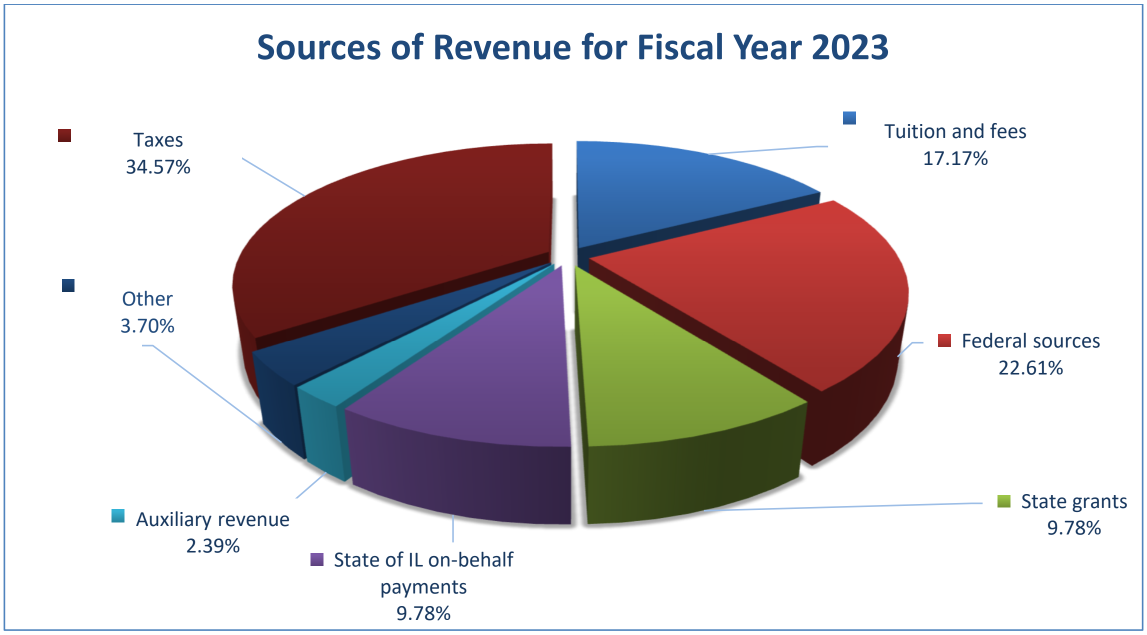
Operations and maintenance expenses decreased by $1.0 million or 23.3% due primarily to a decrease in contractual and utility expenditures. Institutional support decreased by $2.0 million or 18.7%.

Scholarships and awards decreased $2.2 million or 42.3% due to the decrease in institutional scholarships due to HEERF grant funds. Depreciation expense increased by $0.4 million.

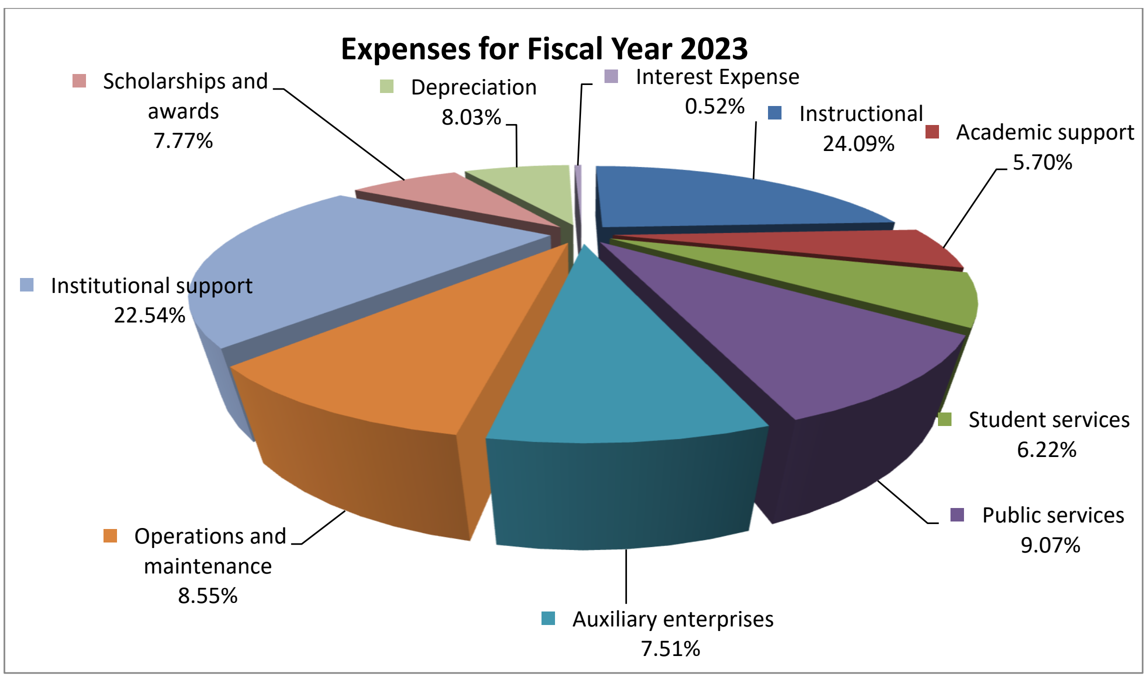
Non-operating revenues (expenses) decreased by $6.6 million or 15.2% primarily due to the decrease of grant revenues from various grant funds. State grants decreased by $1.0 million or 18.2%. State of Illinois on-behalf payments decreased by $3.8 or 45.8%. Federal grants decreased $3.9 million or 27.3% due to expending larger amounts of Higher Education Emergency Relief (HEERF) funding in previous fiscal year. Taxes increased by $0.9 million due to higher extensions based on a significant increase in equalized assessed value.

Changes in Net Position from Operating Results (in millions of dollars)

	2023	2022	Increase (Decrease)	Percent Change
Operating revenues:				
Tuition and fees	$ 7.9	$ 7.2	$ 0.7	9.7
Auxiliary revenue	1.1	0.9	0.2	22.2
Total operating revenues	9.0	8.1	0.9	11.1
Less operating expenses				
Instructional	9.3	12.0	(2.7)	(22.5)
Academic support	2.2	2.1	0.1	4.8
Student services	2.4	2.4	-	-
Public services	3.5	4.5	(1.0)	(22.2)
Auxiliary enterprises	2.9	2.6	0.3	11.5
Operations and maintenance	3.3	4.3	(1.0)	(23.3)
Institutional support	8.7	10.7	(2.0)	(18.7)
Scholarships and awards	3.0	5.2	(2.2)	(42.3)
Depreciation	3.1	2.7	0.4	14.8
Total operating expenses	38.4	46.5	(8.1)	(17.4)
Operating Income (loss)	(29.4)	(38.4)	9.0	(23.4)
Non-operating revenues (expenses):				
State grants and contracts	4.5	5.5	(1.0)	(18.2)
State of Illinois on-behalf payments	4.5	8.3	(3.8)	(45.8)
Federal grants and contracts	10.4	14.3	(3.9)	(27.3)
Taxes	15.9	15.0	0.9	6.0
Other	1.7	0.6	1.1	183.3
Interest expense	(0.2)	(0.3)	0.1	(33.3)
Non-operating revenues (expenses), net	36.8	43.4	(6.6)	(15.2)
Increase (decrease) in net position	**7.4**	**5.0**	**2.4**	**48.0**
Net position:				
Net position, beginning of year, restate	45.0	40.0	5.0	12.5
Net position, end of year	**$ 52.4**	**$ 45.0**	**$ 7.4**	**16.4**



Sources of Revenue for Fiscal Year 2023
Taxes
34.57%
Tuition and fees
17.17%
Other
3.70%
Federal sources
22.61%
State grants
9.78%
Auxiliary revenue
2.39%
State of IL on-behalf payments
9.78%



Expenses for Fiscal Year 2023
Scholarships and awards
7.77%
Depreciation
8.03%
Interest Expense
0.52%
Instructional
24.09%
Academic support
5.70%
Institutional support
22.54%
Student services
6.22%
Public services
9.07%
Operations and maintenance
8.55%
Auxiliary enterprises
7.51%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

As of June 30, 2023, the College had $45.1 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 and amortization expense for the year was $3.1 million, while additions and deletions to building improvements, equipment, furniture, leasehold improvements, lease assets, subscription assets, and construction in progress amounted to $4.8 million.

Capital Assets (net of depreciation, in millions of dollars)

	2023	2022	Increase (Decrease)	Percent Change
Land	$ 2.1	$ 2.2	$ (0.1)	(4.5)
Land improvements	3.8	3.8	-	-
Buildings and improvements	65.3	58.5	6.8	11.6
Furniture and equipment	26.9	26.4	0.5	1.9
Leasehold Improvements	0.9	0.9	-	-
Lease assets	0.7	0.7	-	-
Subscription assets	2.4	-	2.4	100.0
Construction in progress	0.1	5.0	(4.9)	-
	102.2	97.5	4.7	4.8
Less accumulated depreciation	57.1	54.7	2.4	4.4
Total	**$ 45.1**	**$ 42.8**	**$ 2.3**	5.4

Long-Term Liabilities:
The College's outstanding long-term liabilities at year-end are shown in the following schedule. More detailed information about the College's long-term liabilities is presented in Note 4 to the financial statements.

Outstanding Long-Term Liabilities

	2023	2022
Outstanding Long-term liabilities, beginning of the year	$26.6	$26.4
Debt Issued:		
College Bonds	0.0	3.7
Lease Liability	0.3	0.0
Subscription Liability	2.4	0.0
Debt Retired:		(2.4)
College Bonds	(2.9)	3.7
Lease Liability	(0.1)	0.3
Subscription Liability	(0.4)	0.0
Compensated Absences Increase (Decrease):	0.0	(0.1)
Retiree Health Insurance Liability Increase (Decrease):	(7.7)	(1.3)
Outstanding Long-term liabilities, end of the year	$18.2	$30.3

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

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.

On May 11, 2023, the Federal Emergency Management Agency (FEMA) announced the conclusion of the Disaster Declaration for the global pandemic COVID-19. The experiences of the global pandemic COVID-19 required our faculty and staff to identify new methods in which to teach students and provide holistic student support services. 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. The College has also expanded financial and human resources available to help students with barriers hindering their success. For example, transportation, housing support, food pantry accessibility, peer to peer mental health support, and the establishment of new staff members to serve as retention navigators.

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 opened 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 College continues to be positive. Significant expansions are occurring at the global bioscience leader CSL Behring and Nucor Steel. Most recently, an electric battery company named Gotion announced they will open a new $2 billion lithium-ion battery production plant in Manteno, IL within our core district. Gotion is anticipating production in 2024 and creating approximately 2,600 new jobs. The College is working through an MOU with Gotion to provide all corporate training for the plant. The College has a highly diversified economy in manufacturing, bioscience, health care, and transportation. The College's equalized assessed valuation continues an upward trend, with average increases of 5.64% 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.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report provides the College's citizens, taxpayers, customers, and investors and creditors with a general overview of the College's finances and to demonstrate the College'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

As of June 30, 2023	Primary Government
Assets	
Current assets:	
Cash and cash equivalents	$ 27,398,568
Receivables:	
Property taxes	14,285,370
Other receivables	5,987,942
Prepaid items	566,534
Inventory	344,149
Total current assets	48,582,563
Noncurrent assets:	
Capital assets	99,184,673
Accumulated depreciation	(56,408,796)
Lease assets	657,970
Subscription assets	2,443,762
Accumulated amortization	(713,282)
Total noncurrent assets	45,164,327
Total assets	93,746,890
Deferred outflow of resources	
Deferred pension	156,299
Deferred OPEB	112,868
Total deferred outflow of resources	269,167

Kankakee Community College District 520

Statement of Net Position (Continued)

As of June 30, 2023	**Primary Government**
Liabilities	
Current liabilities:	
Accounts payable	1,305,884
Accrued liabilities	1,279,570
Unearned tuition and fees	3,636,871
Other unearned revenue	86,577
Accrued compensated absences, current	422,175
Bonds payable	2,986,677
Lease obligations, current	61,963
Subscription liability, current	323,565
Total current liabilities	10,103,282
Noncurrent liabilities:	
Accrued compensated absences	457,356
Bonds payable	7,085,174
Lease obligations	411,921
Subscription liability	1,651,591
Net OPEB liability	4,819,010
Total noncurrent liabilities	14,425,052
Total liabilities	24,528,334
Deferred inflow of resources	
Deferred property tax revenue	7,144,946
Deferred grant revenues	130,745
Deferred lease revenue	250,163
Related to OPEB	9,557,289
Total deferred inflow of resources	17,083,143
Net position	
Net investment in capital assets	33,677,381
Restricted - expendable:	
Capital projects	2,323,504
Debt service	1,590,860
Self-Insurance	1,915,726
Working cash	3,419,210
Audit	126,488
Liability, Protection, and Settlement	2,673,933
Unrestricted	6,677,478
Total net position	$ 52,404,580

See Notes to the Financial Statements.

Kankakee Community College District 520

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2023	**Primary Government**
Operating revenues:	
Student tuition and fees, net of scholarship allowances of $1,680,433	$ 7,914,483
Auxiliary enterprises revenue	1,077,151
Total operating revenues	8,991,634
Operating expenses:	
Instruction	9,322,126
Academic support	2,232,222
Student services	2,409,350
Public services	3,450,598
Auxiliary services	2,883,100
Operations and maintenance	3,311,730
Institutional support	8,712,950
Scholarships, student grants, and waivers	3,033,298
Depreciation and amortization expense	3,080,327
Loss on disposal of assets	11,272
Total operating expenses	38,446,973
Operating (loss)	(29,455,339)
Non-operating revenues (expenses)	
State grants	4,587,735
State of Illinois on-behalf payments	4,478,904
Federal grants	10,382,860
Property taxes	14,218,507
Personal property replacement tax	1,655,744
Investment income	642,188
Other nonoperating revenues	1,047,923
Interest expense	(198,753)
Total non-operating revenues (expenses)	36,815,108
Change in net position	7,359,769
Net position, beginning of year	45,044,811
Net position, end of year	$ 52,404,580

See Notes to the Financial Statements.

Kankakee Community College District 520

Statement of Cash Flows

Year Ended June 30, 2023	**Primary Institution Business-Type Activities**
Cash flows from operating activities:	
Tuition and fees	$ 10,306,858
Payments to suppliers	(14,709,688)
Payments to employees	(15,304,111)
Payments to students for scholarships and student grants	(4,713,731)
Auxiliary enterprise changes	1,051,446
Other	(279,635)
Net cash used in operating activities	(23,648,861)
Cash flows from non-capital financing activities:	
Property taxes	13,975,205
Personal property replacement taxes	1,655,744
Federal, state, and local grants	15,184,143
Other	771,410
Net cash provided by non-capital financing activities	31,586,502
Cash flows from capital and related financing activities:	
Purchases of capital assets	(5,443,816)
Proceeds from issuance of debt	2,722,073
Principal paid	(3,219,505)
Interest paid	(205,722)
Net cash used in capital and related financing activities	(6,146,970)
Cash flows from investing activities:	
Sale of investments	252,026
Interest received	390,162
Net cash provided by investing activities	642,188
Net increase (decrease) in cash and cash equivalents	2,432,859
Cash and cash equivalents, beginning of year	24,965,709
Cash and cash equivalents, end of year	$ 27,398,568

Kankakee Community College District 520

Statement of Cash Flows (Continued)

Year Ended June 30, 2023	**Primary Institution** **Business-Type Activities**
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	$ (29,455,339)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation and amortization	3,080,327
State on-behalf payments for fringe benefits	4,478,904
Loss on disposal	11,272
Change in assets and liabilities:	
Inventories	95,643
Prepaid expenses	(118,959)
Receivables	(614,853)
Deferred outflows of resources	40,588
Accounts payable	62,235
Accrued liabilities	180,643
Accrued compensated absences	12,030
Unearned tuition and fees	790,841
Other unearned revenue	876
OPEB liability	(7,673,233)
Deferred inflows of resources	5,460,164
Net cash used in operating activities	$ (23,648,861)
Noncash investing, capital, and financial:	
Acquisition of capital assets using accounts payable	$ 119,382
State on-behalf payments	$ 4,478,904

See Notes to the Financial Statements.

Kankakee Community College District 520

Component Unit - Kankakee Community College Foundation, Inc.
Statement of Financial Position

As of June 30, 2023

Assets	
Current assets:	
Cash and cash equivalents	$ 377,001
Certificates of deposit	246,973
Investments	9,302,785
Accrued interest	3,303
Pledge receivable	147,619
Prepaid expenses	2,892
Total assets	$ 10,080,573
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	$ 6,924
Due to Kankakee Community College	187,004
Total liabilities	193,928
Net assets	
Without donor restrictions	
Unrestricted	1,261,062
Board designated	432,691
With donor restrictions	8,192,892
Total net assets	9,886,645
Total liabilities and net assets	$ 10,080,573

See Notes to the Financial Statements.

Kankakee Community College District 520

Component Unit - Kankakee Community College Foundation, Inc.

Statement of Activities

Years ended Year Ended June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Contributions of cash and other financial assets	$ 136,861	$ 277,628	$ 414,489
Contributed nonfinancial assets	214,356	-	214,356
Investment return (loss), net	141,747	660,107	801,854
Restrictions satisfied	387,103	(387,103)	-
Total support and revenue	880,067	550,632	1,430,699
Expenses:			
Program services			
Scholarships	238,045	-	238,045
Special projects	542,215	-	542,215
Total program services	780,260	-	780,260
Supporting services:			
Management and general	265,916	-	265,916
Fundraising	25,234	-	25,234
Total supporting services	291,150	-	291,150
Total expenses	1,071,410	-	1,071,410
Changes in net assets	(191,343)	550,632	359,289
Net assets, beginning of year	1,885,096	7,642,260	9,527,356
Net assets, end of year	$ 1,693,753	$ 8,192,892	$ 9,886,645

See Notes to the Financial Statements.

Kankakee Community College District 520

Component Unit - Kankakee Community College Foundation, Inc.

Statement of Functional Expenses

	Program Services			Supporting Services			
Year Ended June 30, 2023	**Scholarships**	**Special Projects**	**Total**	**Management and General**	**Fundraising**	**Total**	**Grand Total**
Alumni events	$ -	$ -	$ -	$ 15,226	$ -	$ 15,226	$ 15,226
Audit	-	-	-	10,215	-	10,215	10,215
Continuing education	-	-	-	2,468	-	2,468	2,468
Contractual	-	-	-	231	16,793	17,024	17,024
Donor cultivation	-	-	-	20,013	-	20,013	20,013
Grants & scholarship	238,045	-	238,045	-	-	-	238,045
Gifts/in-kind	-	-	-	213,284	1,072	214,356	214,356
Insurance	-	-	-	2,849	-	2,849	2,849
Meals	-	2,742	2,742	-	6,824	6,824	9,566
Student support	-	520,531	520,531	1,630	-	1,630	522,161
Supplies	-	5,721	5,721	-	545	545	6,266
Travel	-	5,246	5,246	-	-	-	5,246
Other	-	7,975	7,975	-	-	-	7,975
Total expenses	$ 238,045	$ 542,215	$ 780,260	$ 265,916	$ 25,234	$ 291,150	$ 1,071,410

See Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

Kankakee Community 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 paid the College $238,045 for scholarships and awards and $501,000 for the relocation of the bookstore during the year ended June 30, 2023.

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 an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Nonexchange transactions, in which the College receives value without directly giving equal value in return, include property taxes, federal, state, and local grants, and state appropriations. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants 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 for the fiscal year 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.

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 $292,076 for uncollectible student tuition and fees. The College wrote off approximately $117,506 of tuition and fees during the year ended June 30, 2023.

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 2022 tax year and collected in 2023 are recorded as revenue in fiscal year 2023 . The remaining 50 percent of revenues related to tax year 2022 has been deferred and will be recorded as revenue in fiscal year 2024. The 50 percent allocation is an approximation based on tax collections in prior years.

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes (Continued)

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:

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

Leases

The College is a lessee in multiple noncancelable leases. If the contract provides the College the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the College's incremental borrowing rate. This rate is used to calculate the present value of future lease payments. This rate is an alternative investment rate for other than short-term investments and is materially the same as the rate the College might incur from an external lender.

Note 1: Summary of Significant Accounting Policies (Continued)

Leases (Continued)

For all underlying classes of assets, the College does not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the College is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The College recognizes short-term leases with lease costs included in short-term lease expense. The College recognizes short-term lease cost on a straight-line basis over the lease term.

In addition, under the new standard, the College has adopted a policy which evaluates the material nature of long-term leases as a group. For group calculations which fall below the policy threshold for recording, the College will not recognize the lease liability and ROU, and will instead expense these costs as incurred. Copier leases is one such group.

For leases or groups of leases whose annual payments are less than $22,000 or whose net present value is less than $140,000, the College has elected to recognize the payments as an expense in the period incurred.

Subscription Based Information Technology Arrangements

The College is a party to multiple noncancelable subscription based information technology arrangements (SBITAs). If the contract provides the College the right to use the present service capacity and the right to direct the use of the identified asset, it is considered to be or contain a SBITA. Subscription-based assets and liabilities are recognized at the agreement commencement date based on the present value of the future payments over the expected contract term. The SBITA asset is also adjusted for any prepayments made and capitalizable initial implementation costs as incurred.

The SBITA liability is initially and subsequently recognized based on the present value of its future payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable payments due to subsequent changes in an index or rate are recorded as an adjustment to expense in the period in which they are incurred.

The discount rate used is the implicit rate in the SBITA contract, if it is readily determinable, or the College's incremental borrowing rate.

For all underlying classes of assets, the College does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

Note 1: Summary of Significant Accounting Policies (Continued)

Unearned Tuition and Fees

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

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. Investment 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 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 Outflows/Inflows 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

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.

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 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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 2023, the state made contributions of $4,478,904.

Pensions

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

For the purposes of financial reporting, the State of Illinois (State) and its public universities and community colleges are under a special funding situation. A special funding situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity (the College) and the non-employer entity (the State) is the only entity with a legal obligation to make contributions directly to a pension plan. The College recognizes its proportionate share of the State's pension expense relative to the College's employees as non-operating revenue and pension expense, with the expense further allocated to the related function by employees.

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 – expendable – This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties (debt services is restricted by bond documents). When both 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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 fund equity 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.

New Accounting Pronouncement

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The statement enhances the relevance and consistency of reporting for the College's subscription activities by establishing requirements for subscription accounting based on the principle that subscription are financings of underlying right-to-use assets. A subscription recipient is required to recognize a subscription liability and a right-to-use subscription asset, and a subscription originator is required to recognize a subscription receivable and deferred inflow of resources. The College adopted this guidance retroactively for the year ended June 30, 2023.

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, 2023 consist of the following:

	Carry Amount
Cash on hand	$ 6,098
Deposits with financial institutions	27,392,470
Total	$ 27,398,568

Custodial Credit Risk - Deposits
Custodial credit risk for deposits is the risk that in the event of a bank failure, the District’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, 2023, the bank balances of the College's deposits were $27,907,402. The College had pledged securities of $24,115,770 and FDIC coverage of $3,791,632.

Note 3: Capital Assets

Capital asset balances and activity for the year ended June 30, 2023, were as follows:

	Balance 7/1/2022	Increases	Disposals and Transfers	Balance 06/30/2023
Capital assets, not being depreciated:				
Land	$ 2,142,785	$ -	$ -	$ 2,142,785
Construction in progress	5,073,438	1,558,741	(6,522,378)	109,801
Total capital assets, not being depreciated	7,216,223	1,558,741	(6,522,378)	2,252,586
Capital assets, being depreciated:				
Land improvements	3,782,678	-	-	3,782,678
Buildings and improvements	58,545,778	272,789	6,513,768	65,332,335
Equipment	26,416,112	890,213	(358,033)	26,948,292
Leasehold improvements	868,782	-	-	868,782
Lease assets	661,084	278,311	(281,425)	657,970
Subscription assets	-	2,443,762	-	2,443,762
Total capital assets, being depreciated	90,274,434	3,885,075	5,874,310	100,033,819
Less accumulated depreciation & amortization	54,678,547	3,080,327	(636,796)	57,122,078
Total capital assets, being depreciated, net	35,595,887	804,748	6,511,106	42,911,741
Capital assets, net	$ 42,812,110	$ 2,363,489	$ (11,272)	$ 45,164,327

Note 4: Long-Term Debt

The following is a summary of the long-term debt activity for the year ended June 30, 2023:

	Balance 7/1/2022	Additions	Payments	Balance 6/30/2023	Due Within One Year
Long-term debt:					
General obligation bonds	$ 12,280,000	$ -	$ (2,675,000)	$ 9,605,000	$ 2,765,000
Bond premiums (discounts)	728,935	-	(262,084)	466,851	221,677
Lease liability	271,472	278,311	(75,899)	473,884	61,963
Subscription liability	-	2,443,762	(468,606)	1,975,156	323,565
Compensated absences	867,501	522,872	(510,842)	879,531	422,175
OPEB liability	12,492,243	-	(7,673,233)	4,819,010	N/A
Total	$ 26,640,151	$ 3,244,945	$ (11,665,664)	$ 18,219,432	$ 3,794,380

Note 4: Long-Term Debt (Continued)

Details on the debt as of June 30, 2023 are as follows:

General Obligation Bonds:	
$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	$ 1,940,000
$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	4,780,000
$3,340,000 general obligation Community College serial bonds dated October 18, 2021, due in annual installments on December 1, of amounts ranging from $455,000 to $1,145,000 through December 2026, plus interest of 3.5% payable semiannually	2,885,000
Total general obligation bonds	9,605,000
Add: unamortized premium on bond issuance	466,851
Total bonds payable	10,071,851
Less: amount due in one year	(2,986,677)
Bonds payable - long-term portion	$ 7,085,174

Leases

The College entered into an agreement to lease copiers. The lease agreement commenced in October 2017 and required 60 monthly payments of $5,636. There are no variable components of the lease. The lease liability was measured at a discount rate of 7.75%, which is based on the College's estimated incremental borrowing rate. This agreement expired in 2023.

The College entered into an agreement to lease copiers. The lease agreement commenced in July 2018 and required 60 monthly payments of $1,999. There are no variable components of the lease. The lease liability was measured at a discount rate of 8.00%, which is based on the College's estimated incremental borrowing rate. This agreement expired in 2023.

Note 4: Long-Term Debt (Continued)

The College entered into an agreement to lease copiers. The lease agreement commenced in January 2023 and required 60 monthly payments of $5,574. There are no variable components of the lease. The lease liability was measured at a discount rate of 7.75%, which is based on the College's estimated incremental borrowing rate. The lease liability was $253,427 at June 30, 2023. Additionally, the College recorded a lease asset, net of amortization, of $250,478 at June 30, 2023.

At June 30, 2023, the future minimum lease payments were as follows:

Year ending June 30	Principal	Interest	Total
2024	$ 48,960	$ 17,928	$ 66,888
2025	52,893	13,995	66,888
2026	57,143	9,745	66,888
2027	61,731	5,157	66,888
2028	32,700	744	33,444
Total	$ 253,427	$ 47,569	$ 300,996

The College entered into an agreement to lease building space. The lease agreement commenced in March 2013 and required 240 monthly payments starting at $1,721, increasing annually. The lease liability was measured at a discount rate of 7.00%, which is based on the College's estimated incremental borrowing rate. The lease liability was $220,457 at June 30, 2023. Additionally, the College recorded a lease asset, net of amortization, of $135,524 at June 30, 2023.

At June 30, 2023, the future minimum lease payments were as follows:

Year ending June 30	Principal	Interest	Total
2024	$ 13,003	$ 15,027	$ 28,030
2025	14,812	14,059	28,871
2026	16,777	12,960	29,737
2027	18,911	11,718	30,629
2028	21,225	10,323	31,548
2029 - 2033	135,729	24,356	160,085
Total	$ 220,457	$ 88,443	$ 308,900

Note 4: Long-Term Debt (Continued)

Subscriptions

The College entered into an agreement with Instructure. The subscription agreement commenced in June 2023 and required 5 annual payments ranging from $56,446 to $73,079. The subscription liability was measured at a discount rate of 7.75%, which is based on the College's estimated incremental borrowing rate. The subscription liability was $217,967 at June 30, 2023. Additionally, the College recorded a lease asset, net of amortization, of $219,530 at June 30, 2023.

At June 30, 2023, the future minimum subscription payments were as follows:

During the year ending June 30:	Principal	Interest	Total
2024	$ 43,184	$ 16,892	$ 60,076
2025	49,584	13,546	63,130
2026	57,376	9,703	67,079
2027	67,823	5,256	73,079
Total	$ 217,967	$ 45,397	$ 263,364

The College entered into an agreement with Ellucian. The subscription agreement commenced in August 2022 and required 6 annual payments ranging from $358,660 to $475,901. The subscription liability was measured at a discount rate of 7.75%, which is based on the College's estimated incremental borrowing rate. The subscription liability was $1,661,456 at June 30, 2023. Additionally, the College recorded a lease asset, net of amortization, of $1,683,430 at June 30, 2023.

At June 30, 2023, the future minimum subscription payments were as follows:

During the year ending June 30:	Principal	Interest	Total
2024	$ 234,300	$ 128,763	$ 363,063
2025	277,872	110,605	388,477
2026	326,602	89,069	415,671
2027	381,010	63,758	444,768
2028	441,672	34,229	475,901
Total	$ 1,661,456	$ 426,424	$ 2,087,880

Note 4: Long-Term Debt (Continued)

The College entered into an agreement with Liaison International. The subscription agreement commenced in February 2023 and required 3 annual payments at $28,750. The subscription liability was measured at a discount rate of 7.75%, which is based on the College's estimated incremental borrowing rate. The subscription liability was $51,445 at June 30, 2023. Additionally, the College recorded a lease asset, net of amortization, of $53,463 at June 30, 2023.

At June 30, 2023, the future minimum subscription payments were as follows:

During the year ending June 30:	Principal	Interest	Total
2024	$ 24,763	$ 3,987	$ 28,750
2025	26,682	2,068	28,750
Total	$ 51,445	$ 6,055	$ 57,500

The College entered into an agreement with Sentinel Technologies, Inc. The subscription agreement commenced in August 2022 and required 3 annual payments at $24,750. The subscription liability was measured at a discount rate of 7.75%, which is based on the College's estimated incremental borrowing rate. The subscription liability was $44,288 at June 30, 2023. Additionally, the College recorded a lease asset, net of amortization, of $46,025 at June 30, 2023.

At June 30, 2023, the future minimum subscription payments were as follows:

During the year ending June 30:	Principal	Interest	Total
2024	$ 21,318	$ 3,432	$ 24,750
2025	22,970	1,780	24,750
Total	$ 44,288	$ 5,212	$ 49,500

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest, are as follows:

During the year ending June 30:	General Obligation Bonds	Lease Liability	Subscription Liability	Compensated Absences	Total Principal	Interest	Total Principal and Interest
2024	$ 2,765,000	$ 61,963	$ 323,565	$ 422,175	$ 3,572,703	$ 538,005	$ 4,110,708
2025	2,875,000	67,705	377,108	457,356	3,777,169	393,589	4,170,758
2026	2,820,000	73,920	383,978	-	3,277,898	226,165	3,504,063
2027	1,145,000	80,642	448,833	-	1,674,475	105,926	1,780,401
2028	-	53,925	441,672	-	495,597	45,297	540,894
2029 - 2033	-	135,729	-	-	135,729	24,356	160,085
Total	$ 9,605,000	$ 473,884	$ 1,975,156	$ 879,531	$12,933,571	$ 1,333,338	$ 14,266,909

Note 4: Long-Term Debt (Continued)

The following is a schedule of the legal debt margin of the College as of June 30, 2023:

Assessed valuation - 2022 levy	$	2,971,454,441
Debt limit - 2.875% of assessed valuation		85,429,315
Less indebtedness		(12,054,040)
Legal debt margin, June 30, 2023	$	73,375,275

Note 5: Defined Benefit Pension Plans

General Information about the Pension Plan

Plan description – The College's 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 Annual Comprehensive Financial Report (ACRF) as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits provided - A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election whether to participate in the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2022 can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

Contributions - The State 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 2022 and fiscal year 2023, respectively, was 12.32% and 12.83% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's 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), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

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

Note 5: Defined Benefit Pension Plans (Continued)

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 2022. At June 30, 2022, SURS reported a net pension liability (NPL) of $29,078,053,857.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the College in fiscal year 2022 is $0. The proportionate share of the State's net pension liability associated with the College at June 30, 2022 is $96,232,947 or 0.3309%. This amount is not recognized in the College's financial statement. The College's proportionate share changed by (0.0207)% from 0.3517% since the last measurement date of . The amount is not recognized in the College's financial statements. The NPL and total pension liability as of June 30, 2022 was determined based on the June 30, 2021 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 defined benefit plan during fiscal year 2021.

Defined Benefit Pension Expense

For the year ending June 30, 2022, SURS defined benefit plan reported a collective net pension expense of $1,903,314,699.

Employer Proportionate Share of Defined Benefit Pension Expense

The employer proportionate share of collective pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) 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 2021. As a result, the College recognized revenue and defined benefit pension expense of $6,298,963 from this special funding situation during the year ended June 30, 2023.

Note 5: Defined Benefit Pension Plans (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Defined Benefit Pensions

Deferred outflows of resources are the consumption of net position by SURS 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

Fiscal year ended June 30, 2022 (measurement date)	**Deferred Outflows of Resources**	**Deferred Inflow of Resources**
Difference between expected and actual experience	$ 31,973,496	$ 28,674,599
Changes in assumption	279,362,441	982,954,268
Net difference between projected and actual earnings on pension plan investments	31,628,935	-
Total	$ 342,964,872	$ 1,011,628,867

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

	Net Deferred Outflows (Inflows) of Resources
2023	$ (332,941,204)
2024	(528,966,820)
2025	(249,290,775)
2026	442,534,804
Total	$ (668,663,995)

College's Deferral of Fiscal Year 2023 Contributions

The College paid $156,299 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2023. These contributions were made subsequent to the pension liability measurement date of June 30, 2022, and are recognized as deferred outflows of resources as of June 30, 2023.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2017 through June 30, 2020. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% to 12.75%, including inflation
Investment rate of return	6.50%

Note 5: Defined Benefit Pension Plans (Continued)

Mortality rates were based on the Pub-2010 employee and retiree gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	38.0 %	7.62 %
Stabilized Growth		
Credit Fixed Income	9.0 %	4.20 %
Core Real Assets	4.5 %	4.98 %
Options Strategies	2.5 %	4.91 %
Private Credit	1.0 %	7.45 %
Non-Traditional Growth		
Private Equity	10.5 %	11.91 %
Non-Core Real Assets	2.5 %	9.43 %
Inflation Sensitive		
U.S. TIPS	5.0 %	1.23 %
Principal Protection		
Core Fixed Income	8.0 %	1.79 %
Crisis Risk Offset		
Systematic Trend Following	10.0 %	4.33 %
Alternative Risk Premia	5.0 %	3.59 %
Long Duration	4.0 %	2.16 %
Total	100 %	6.08 %
Inflation		2.25 %
Expected Arithmetic Return		**8.33 %**

Note 5: Defined Benefit Pension Plans (Continued)

Discount Rate. A single discount rate of 6.39% at June 30, 2022, 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 6.50% at June 30, 2022, and a municipal bond rate of 3.69% at June 30, 2022 (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS 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 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, 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 State's NPL, calculated using a single discount rate of 6.39%, as well as what the State's NPL net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1- percentage-point higher:

1% Decrease 5.39%	Current Single Discount Rate Assumption 6.39%	1% Increase 7.39%
$ 35,261,802,968	$ 29,078,053,857	$ 23,928,731,076

Additional information regarding the SURS basic financial statements, including the plan's net position can be found in the SURS Annual Comprehensive Financial Report by accessing the website at www.SURS.org.

Note 6: Defined Contribution Pension Plan

General Information about the Pension Plan

Plan Description. The College contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State of Illinois (State) makes substantially all 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 and community colleges, certain other affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. 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. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

Note 6: Defined Contribution Pension Plan (Continued)

Benefits Provided. A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2022, can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

Contributions. All employees who have elected to participate in the RSP are required to contribute 8.0% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.6% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.6% contribution for employee earnings paid from “trust, federal, and other funds” as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State’s General Assembly.

Forfeitures. Employees are not vested in employer contributions to the RSP until they have attained five years of service credit. Should an employee leave SURS-covered employment with less than five years of service credit, the portion of the employee’s RSP account designated as employer contributions is forfeited. Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee’s own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a portion of the State’s contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and may be amended by the State’s General Assembly.

Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense

For the year ended June 30, 2022, the State’s contributions to the RSP on behalf of individual employers totaled $89,770,940. Of this amount, $80,902,699 was funded via an appropriation from the State and $8,868,241 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2022. The College’s share of pensionable contributions was 0.1987%. As a result, the College recognized revenue and defined contribution pension expense of $178,355 from this special funding situation during the year ended June 30, 2023, of which $17,619 constituted forfeitures.

Note 7: 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. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

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 CCHISF's financial statements of the Department may be obtained by accessing the website at www.auditor.illinois.gov/Audit-Reports/CMS-CCHISF.asp.

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.

Note 7: Other Post-Employment Benefits (Continued)

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, 2022. CIP reported a net OPEB liability at June 30, 2022 of $684,560,152.

Employer Proportionate Share of Net OPEB Liability

The amount of the proportionate share of the net OPEB liability to be recognized for the College in fiscal year 2023 is $4,819,010 or 0.7040%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0158%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2022 was $4,819,010. The total proportionate share of the net OPEB liability associated with the College at June 30, 2022 was $9,638,020. The net OPEB liability and total OPEB liability as of June 30, 2022 was determined based on the June 30, 2021 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 2022.

OPEB Expense

At June 30, 2022, CIP reported a collective net OPEB expense/(income) of $(287,349,940).

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 2022. As a result, the College recognized on-behalf revenue of $(1,998,414) for the fiscal year ended June 30, 2022 Additionally, the College recognized OPEB expense of $(2,421,981) for the fiscal year ended June 30, 2022.

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.

Note 7: Other Post-Employment Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 38,069	$ 2,007,267
Changes in assumption	0	6,495,876
Net difference between projected and actual earnings on OPEB plan investments	0	249
Changes in proportion and differences between employer contributions and share of contributions	7,893	1,053,897
Total deferred amounts to be recognized in pension expense in future periods	45,962	9,557,289
OPEB contributions made subsequent to the measurement date	66,906	0
Total	$ 112,868	$ 9,557,289

The College reported $66,906 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, 2024. 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:

Year Ending June 30	Net Deferred Inflows of Resources
2024	$ (1,585,221)
2025	(1,585,221)
2026	(1,585,221)
2027	(1,585,221)
2028	(1,585,221)
2029	(1,585,222)
Total	$ (9,511,327)

Note 7: Other Post-Employment Benefits (Continued)

Assumptions and Other Inputs

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on age and service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increases includes a 3.00% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend used fiscal year end 2023 based on actual premium increases. For Non-Medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.86% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.
Asset Valuation Method	Market value

Mortality rates for retirement and beneficiary annuitants were based on the Pub-2010 Healthy Retiree Mortality Table. For disabled annuitants, mortality rates were based on the Pub-2010 Disabled Retiree Mortality Table. Mortality rates for pre-retirement were based on the Pub-2010 Employee Mortality Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2020.

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 3.69% as of June 30, 20221.92%. The decrease in the single discount rate from 1.92% to 3.69% caused the total OPEB liability to increase by approximately $119.2 million from 2021 to 2022.

Note 7: Other Post-Employment Benefits (Continued)

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 3.69% at June 30, 2022, 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:

Sensitivity of Net OPEB Liability as of June 30, 2022 to the Single Discount Rate Assumption

	1% Decrease (2.69%)	Current Single Discount Rate Assumption (3.69%)	1% Increase (4.69%)
Net OPEB liability	$ 5,275,265	$ 4,819,010	$ 4,428,847

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 9.18% in 2023 decreasing to an ultimate trend rate of 4.25% in 2039.

Sensitivity of Net OPEB Liability as of June 30, 2022 to the Healthcare Cost Trend Rate Assumption

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	$ 4,306,524	$ 4,819,010	$ 5,445,225

(a) Current healthcare trend rates - Pre-Medicare per capita costs: 9.18% in 2023, 8.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039. Post-Medicare per capita costs: 2.98% in 2023, 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 5.86% in 2023 decreasing ratably to an ultimate rate of 4.25% in 2039.

(b) One percentage point increase in current healthcare trend rates - Pre-Medicare per capita costs: 8.18% in 2023, 7.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capita costs: 1.98% in 2023, 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 4.86% in 2023 decreasing ratably to an ultimate rate of 3.25% in 2039.

(c) One percentage point increase in current healthcare trend rates - Pre-Medicare per capita costs: 10.18% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capita costs: 3.98% in 2023, 1.00% from 2024 to 2028, 20.42% from 2029 to 2033, 6.86% in 2023 decreasing ratably to an ultimate rate of 5.25% in 2039.

Note 8: 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 unsured 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.

The College accounts for and finances its uninsured risks of loss related to medical care, outpatient prescription drug costs, and dental care. A third-party administrator provides administrative services for this self-insurance plan. Under this program, the fund provides coverage of the College's employee medical insurance when individual claims exceeded $120,000 with an unlimited maximum benefit per individual per life-time and aggregate claims exceeded $3,116,889 over an annual liability period.

The reserve for health care costs reported in the fund at June 30, 2023 is based on the requirements of GASB, which requires that a liability for claims be reported if information prior to the issuance of the financial statement indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claims liability includes all known claims.

The following is a reconciliation of changes in the reserve for health care costs for the current fiscal year and two prior fiscal years. The reserve is based on deposits net of changes.

	2023	2022
Reserve for health care costs at July 1	$ 244,028	$ 140,426
Claims incurred during the period	2,128,562	2,747,497
Payments on claims	(2,105,105)	(2,643,895)
Reserve for health care costs at June 30	$ 267,485	$ 244,028

The reserve for health care costs is recorded with the accounts payable and accrued liabilities categories on the statements of net position as of June 30, 2023 and 2022, respectively.

Note 9: Impact of Pending Accounting Principles

GASB Statement No. 99, Omnibus 2022, improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and 2023. The College has not determined the effect of this Statement.

GASB Statement No. 100, Accounting Changes and Error Corrections, enhances accounting and financial reporting for accounting changes in error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The College has not determined the effect of this Statement.

GASB Statement No. 101, Compensated Absences, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The College has not determined the effect of this Statement.

Note 10: Commitments and Contingencies

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.

Construction Commitments. In April 2023, the College entered into a professional services agreements with Piggush Simoneau, Inc. to repair the R Building for $997,888. As of June 30, 2023 total costs incurred are approximately $109,801. The estimated completion date for this project is fiscal year 2024.

Note 11: Subsequent Events

In August 2023, the College issued 2023A General Obligation Debt Certificates in the amount of $5,025,000 for the purpose of paying the cost of purchasing real or personal property, or both, in and for the Community College District.

In November 2023, the College issued 2023B General Obligation Bonds in the amount of $5,420,000 for the purpose of refunding the 2023A General Obligation Debt Certificates.

Note 12: Component Unit

Summary of Significant Accounting Policies

Nature of Activities

Kankakee Community College Foundation (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 are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

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, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets 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 or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restriction expires within the same reporting period in which the contribution is received. 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. The Foundation did not have any net assets with donor restrictions that were perpetual in nature as of June 30, 2023 and 2022.

Note 12: Component Unit (Continued)

<u>**Summary of Significant Accounting Policies** (Continued)</u>

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, 2023, pledges receivables were $147,619 less allowances. Management has assessed the collectability of pledges receivable and determined they are fully collectible as of June 30, 2023.

Note 12: 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.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the statements of activities. The statements of functional expenses present the natural classification details of expenses by function. Expenses which directly benefit the program, management and general, or fundraising are charged to the respective functional area on the basis of actual cost. Other expenses are allocated among the program and supporting services benefited based on allocations and estimates made by management. Salaries and benefits, office expense, retirement contributions and depreciation are allocated on estimates of time and effort Advertising, development, program events, facility rental, film and equipment rental, hospitality, insurance, merchandise, outside contractors, professional fees and in-kind expenses are based on specific identification.

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, 2023, the bank balances of the Foundation’s deposits were $528,685. Of that bank balance, $496,973 was covered by federal depository insurance and $31,712 was undercollateralized.

Certificates of Deposit

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

Note 12: Component Unit (Continued)

Summary of Significant Accounting Policies (Continued)

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.

Contributed Nonfinancial Assets

Contributed nonfinancial assets 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 contributed nonfinancial assets generally in the form of contributed time by volunteers. However, these contributed nonfinancial assets are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services. Contributed nonfinancial assets funded by the College are recognized in the financial statements and included in supporting services.

For the year ended June 30, 2023, the Foundation received contributed administrative services totaling $178,421 from the College, a related party. The Foundation also received operational supplies valued at $35,935 from various businesses and individuals during the year ended June 30, 2023.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue, support, and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Foundation has evaluated subsequent events through September 14, 2023, which is the date the financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2023 have been incorporated herein.

New Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the calendar year ending December 31, 2023. Management is currently evaluating the impact of adoption of this ASU on the financial statements and the related notes to the financial statements.

Note 12: Component Unit (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of the following at June 30, 2023:

Brokerage money market	$	102,224
Brokerage cash		-
Checking		274,777
Total	$	377,001

Liquidity and Availability of Financial Resources

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, 2023, reduced by amounts not available for general expenditures:

Total financial assets	$	10,077,681
Less those unavailable for general expenditure within one year due to:		
Purpose restrictions		(1,594,053)
Board designated restrictions		(432,691)
Perpetual endowments		(6,598,839)
Financial assets available to meet cash needs for general expenditures within one year	$	1,452,098

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, 2023 consisted of the following:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
U.S. treasury obligations	$ 593,314	$ 583,658	$ 9,656
Mutual funds	3,488,345	3,626,534	(138,189)
Exchange-traded and closed-end funds	4,134,541	3,651,548	482,993
Common stock	1,086,585	869,393	217,192
Total	$ 9,302,785	$ 8,731,133	$ 571,652

Note 12: Component Unit (Continued)

Investments (Continued)

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended June 30, 2023:

	Without Donor Restriction	With Donor Restriction	Total
Interest and dividends	$ 2,708	$ 274,479	$ 277,187
Unrealized gains (losses)	-	675,352	675,352
Realized gains (losses)	-	(150,685)	(150,685)
Total	$ 2,708	$ 799,146	$ 801,854

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.
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 5 underwater endowment funds at June 30, 2023, in an amount of $34,533.
Changes in endowment net assets for the year ended June 30, 2023:

Endowment net assets, July 1, 2022	$ 6,006,879
Contributions	107,675
Investment income (loss), net	(78,659)
Net assets related from restrictions	562,944
Change in endowment net assets	591,960
Endowment net assets, June 30, 2023	$ 6,598,839

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.

Note 12: Component Unit (Continued)

Net Assets with Donor Restriction

Net assets with donor restrictions consist of the following as of June 30, 2023

Subject to expenditure for specified purpose:		
Student scholarships awards and College support	$	1,594,053
Endowment subject to spending policy and appropriation		6,598,839
Net assets with donor restrictions	$	8,192,892

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, 2023 for scholarships, awards and College support totaled $238,045.

Pledges 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, 2023 is as follows:

Total pledges receivable	$	150,000
Less discounts to net present value		(2,381)
Pledges receivable	$	147,619
Amounts due in:		
Less than one year	$	100,000
Due in more than one year		47,619
Net assets with donor restrictions	$	147,619

Fair Value Measurements

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 I – 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.

Note 12: Component Unit (Continued)

Fair Value Measurements (Continued)

- Level II – 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; and 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 II input must be observable for substantially the full term of the asset or liability.
- Level III – 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 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 I, with no valuation adjustments applied.

At June 30, 2023, the Foundation's approximate fair value hierarchy for investments valued at fair value on a recurring basis were as follows:

Assets measured at fair value on a recurring basis	**Recurring Fair Value Measurements at Reporting Date Using**			
	Total	**(Level 1)**	**(Level 2)**	**(Level 3)**
U.S. treasury obligations	$ 593,314	$ 593,314	$ -	$ -
Mutual funds	3,488,345	3,488,345	-	-
Exchange-traded and closed-end funds	4,134,541	4,134,541	-	-
Common stock	1,086,585	1,086,585	-	-
Total	$ 9,302,785	$ 9,302,785	$ -	$ -

Information regarding the fair value of assets and liabilities measured at fair value on a nonrecurring basis as of June 30, 2023 follows:

Assets measured at fair value on a nonrecurring basis	**Nonrecurring Fair Value Measurements** at **R**eporting Date Using			
	Total	**(Level 1)**	**(Level 2)**	**(Level 3)**
Contributed nonfinancial assets:				
Services	$ 178,421	$ -	$ -	$ 178,421
Advertising	35,935	-	-	35,935
Total	$ 214,356	$ -	$ -	$ 214,356

Note 12: Component Unit (Continued)

Fair Value Measurements (Continued)

The following presents quantitative information about nonrecurring Level 3 fair value measurements at June 30, 2023:

		Fair Value	Valuation Technique(s)	Unobservable Input(s)	Range
Contributed services	$	178,421	Market Approach	Fair value of assets contributed to Foundation	N/A
Advertising		35,935	Market Approach	Fair value of assets contributed to Foundation	N/A
Total	$	214,356			

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 $178,421 for the year ended June 30, 2023 and is recognized as both a revenue and expense in the statement of activities. The Foundation paid the College $238,045 for scholarships and awards and $501,000 for the relocation of the bookstore during the year ended June 30, 2023. At June 30, 2023, the Foundation had accounts payable of $187,004 to the College.

Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of the following:

Advertising	$	35,935
Contributed services		178,421
Total contributed nonfinancial assets	$	214,356

The Foundation recognizes contributed nonfinancial assets within revenues, including contributed advertising and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed advertising was used to promote the Foundation and fundraising activities. Contributed advertising is valued and reported at the estimated fair value in the financial statements based on current rates for similar advertising services. Contributed services recognized comprise professional services from College accounting and administrative personnel handling the Foundation's financial records and operational activities.

Required Supplementary Information

Kankakee Community College District 520

Schedule of Share of Net Pension Liability

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Measurement Date June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion percentage of the collective net pension liability	0 %	0 %	0 %	0 %	0 %	0 %	0 %			
Proportion amount of the collective net pension liability	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0			
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	$ 96,232,947	$ 100,328,663	$ 107,682,979	$ 102,875,295	$ 98,650,469	$ 93,515,659	$ 98,606,011	$ 89,176,468		
Employer covered payroll	$ 12,180,000	$ 12,324,407	$ 13,071,288	$ 12,957,689	$ 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 covered payroll	790.09 %	814.06 %	823.81 %	793.93 %	768.78 %	721.04 %	717.87 %	648.32 %		
SURS plan net position as a percentage of total pension liability	43.65 %	45.45 %	39.05 %	40.71 %	41.27 %	42.04 %	39.57 %	42.37 %		

Note: The District 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 Ten Fiscal Years

(schedule to be built prospectively from 2014)

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Federal, trust, grant and other contribution	$ 156,299	$ 155,636	$ 152,514	$ 162,582	$ 139,029	$ 139,567	$ 140,569	$ 176,970	$ 155,372	
Contribution in relation to required contribution	156,299	155,636	152,514	162,582	139,029	139,567	140,569	176,970	155,372	
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0		
Employer covered payroll	$ 12,417,245	$ 12,180,000	$ 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 payroll	1.26 %	1.28 %	1.24 %	1.24 %	1.07 %	1.09 %	1.08 %	1.29 %	1.13 %	

Note: The District 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 Ten Fiscal Years
(schedule to be built prospectively from 2018)

Measurement Date June 30,	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Proportion percentage of the collective net OPEB liability	0.70 %	0.72 %	0.75 %	0.77 %	0.78 %	1.00 %				
Proportion amount of the collective net OPEB liability	$ 4,819,010	$ 12,492,243	$ 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	$ 4,819,010	$ 12,492,243	$ 13,748,131	$ 14,530,209	$ 14,758,978	$ 14,152,960				
Total collective net OPEB liability associated with the College	$ 9,638,020	$ 24,984,486	$ 27,496,289	$ 29,060,418	$ 29,517,956	$ 28,494,811				
College's covered payroll	$ 12,180,000	$ 12,324,407	$ 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	79.13 %	202.72 %	210.36 %	224.27 %	230.03 %	219.70 %				
College insurance plan net position as a percentage of total OPEB liability	(22.03)%	(6.38)%	(5.07)%	(4.13)%	(3.54)%	(2.87)%				

Note: The District 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

Schedule of OPEB Contributions

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Fiscal Year Ended June 30,	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Statutorily required contribution	$ 66,906	$ 66,386	$ 66,926	$ 69,366	$ 69,064	$ 68,365	$ 68,230	$ 71,943		
Contribution in relation to the required statutorily	66,906	66,386	66,926	69,366	69,064	68,365	68,230	71,943		
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0			
District's covered payroll	$ 12,417,245	$ 12,180,000	$ 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 %	0.50 %	0.50 %		

Note: The District 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.

Note 1: Changes of Benefit Terms

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2023.

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, 2017 to June 30, 2020 was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below and remained the same for the June 30, 2022, actuarial valuation.

- Salary increase. Change in the overall assumed salary increase rates, ranging from 3.00 percent to 12.75 percent based on years of service, while maintaining the underlying wage inflation rate of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.50 percent. This reflects decreasing the assumed real rate of return of 4.25 percent and maintaining the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the effective rate of interest for crediting the money purchase accounts to 6.50 percent.
- Normal retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Early retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Turnover rates. Change rates to produce slightly lower expected turnover for most members, while maintaining pattern of decreasing termination rates as years of service increase.
- Mortality rates. Maintain the RP-2014 to the Pub 2010 mortality tables to reflect the latter's high applicability to public pensions. Update the projection scale from MP-2017 to the MP-2020 scale.
- Disability rates. Establish separate rates for members in academic positions and non-academic positions and maintain separate rates for males and females.
- Plan election. Change plan election assumptions to 75 percent Tier 2 and 25 percent Retirement Savings Plan (RSP) for non-academic members. Change plan election assumptions to 55 percent Tier 2 and 45 percent Retirement Savings Plan (RSP) for academic members.

Note 3: Changes of OPEB Benefit Terms

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2023.

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, 2017 to June 30, 2020, resulting in the adoption of new assumptions as of June 30, 2021. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2020:

- Per capita claim costs for plan year end June 30, 2022, were updated based on projected claim sand enrollment experience through June 30, 2022, and updated premium rates through plan year end 2023;

- Effective as of January 1, 2023, projected per capita costs reflect the newly established zero premium MAPD plan. Based on discussions with CMS, the MAPD costs are zero for calendar years 2023 through 2027, increase to $42 per member per month in calendar year 2028, and increases ratably to $102 per member per month in calendar year 2032. After 2032, costs increase according to the assumed trend rates;

- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2021, projected plan cost for plan year end June 30, 2022, premium changes through plan year end 2022, and expectation of future trend increases after June 30, 2022;

- Healthcare plan participation and lapse rates were updated based on observed experience; and

- The discount rate was changed from 1.92 percent at June 30, 2021, to 3.69 percent at June 30, 2022.

The pension-related assumption changes had minimal impact to the results of the OPEB actuarial valuation.

Supplemental Financial Information

Uniform Financial Statements

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

Year Ended June 30, 2023	**Education Fund**	**Operations and Maintenance Fund**	**Operations and Maintenance Fund (Restricted)**	**Bond and Interest Fund**	**Auxiliary Enterprises Fund**
Fund balance (deficit), beginning of year	$ 11,738,930	$ 4,606,160	$ 664,239	$ 1,544,625	$ 7,676,913
Revenues:					
Local tax revenue	7,806,609	2,076,667	1,382,320	3,153,073	-
ICCB Grants	3,392,599	225,008	-	-	-
All other State revenue	71,463	-	13,255	-	-
Federal revenue	204,735	-	-	-	-
Student tuition and fees	8,757,851	338,132	-	-	516,695
On-Behalf CIP	-	-	-	-	-
On-Behalf SURS	-	-	-	-	-
All other revenue	348,802	397,083	68,203	11,663	1,836,973
Total revenues	20,582,059	3,036,890	1,463,778	3,164,736	2,353,668
Expenditures:					
Instruction	7,802,409	-	-	-	-
Academic support	1,640,415	-	-	-	-
Student services	1,560,680	-	-	-	-
Public service/continuing education	458,607	-	-	-	-
Auxiliary services	-	-	-	-	2,589,189
Operations and maintenance	-	3,008,268	1,113,175	-	-
Institutional support	9,439,192	146,391	-	1,350	-
Scholarships, grants, waivers	-	-	-	-	-
Principal retirement	533,164	11,341	-	2,675,000	-
Interest	9,785	15,870	-	442,151	-
Total expenditures	21,444,252	3,181,870	1,113,175	3,118,501	2,589,189
Other financing sources (uses):					
Issuance of debt	2,722,073	-	-	-	-
Transfers in	17,000	-	782,217	-	152,536
Transfers out	(223,927)	(50,790)	(507,500)	-	(152,536)
Total other financing sources (uses)	2,515,146	(50,790)	274,717	-	-
Fund balance (deficit), end of year	$ 13,391,883	$ 4,410,390	$ 1,289,559	$ 1,590,860	$ 7,441,392

Kankakee Community College District 520

Uniform Financial Statement #1 - All Funds Summary

Year Ended June 30, 2023	**Restricted Purposes Fund**	**Working Cash Fund**	**Audit Fund**	**Liability, Protection Settlement Fund**	**Total**
Fund balance (deficit), beginning of year	$ (79,262)	$ 3,395,438	$ 106,212	$ 2,762,431	$ 32,415,686
Revenues:					
Local tax revenue	-	-	67,827	1,387,755	15,874,251
ICCB Grants	369,658	-	-	-	3,987,265
All other State revenue	515,752	-	-	-	600,470
Federal revenue	10,178,125	-	-	-	10,382,860
Student tuition and fees	-	-	-	-	9,612,678
On-Behalf CIP	(1,998,414)	-	-	-	(1,998,414)
On-Behalf SURS	6,477,318	-	-	-	6,477,318
All other revenue	14,429	40,772	1,699	47,638	2,767,262
Total revenues	15,556,868	40,772	69,526	1,435,393	47,703,690
Expenditures:					
Instruction	2,754,355	-	-	-	10,556,764
Academic support	1,031,936	-	-	-	2,672,351
Student services	1,076,947	-	-	-	2,637,627
Public service/continuing education	3,183,605	-	-	-	3,642,212
Auxiliary services	354,347	-	-	-	2,943,536
Operations and maintenance	111,763	-	-	766,010	4,999,216
Institutional support	2,250,679	-	49,250	757,881	12,644,743
Scholarships, grants, waivers	4,713,731	-	-	-	4,713,731
Principal retirement	-	-	-	-	3,219,505
Interest	-	-	-	-	467,806
Total expenditures	15,477,363	-	49,250	1,523,891	48,497,491
Other financing sources (uses):					
Issuance of debt	-	-	-	-	2,722,073
Transfers in	-	-	-	-	951,753
Transfers out	-	(17,000)	-	-	(951,753)
Total other financing sources (uses)	-	(17,000)	-	-	2,722,073
Fund balance (deficit), end of year	$ 243	$ 3,419,210	$ 126,488	$ 2,673,933	$ 34,343,958

Kankakee Community College District 520

Uniform Financial Statement #2

Summary of Capital Assets and Long-Term Debt *

	Balance July 1, 2022	Additions	Deletions	Reclassification	Balance June 30, 2023
Capital assets:					
Land and improvements	$ 5,925,463	$ -	$ -	$ -	$ 5,925,463
Construction in progress	5,073,438	1,558,741	-	(6,522,378)	109,801
Buildings, additions and improvements	59,414,560	272,789	8,610	6,522,378	66,201,117
Equipment	26,416,112	890,213	358,033	-	26,948,292
Lease assets	661,084	278,311	281,425	-	657,970
Subscription assets	-	2,443,762	-	-	2,443,762
Total capital assets	97,490,657	5,443,816	648,068	-	103,582,541
Accumulated depreciation	54,186,041	2,578,126	355,371	-	56,408,796
Accumulated amortization	492,506	502,201	281,425	-	713,282
Total depreciation and amortization	54,678,547	3,080,327	636,796	-	57,122,078
Net capital assets	$ 42,812,110	$ 2,363,489	$ 11,272	$ -	$ 45,164,327
Long-term debt:					
Bonds payable	$ 12,280,000	$ -	$ 2,675,000	$ -	$ 9,605,000
Bond premium	728,935	-	262,084	-	466,851
Lease liability	271,472	278,311	75,899	-	473,884
Subscription liability	-	2,443,762	468,606	-	1,975,156
Compensated absences	867,501	522,872	510,842	-	879,531
OPEB liability	12,492,243	-	7,673,233	-	4,819,010
Total long-term debt	$ 26,640,151	$ 3,244,945	$ 11,665,664	$ -	$ 18,219,432

* Kankakee Community College District 520 had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2023.

Kankakee Community College District 520

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures

Year Ended June 30, 2023	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Revenues:			
Local government:			
Local taxes	$ 6,399,227	$ 1,828,305	$ 8,227,532
CPPRT	1,407,382	248,362	1,655,744
Total local government	7,806,609	2,076,667	9,883,276
State government:			
ICCB base operating grant	1,964,715	103,406	2,068,121
ICCB equalization grants	1,094,418	121,602	1,216,020
ICCB - Career and Technical Education	239,839	-	239,839
Other State not listed above	165,090	-	165,090
Total state government	3,464,062	225,008	3,689,070
Federal government:			
Department of Education	204,735	-	204,735
Total federal government	204,735	-	204,735
Student tuition and fees:			
Tuition	8,007,135	338,132	8,345,267
Fees	750,666	-	750,666
Total tuition and fees	8,757,801	338,132	9,095,933
Interest	259,574	107,491	367,065
Other revenue	89,228	289,592	378,820
Total other sources	348,802	397,083	745,885
Total revenue	$ 20,582,009	$ 3,036,890	$ 23,618,899
Less nonoperating items:			
Tuition chargeback	0	0	0
Adjusted revenue	$ 20,582,009	$ 3,036,890	$ 23,618,899

Kankakee Community College District 520

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures (Continued)

Year Ended June 30, 2023	**Education**	**Operations and Maintenance**	**Total**
Operating expenses:			
By program:			
Instruction	$ 7,802,409	$ -	$ 7,802,409
Academic support	1,640,415	-	1,640,415
Student services	1,560,680	-	1,560,680
Public services	458,607	-	458,607
Operations and maintenance	-	3,008,268	3,008,268
Institutional support	9,982,141	173,602	10,155,743
Total expenditures	21,444,252	3,181,870	24,626,122
Less nonoperating items*			
Tuition chargeback	0	0	0
Adjusted expenditures	$ 21,444,252	$ 3,181,870	$ 24,626,122
By object:			
Salaries	11,183,599	1,075,826	12,259,425
Employee benefits	1,682,737	249,145	1,931,882
Contractual services	806,778	332,246	1,139,024
General materials and supplies	1,215,413	326,862	1,542,275
Travel, conference and meeting expense	151,251	1,061	152,312
Fixed Charges	1,128	68,077	69,205
Utilities	6,446	747,322	753,768
Capital outlay	3,255,977	318,723	3,574,700
Principal Retirement	533,164	11,341	544,505
Interest, service charges, and issuance costs	9,785	15,870	25,655
Other	2,597,974	35,397	2,633,371
Total expenditures	21,444,252	3,181,870	24,626,122
Less nonoperating items*			
Tuition chargeback	0	0	0
Adjusted expenditures	$ 21,444,252	$ 3,181,870	$ 24,626,122

* Inter-college 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

Year Ended June 30, 2023

Revenue by source:	
State government:	
ICCB - adult education	$ 258,389
ICCB grants - others	111,269
On-behalf CIP	(1,998,414)
On-behalf SURS	6,477,318
Other state sources	515,752
Total state government	5,364,314
Federal government:	
Department of Education	8,256,585
Department of Labor	1,190,864
Department of Health and Human Services	227,908
Other	502,768
Total federal government	10,178,125
Other sources:	
Nongovernmental grants and gifts	14,429
Total other sources	14,429
Total restricted purposes fund revenues	$ 15,556,868
Expenditures by program:	
Instruction	$ 2,754,355
Academic support	1,031,936
Student services	1,076,947
Public services	3,183,605
Auxiliary services	354,347
Operations and maintenance	111,763
Institutional support	2,250,679
Scholarships, student grants, and waivers	4,713,731
Total restricted purposes fund expenditures by program	$ 15,477,363
Expenditures by object:	
Salaries	$ 1,976,363
Employee benefits	4,956,374
Contractual services	932,557
General materials and supplies	870,140
Travel, conference and meeting expense	41,239
Fixed Charges	29,196
Capital outlay	313,627
Other	6,357,867
Total restricted purposes fund expenditures by object	$ 15,477,363

Kankakee Community College District 520

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity

Year Ended June 30, 2023

Instruction:	
Program	$ 8,489,561
Support	2,067,203
Total instruction	10,556,764
Academic support:	
Library Center	337,714
Instructional Materials Center	31,538
Educational Media Center	587,639
Academic Computing Support	376,260
Academic Administration and Planning	132,531
Other Academic Support	1,206,669
Total academic support	2,672,351
Student services:	
Admissions & Records	315,179
Counseling & Career Guidance	1,175,088
Financial Aid Administration	277,238
Other Student Services	870,122
Total student services	2,637,627
Public service/continuing education:	
Community Education	881,269
Customized Training	254,034
Community Services	316,351
Other Public Services	2,190,558
Total public service/continuing education	3,642,212
Auxiliary	2,943,536
Operations and maintenance of plant:	
Maintenance	980,092
Custodial Services	729,137
Grounds	255,348
Campus Security	766,010
Transportation	42,287
Plant Utilities	742,130
Administration	259,274
Other Op & Maint	111,763
Total operations and maintenance of plant	3,886,041

Kankakee Community College District 520

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity (Continued)

Year Ended June 30, 2023

Institutional support:	
Executive Management	905,440
Fiscal Operations	886,721
Community Relations	684,095
Board of Trustees	29,897
General Institution	5,707,684
Administrative Data Processing	1,522,306
Other Institutional Support	3,477,410
Total institutional support	13,213,553
Scholarships, Grants, Waivers	4,713,731
Total current funds expenditures	$ 44,265,815

* 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

Year Ended 2024

All fiscal year 2023 noncapital audited operating expenditures from the following funds:

1.	Education Fund	20,265,278	
2.	Operations and Maintenance Fund	3,016,426	
3.	Public Building Commission Operations and Maintenance Fund	-	
4.	Bond and Interest Fund	1,350	
5.	Public Building Commission Rental Fund	-	
6.	Restricted Purposes Fund	10,249,447	
7.	Audit Fund	49,250	
8.	Liability, Protection, and Settlement Fund	1,523,891	
9.	Auxiliary Enterprises Fund (subsidy only)	-	
10.	Total noncapital expenditures (sum of lines 1-9)		$ 35,105,642
11.	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	$ 1,831,949	
12.	Total costs included (line 10 plus line 11)		$ 36,937,591
13.	Total certified semester credit hours for FY 2023	43,866	
14.	Per capita cost (line 12 divided by line 13)		$ 842.06
15.	All FY 2023 state and federal operating grants for noncapital expenditures, except ICCB grants	$ 10,289,708	
16.	FY 2023 state and federal grants per semester credit hour (line 15 divided by line 13)		234.57
17.	District's average ICCB grant rate (excluding equalization grants) for FY 2024		52.33
18.	District's student tuition and fee rate per semester credit hour for FY 2024		175.00
19.	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)		$ 380.16

Approved: Betty Munley — Vice President of Business Affairs — Date 12/05/2023

President — Date 12/5/2023

Other Supplemental Financial Information

Kankakee Community College District 520

Reconciliation of Fund Equity to Net Position

Governmental funds equity	$ 26,902,566
Proprietary funds equity	7,441,392
Total fund equity	34,343,958
Reconciling items:	
Capital assets, net	45,164,327
Deferred contractually required contributions	156,299
Compensated absences	(869,398)
Deferred salaries	(127,140)
Unearned tuition	552,405
Bonds payable	(10,071,851)
Lease liability	(473,884)
Subscription liability	(1,975,156)
OPEB deferred inflows	(9,557,289)
OPEB deferred outflows	112,868
OPEB liability	(4,819,010)
Accrued interest on bonds	(31,549)
Net position	$ 52,404,580

Kankakee Community College District 520

Reconciliation of Changes in Fund Equity to Changes in Net Position

Net changes in fund equity - governmental funds	$ 2,163,793
Net changes in fund equity - proprietary funds	(235,521)
Total change in fund equity	1,928,272
Reconciling items:	
Addition of capital assets	5,443,816
Depreciation	(2,578,126)
Loss on disposal of assets	(11,272)
Bond, Lease, and Subscription proceeds	(2,722,073)
Change in deferred contractually required contributions	663
Change in unearned summer salaries	(58,741)
Change in compensated absences	(33,346)
Change in unearned summer tuition	(17,762)
Bond principal payments	2,675,000
Amortization of premium on bond issuance	262,084
Change in OPEB deferred inflows	(5,210,001)
Change in OPEB deferred outflows	(41,251)
Change in OPEB liability	7,673,233
Lease payments	75,899
Lease amortization	(60,887)
Subscription payments	468,606
Subscription amortizations	(441,314)
Change in accrued interest on bonds	6,969
Change in net position	$ 7,359,769

Kankakee Community College District 520

Budgetary Comparison Schedule

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	Educational Fund 2023 Budget	 Actual	 2022 Actual
Revenues:			
Local government sources	$ 6,227,091	$ 6,399,227	$ 6,072,189
Federal government sources	698,035	204,735	445,565
State government sources	4,060,163	4,871,444	4,779,778
Student tuition and fees	7,473,719	8,757,851	8,274,735
Interest	7,790	259,574	3,870
Other	80,348	89,228	61,654
Total revenues	18,547,146	20,582,059	19,637,791
Expenditures:			
Instruction	9,095,019	7,802,409	7,797,355
Academic support	1,516,651	1,640,415	1,330,057
Student services	1,472,377	1,560,680	1,412,317
Public services	419,337	458,607	380,542
Institutional support	9,523,430	9,982,141	6,848,221
Total expenditures	22,026,814	21,444,252	17,768,492
Excess (deficiency) of revenues over expenditures	(3,479,668)	(862,193)	1,869,299
Other financing sources (uses):			
Issuance of debt	-	2,722,073	1,289,257
Transfers in	90,600	17,000	-
Transfers out	-	(223,927)	-
Net change in fund balance	$ (3,389,068)	$ 1,652,953	3,158,556

Kankakee Community College District 520

Schedule of Revenues and Comparison with Budget

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	Educational Fund 2023 Budget	 2023 Actual	 2022 Actual
Revenues:			
Local government sources:			
General property taxes	$ 6,227,091	$ 6,399,227	$ 6,072,189
Total local government sources	6,227,091	6,399,227	6,072,189
State government:			
State apportionment/equalization	3,107,856	3,125,340	3,165,151
ICCB career and technical education	239,839	239,839	235,628
Replacement taxes	712,468	1,434,802	1,378,999
Other state sources	-	71,463	-
Total state government sources	4,060,163	4,871,444	4,779,778
Federal government sources:			
Department of Education	698,035	204,735	445,565
Student tuition and fees:			
Tuition	6,863,690	8,007,135	7,584,073
Fees	610,029	750,716	690,612
Total student tuition and fees	7,473,719	8,757,851	8,274,685
Other sources:			
Interest on investments	7,790	259,574	3,870
Other revenue	80,348	89,228	61,654
Total other sources	88,138	348,802	65,524
Total revenues	$ 18,547,146	$ 20,582,059	19,637,741
Expenditures:			
Instruction:			
Salaries	6,494,360	6,449,513	6,631,051
Employee benefits	-	704,046	744,470
Contractual services	130,327	80,211	85,279
General materials and supplies	327,267	353,823	291,020
Travel, conference and meeting expense	91,005	44,390	37,650
Fixed Charges	4,200	1,128	1,667
Capital outlay	43,478	167,164	5,371
Other	2,004,382	2,134	847
Total instruction	9,095,019	7,802,409	7,797,355

Kankakee Community College District 520

Schedule of Revenues and Comparison with Budget (Continued)

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	Educational Fund 2023 Original and Final Budget	2023 Actual	2022 Actual
Academic support:			
Salaries	998,698	870,215	886,313
Employee benefits	-	163,880	137,919
Contractual services	362,695	205,096	193,881
General materials and supplies	136,508	117,530	110,264
Travel, conference and meeting expense	18,550	5,383	1,680
Capital outlay	-	278,311	-
Other	200	-	-
Total academic support	1,516,651	1,640,415	1,330,057
Student services:			
Salaries	1,294,583	1,265,696	1,119,023
Employee benefits	-	224,402	225,753
Contractual services	29,675	4,484	(21,461)
General materials and supplies	105,054	47,757	78,323
Travel, conference and meeting expense	43,065	17,573	10,634
Utilities	-	768	45
Total student services	1,472,377	1,560,680	1,412,317
Public services:			
Salaries	285,007	281,379	214,444
Employee benefits	-	41,573	37,546
Contractual services	55,000	65,473	73,892
General materials and supplies	52,430	44,565	30,266
Travel, conference and meeting expense	10,000	7,690	5,564
Other	16,900	17,927	18,830
Total public services	419,337	458,607	380,542
Institutional support:			
Salaries	3,145,866	2,316,796	2,343,181
Employee benefits	1,875,153	548,836	543,477
Contractual services	863,431	451,514	944,080
General materials and supplies	580,311	651,738	475,282
Travel, conference and meeting expense	129,095	76,215	87,383
Fixed charges	200	-	5,294
Utilities	4,534	5,678	4,878
Capital outlay	447,300	2,810,502	67,154
Other	2,477,540	2,577,913	2,285,872
Total institutional support	9,523,430	9,439,192	6,756,601
Debt service:			
Principal and interest payments	-	542,949	91,620
Total expenditures	$ 22,026,814	$ 21,444,252	17,768,492

Kankakee Community College District 520

Budgetary Comparison Schedule

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	Operations and Maintenance Fund 2023 Budget	2023 Actual	2022 Actual
Revenues:			
Local government sources:			
Current taxes	$ 1,795,535	$ 1,828,305	$ 1,733,765
Total local government	1,795,535	1,828,305	1,733,765
State government:			
State apportionment	103,406	103,406	102,480
Equalization grants	121,602	121,602	129,091
Personal property replacement tax	120,891	248,362	237,976
Total state government sources	345,899	473,370	469,547
Federal government	61,372	-	59,510
Student tuition and fees	281,463	338,132	325,225
Interest	6,250	107,491	4,302
Other sources:			
Other revenue	299,430	289,592	425,038
Total other sources	299,430	289,592	425,038
Total revenues	$ 2,789,949	$ 3,036,890	3,017,387

Kankakee Community College District 520

Budgetary Comparison Schedule (Continued)

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	Operations and Maintenance 2023 Original and Final Budget	2023 Actual	2022 Actual
Expenditures:			
Operation and maintenance of plant:			
Salaries	1,123,563	1,075,826	1,096,575
Employee benefits	-	249,145	223,692
Contractual services	246,936	270,074	207,920
General materials and supplies	304,150	311,235	254,860
Travel, conference and meeting expense	3,500	1,061	1,366
Fixed charges	33,214	1,099	5,499
Utilities	909,465	747,322	937,520
Capital outlay	754,037	318,723	283,553
Other	429,879	33,783	38,048
Total operation and maintenance of plant	3,804,744	3,008,268	3,049,033
Institutional support:			
Employee benefits	251,450	-	-
Contractual services	108,300	62,172	69,196
General materials and supplies	14,217	15,627	13,804
Fixed charges	114,661	66,978	177,919
Principal	-	11,341	9,814
Interest, service charges, and issuance costs	-	15,870	16,607
Capital outlay	5,000	-	-
Other	1,300	1,614	1,447
Total institutional support	494,928	173,602	288,787
Total expenditures	4,299,672	3,181,870	3,337,820
Other financing sources (uses):			
Issuance of debt	-	-	548,327
Transfers out	-	(50,790)	(140,657)
Total financing sources (uses)	-	(50,790)	407,670
Net change in fund balance	$ (1,509,723)	$ (195,770)	$ 87,237

Kankakee Community College District 520

Budgetary Comparison Schedule

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	College Bookstore Fund 2023 Original and Final Budget	2023 Actual	2022 Actual
Revenues:			
Sales and service fees	1,112,010	1,053,561	908,365
Federal government	221,733	-	435,029
Interest	3,556	99,246	1,687
Other revenue	500,000	500,000	-
Total revenues	1,837,299	1,652,807	1,345,081
Expenses:			
Independent operation:			
Salaries	127,054	125,394	109,509
Employee benefits	15,905	14,090	9,462
Contractual services	21,440	24,177	19,449
Material and supplies	905,470	1,034,956	804,543
Conferences and meetings	750	73	-
Capital outlay	500,000	544,043	-
Other	7,460	8,431	7,530
Total expenses	1,578,079	1,751,164	950,493
Transfers:			
Transfers out	(152,536)	(152,536)	(45,000)
Net income (loss)	$ 106,684	$ (250,893)	349,588

Kankakee Community College District 520

Budgetary Comparison Schedule

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	Athletics Fund 2023 Original and Final Budget	2023 Actual	2022 Actual
Revenues:			
Student tuition and fees	$ 327,685	$ 323,028	$ 311,550
Sales and service fees	3,500	3,840	3,051
Federal government	-	-	25,582
Interest	-	3,371	66
Other revenue	85,000	103,971	115,848
Total revenues	416,185	434,210	456,097
Expenses:			
Independent operation:			
Salaries	178,482	188,859	188,123
Employee benefits	32,813	26,083	25,475
Contractual services	115,645	105,963	112,032
Material and supplies	53,014	53,155	54,110
Conferences and meetings	156,767	171,049	173,159
Fixed Charges	8,500	7,150	6,380
Other	500	201	55
Total expenses	545,721	552,460	559,334
Transfers:			
Transfers in	152,536	152,536	45,000
Net income	$ 23,000	$ 34,286	$ (58,237)

Kankakee Community College District 520

Budgetary Comparison Schedule

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	Student Center Fund 2023 Original and Final Budget	2023 Actual	2022 Actual
Revenues:			
Sales and services	$ 128,815	$ 173,334	$ 155,166
Federal government	-	-	21,031
Interest	156	10,672	173
Other revenue	50,000	-	95
Total revenues	178,971	184,006	176,465
Expenses:			
Independent operation:			
Material and supplies	58,575	57,855	52,766
Employee benefits	17,464	15,747	6,662
Contractual services	20,271	11,318	25,275
Material and supplies	3,435	4,160	3,268
Travel, conference and meeting expense	4,226	1,220	1,342
Other	75,000	8,731	12,957
Total expenses	178,971	99,031	102,270
Net income	$ 0	$ 84,975	74,195

Kankakee Community College District 520

Budgetary Comparison Schedule

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	College Center Fund 2023 Original and Final Budget	 2023 Actual	 2022 Actual
Revenues:			
Sales and services	$ 6,000	$ 4,756	$ 7,562
Interest	-	542	9
Total revenues	6,000	5,298	7,571
Expenses:			
Independent operation:			
Material and supplies	6,000	6,063	7,208
Total expenses	6,000	6,063	7,208
Net income	$ -	$ (765)	363

Kankakee Community College District 520

Budgetary Comparison Schedule

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	E-Sports Fund 2023 Original and Final Budget	2023 Actual	2022 Actual
Revenues:			
Student fees	$ 18,700	$ 20,333	$ 18,186
Federal government	-	-	1,777
Interest	-	733	7
Total revenues	18,700	21,066	19,970
Expenses:			
Independent operation:			
Conference and meetings	18,700	4,786	9
Total expenses	18,700	4,786	9
Net income	$ -	$ 16,280	19,961

Kankakee Community College District 520

Budgetary Comparison Schedule

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	Fitness Center Fund 2023 Original and Final Budget	Fitness Center Fund 2023 Actual	Fitness Center Fund 2022 Actual
Revenues:			
Sales and service fees	$ 13,500	$ 14,994	$ 13,431
Federal government	-	-	1,881
Interest	12	808	13
Other revenue	300	361	359
Total revenues	13,812	16,163	15,684
Expenses:			
Independent operation:			
Salaries	8,311	7,388	7,626
Contractual services	500	667	921
Material and supplies	400	336	93
Other	2,000	554	-
Total expenses	11,211	8,945	8,640
Net income	$ 2,601	$ 7,218	7,044

Kankakee Community College District 520

Schedule of Bonds Payable

	Series 2016A	Series 2016B	Series 2019	Series 2021B	Totals
Date of issue	February 4, 2016	February 29, 2016	June 27, 2019	October 18, 2021	
Interest rates	0.90% to 3.25%	3.00%	5.00%	3.50%	
Principal redemption rate	December 1, 2022	December 1, 2022	December 1, 2022	December 1, 2022	
Interest payments dates	June 1 and December 1	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	$3,340,000	$ 15,085,000
Paid to date	(3,370,000)	(1,365,000)	(290,000)	(455,000)	(5,480,000)
Balance, June 30, 2023	$ -	$ 1,940,000	$ 4,780,000	$ 2,885,000	$ 9,605,000

Due as follows:

Year ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ -	$ -	$ 1,940,000	$ 29,100	$ 355,000	$ 230,125	$ 470,000	$ 92,750
2025	-	-	-	-	2,390,000	161,500	485,000	76,037
2026	-	-	-	-	2,035,000	50,875	785,000	53,813
2027	-	-	-	-	-	-	1,145,000	20,037
Totals	$ -	$ -	$ 1,940,000	$ 29,100	$ 4,780,000	$ 442,500	$ 2,885,000	$ 242,637

Year ending June 30,	Principal	Interest	Totals
2024	$ 2,765,000	$ 351,975	$ 3,116,975
2025	2,875,000	237,537	3,112,537
2026	2,820,000	104,688	2,924,688
2027	1,145,000	20,037	1,165,037
Totals	$ 9,605,000	$ 714,237	$ 10,319,237

Kankakee Community College District 520

Balance Sheet - All Fund Types

As of June 30, 2023	Education	Operations and Maintenance	Operations and Maintenance Restricted	Bond and Interest
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	$ 10,613,587	$ 3,547,028	$ 663,665	$ 46,960
Receivables:				
Property tax receivable	6,484,691	1,853,699	1,389,326	3,088,777
Government claims and grants	690,847	39,164	-	-
Other	3,598,045	280,569	-	-
Advances to other funds	299,853	39,952	-	-
Prepaid items	523,655	83,482	-	-
Inventory	-	-	-	-
Capital assets	-	-	-	-
Total assets	22,210,678	5,843,894	2,052,991	3,135,737
Deferred outflow of resources:				
Deferred pension	-	-	-	-
Deferred OPEB	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	$ 22,210,678	$ 5,843,894	$ 2,052,991	$ 3,135,737
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	$ 1,169,653	$ -	$ 68,549	$ -
Accrued liabilities	634,420	117,223	-	-
Advances from other funds	-	-	-	-
Unearned tuition and fees	3,771,350	138,975	-	-
Other unearned revenue	-	-	-	-
Accrued compensated absences	-	-	-	-
Net OPEB liability	-	-	-	-
Bonds payable, net of unamortized premiums (discounts)	-	-	-	-
Lease obligations	-	-	-	-
Subscription liability	-	-	-	-
Total liabilities	5,575,423	256,198	68,549	-
Deferred inflows of resources				
Deferred property taxes	3,243,372	927,143	694,883	1,544,877
Deferred grant revenue	-	-	-	-
Deferred lease revenue	-	250,163	-	-
Deferred OPEB	-	-	-	-
Total deferred inflows of resources	3,243,372	1,177,306	694,883	1,544,877
Fund balances (deficit):				
Net investment in capital assets	-	-	-	-
Restricted	491,418	542,527	1,289,559	1,590,860
Unrestricted	12,900,465	3,867,863	-	-
Total fund balances	13,391,883	4,410,390	1,289,559	1,590,860
Total liabilities, deferred inflows or resources and fund balances	$ 22,210,678	$ 5,843,894	$ 2,052,991	$ 3,135,737

Kankakee Community College District 520

Balance Sheet - All Fund Types

As of June 30, 2023	Auxiliary	Restricted Purposes	Working Cash	Audit
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	$ 7,807,545	$ (849,728)	$ 3,419,210	$ 92,615
Receivables:				
Property tax receivable	-	-	-	67,767
Government claims and grants	-	1,289,549	-	-
Other	79,662	-	-	-
Advances to other funds	27,224	-	-	-
Prepaid items	11,008	621	-	-
Inventory	344,149	-	-	-
Capital assets	-	-	-	-
Total assets	8,269,588	440,442	3,419,210	160,382
Deferred outflow of resources:				
Deferred pension	-	-	-	-
Deferred OPEB	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	$ 8,269,588	$ 440,442	$ 3,419,210	$ 160,382
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	$ 51,920	$ 15,762	$ -	$ -
Accrued liabilities	400,615	67,439	-	-
Advances from other funds	-	226,253	-	-
Unearned tuition and fees	278,951	-	-	-
Other unearned revenue	86,577	-	-	-
Accrued compensated absences	10,133	-	-	-
Net OPEB liability	-	-	-	-
Bonds payable, net of unamortized premiums (discounts)	-	-	-	-
Lease obligations	-	-	-	-
Subscription liability	-	-	-	-
Total liabilities	828,196	309,454	-	-
Deferred inflows of resources				
Deferred property taxes	-	-	-	33,894
Deferred grant revenue	-	130,745	-	-
Deferred lease revenue	-	-	-	-
Deferred OPEB	-	-	-	-
Total deferred inflows of resources	-	130,745	-	33,894
Fund balances (deficit):				
Net investment in capital assets	-	-	-	-
Restricted	1,915,726	-	3,419,210	126,488
Unrestricted	5,525,666	243	-	-
Total fund balances	7,441,392	243	3,419,210	126,488
Total liabilities, deferred inflows or resources and fund balances	$ 8,269,588	$ 440,442	$ 3,419,210	$ 160,382

Kankakee Community College District 520

Balance Sheet - All Fund Types

As of June 30, 2023	Tort	Totals
Assets and Deferred Outflows of Resources		
Cash and cash equivalents	$ 2,057,686	$ 27,398,568
Receivables:		
Property tax receivable	1,401,110	14,285,370
Government claims and grants	-	2,019,560
Other	10,106	3,968,382
Advances to other funds	-	367,029
Prepaid items	74,908	693,674
Inventory	-	344,149
Capital assets	-	-
Total assets	3,543,810	49,076,732
Deferred outflow of resources:		
Deferred pension	-	-
Deferred OPEB	-	-
Total deferred outflow of resources	-	-
Total assets and deferred outflow of resources	$ 3,543,810	$ 49,076,732
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Accounts payable	$ -	$ 1,305,884
Accrued liabilities	28,324	1,248,021
Advances from other funds	140,776	367,029
Unearned tuition and fees	-	4,189,276
Other unearned revenue	-	86,577
Accrued compensated absences	-	10,133
Net OPEB liability	-	-
Bonds payable, net of unamortized premiums (discounts)	-	-
Lease obligations	-	-
Subscription liability	-	-
Total liabilities	169,100	7,206,920
Deferred inflows of resources		
Deferred property taxes	700,777	7,144,946
Deferred grant revenue	-	130,745
Deferred lease revenue	-	250,163
Deferred OPEB	-	-
Total deferred inflows of resources	700,777	7,525,854
Fund balances (deficit):		
Net investment in capital assets	-	-
Restricted	2,673,933	12,049,721
Unrestricted	-	22,294,237
Total fund balances	2,673,933	$ 34,343,958
Total liabilities, deferred inflows or resources and fund balances	$ 3,543,810	$ 49,076,732

Kankakee Community College District 520

Balance Sheet - All Fund Types

As of June 30, 2023	GASB General Fixed Assets	GASB General Long-Term Debt	GASB Other Adjustments	Adjusted Total
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	$ -	$ -	$ -	$ 27,398,568
Receivables:				
Property tax receivable	-	-	-	14,285,370
Government claims and grants	-	-	-	2,019,560
Other	-	-	-	3,968,382
Advances to other funds	-	-	-	367,029
Prepaid items	-	-	(127,140)	566,534
Inventory	-	-	-	344,149
Capital assets	45,164,327	-	-	45,164,327
Total assets	45,164,327	$ -	$ (127,140)	94,113,919
Deferred outflow of resources:				
Deferred pension	-	-	156,299	156,299
Deferred OPEB	-	112,868	-	112,868
Total deferred outflow of resources	-	112,868	156,299	269,167
Total assets and deferred outflow of resources	$ 45,164,327	$ 112,868	$ 29,159	$ 94,383,086
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 1,305,884
Accrued liabilities	-	31,549	-	1,279,570
Advances from other funds	-	-	-	367,029
Unearned tuition and fees	-	-	(552,405)	3,636,871
Other unearned revenue	-	-	-	86,577
Accrued compensated absences	-	-	869,398	879,531
Net OPEB liability	-	4,819,010	-	4,819,010
Bonds payable, net of unamortized premiums (discounts)	-	10,071,851	-	10,071,851
Lease obligations	-	473,884	-	473,884
Subscription liability	-	1,975,156	-	1,975,156
Total liabilities	-	17,371,450	316,993	24,895,363
Deferred inflows of resources				
Deferred property taxes	-	-	-	7,144,946
Deferred grant revenue	-	-	-	130,745
Deferred lease revenue	-	-	-	250,163
Deferred OPEB	-	9,557,289	-	9,557,289
Total deferred inflows of resources	-	9,557,289	-	17,083,143
Fund balances (deficit):				
Net investment in capital assets	45,164,327	(11,486,946)	-	33,677,381
Restricted	-	-	-	12,049,721
Unrestricted	-	(15,328,925)	(287,834)	6,677,478
Total fund balances	45,164,327	(26,815,871)	(287,834)	$ 52,404,580
Total liabilities, deferred inflows or resources and fund balances	$ 45,164,327	$ 112,868	$ 29,159	$ 94,383,086

Kankakee Community College District 520

Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

Year Ended June 30, 2023	**Education**	**Operations and Maintenance**	**Operations and Maintenance Restricted**	**Bond and Interest**	**Auxiliary**
Revenues:					
Local government	$ 7,806,609	$ 2,076,667	$ 1,382,320	$ 3,153,073	$ -
Other state sources	3,464,062	225,008	13,255	-	-
On-behalf payments	-	-	-	-	-
Federal government	204,735	-	-	-	-
Student tuition and fees	8,757,851	338,132	-	-	516,695
Sales and service fees	-	-	-	-	1,077,151
Interest	259,574	107,491	18,203	11,663	155,490
Other revenue	89,228	289,592	50,000	-	604,332
Total revenues	20,582,059	3,036,890	1,463,778	3,164,736	2,353,668
Expenditures/expenses:					
Current:					
Instruction	7,802,409	-	-	-	-
Academic support	1,640,415	-	-	-	-
Student services	1,560,680	-	-	-	-
Public services	458,607	-	-	-	-
Auxiliary services	-	-	-	-	2,589,189
Operations and maintenance	-	3,008,268	1,113,175	-	-
Institutional support	9,439,192	146,391	-	1,350	-
Scholarships, student grants, and waivers	-	-	-	-	-
Depreciation expense	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Debt service:					
Principal	533,164	11,341	-	2,675,000	-
Interest, service charges, and issuance costs	9,785	15,870	-	442,151	-
Total expenditures/expenses	21,444,252	3,181,870	1,113,175	3,118,501	2,589,189
Excess (deficiency) of revenues over expenditures	(862,193)	(144,980)	350,603	46,235	(235,521)
Other financing sources (uses)					
Issuance of debt	2,722,073	-	-	-	-
Transfers in	17,000	-	782,217	-	152,536
Transfers out	(223,927)	(50,790)	(507,500)	-	(152,536)
Total other financing sources (uses)	2,515,146	(50,790)	274,717	-	-
Net change in fund balance/net position	1,652,953	(195,770)	625,320	46,235	(235,521)
Fund balance/net position (deficit), beginning of year	11,738,930	4,606,160	664,239	1,544,625	7,676,913
Fund balance/net position (deficit), end of year	$ 13,391,883	$ 4,410,390	$ 1,289,559	$ 1,590,860	$ 7,441,392

Kankakee Community College District 520

Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

Year Ended June 30, 2023	**Restricted Purposes**	**Working Cash**	**Audit**	**Tort**	**Totals**
Revenues:					
Local government	$ -	$ -	$ 67,827	$ 1,387,755	$ 15,874,251
Other state sources	885,410	-	-	-	4,587,735
On-behalf payments	4,478,904	-	-	-	4,478,904
Federal government	10,178,125	-	-	-	10,382,860
Student tuition and fees	-	-	-	-	9,612,678
Sales and service fees	-	-	-	-	1,077,151
Interest	-	40,772	1,699	47,296	642,188
Other revenue	14,429	-	-	342	1,047,923
Total revenues	15,556,868	40,772	69,526	1,435,393	47,703,690
Expenditures/expenses:					
Current:					
Instruction	2,754,355	-	-	-	10,556,764
Academic support	1,031,936	-	-	-	2,672,351
Student services	1,076,947	-	-	-	2,637,627
Public services	3,183,605	-	-	-	3,642,212
Auxiliary services	354,347	-	-	-	2,943,536
Operations and maintenance	111,763	-	-	766,010	4,999,216
Institutional support	2,250,679	-	49,250	757,881	12,644,743
Scholarships, student grants, and waivers	4,713,731	-	-	-	4,713,731
Depreciation expense	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	3,219,505
Interest, service charges, and issuance costs	-	-	-	-	467,806
Total expenditures/expenses	15,477,363	-	49,250	1,523,891	48,497,491
Excess (deficiency) of revenues over expenditures	79,505	40,772	20,276	(88,498)	(793,801)
Other financing sources (uses)					
Issuance of debt	-	-	-	-	2,722,073
Transfers in	-	-	-	-	951,753
Transfers out	-	(17,000)	-	-	(951,753)
Total other financing sources (uses)	-	(17,000)	-	-	2,722,073
Net change in fund balance/net position	79,505	23,772	20,276	(88,498)	1,928,272
Fund balance/net position (deficit), beginning of year	(79,262)	3,395,438	106,212	2,762,431	32,415,686
Fund balance/net position (deficit), end of year	$ 243	$ 3,419,210	$ 126,488	$ 2,673,933	$ 34,343,958

Kankakee Community College District 520

Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

Year Ended June 30, 2023	GASB General Fixed Assets	GASB General Long-Term Debt	GASB Other Adjustments	Adjusted Total
Revenues:				
Local government	$ -	$ -	$ -	$ 15,874,251
Other state sources	-	-	-	4,587,735
On-behalf payments	-	-	-	4,478,904
Federal government	-	-	-	10,382,860
Student tuition and fees	-	-	(1,698,195)	7,914,483
Sales and service fees	-	-	-	1,077,151
Interest	-	-	-	642,188
Other revenue	-	-	-	1,047,923
Total revenues	-	-	(1,698,195)	46,005,495
Expenditures/expenses:				
Current:				
Instruction	(186,999)	(1,106,380)	58,741	9,322,126
Academic support	(299,873)	(173,602)	33,346	2,232,222
Student services	-	(228,277)	-	2,409,350
Public services	-	(191,614)	-	3,450,598
Auxiliary services	-	(60,436)	-	2,883,100
Operations and maintenance	(1,436,853)	(250,633)	-	3,311,730
Institutional support	(3,520,091)	(411,039)	(663)	8,712,950
Scholarships, student grants, and waivers	-	-	(1,680,433)	3,033,298
Depreciation expense	3,080,327	-	-	3,080,327
Loss on disposal of assets	11,272	-	-	11,272
Debt service:				
Principal	-	(3,219,505)	-	-
Interest, service charges, and issuance costs	-	(269,053)	-	198,753
Total expenditures/expenses	(2,352,217)	(5,910,539)	(1,589,009)	38,645,726
Excess (deficiency) of revenues over expenditures	2,352,217	5,910,539	(109,186)	7,359,769
Other financing sources (uses)				
Issuance of debt	-	(2,722,073)	-	-
Transfers in	168,578	-	-	1,120,331
Transfers out	-	(168,578)	-	(1,120,331)
Total other financing sources (uses)	168,578	(2,890,651)	-	-
Net change in fund balance/net position	2,520,795	3,019,888	(109,186)	7,359,769
Fund balance/net position (deficit), beginning of year	42,643,532	(29,835,759)	(178,648)	45,044,811
Fund balance/net position (deficit), end of year	$ 45,164,327	$(26,815,871)	$ (287,834)	$ 52,404,580

Kankakee Community College District 520

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Levy Years	**2022**	**2021**	**2020**
Assessed Valuations:			
Ford	$ 41,950,443	$ 39,663,878	$ 38,711,119
Grundy	3,653,917	3,331,244	3,120,694
Iroquois	484,400,851	462,529,052	431,571,734
Kankakee	2,348,572,384	2,190,729,128	2,079,556,626
Livingston	91,186,309	83,783,511	78,785,385
Will	1,690,537	1,531,876	1,425,999
Total assessed valuations	$ 2,971,454,441	$ 2,781,568,689	$ 2,633,171,557
Tax Rate (per $100 assessed valuation):			
Bond and Interest Fund	0.1058	0.1134	0.0975
Audit Fund	0.0023	0.0024	0.0024
Fire Prev, Safety, Security	0.0476	0.0488	0.0476
Liability, Protection, and Settlement	0.0407	0.0412	0.0484
Social Security	0.0073	0.0075	0.0083
Prior Year Adjustment	(0.0027)	(0.0028)	(0.0022)
Operations and Maintenance Accounts	0.0400	0.0400	0.0399
Educational Accounts	0.1033	0.1109	0.1394
Additional Tax	0.1400	0.1400	0.1105
Total tax rate	0.4843	0.5014	0.4918
Tax Extensions:			
Bonds and Interest	$ 3,118,233	$ 3,118,428	$ 2,551,285
Audit	67,788	65,998	62,801
Fire Prev, Safety, Security	1,402,910	1,341,969	1,245,550
Liability Insurance	1,414,699	1,339,219	1,483,670
Prior Year Adjustment	(63,411)	(61,340)	(45,750)
Operations & Maintenance	1,178,916	1,099,974	1,044,064
Statewide Avg Addit. Tax	3,044,551	3,049,679	2,891,456
Educational Purposes	4,126,206	3,849,911	3,647,683
Total tax extensions	$ 14,289,892	$ 13,803,838	$ 12,880,759
Tax collections	$ 4,522	$ 13,960,651	$ 12,935,202
Percent of extensions collected	0.03 %	101.14 %	100.42 %

ICCB State Grant Financial Compliance Section

WIPFLI

Independent Auditor's Report on State Adult Education and Family Literacy Grants Financial Statements

Board of Trustees
Kankakee Community College District 520
Kankakee, IL

Opinion

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Kankakee Community College District 520's as of and for the year ended June 30, 2023, and the related notes to the financial statements.

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 Kankakee Community College District 520 as of June 30, 2023, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's (ICCB) *Fiscal Management Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State Adult Education and Family Literacy Grants of Kankakee Community College District 520, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Kankakee Community College District 520 as of June 30, 2023, and the changes in its financial position and, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grant Programs’ financial statements. The ICCB Compliance Statement is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
December 5, 2023

WIPFLI

Independent Auditor's Report on Compliance with State Requirements for State Adult Education and Family Literacy Grants

Board of Trustees
Kankakee Community College District 520
Kankakee, IL

Compliance

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the State Adult Education and Family Literacy Grants Program of Kankakee Community College District 520, which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenditures and changes in fund balances for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated December 5, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to comply with the terms or conditions of the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to State Adult Education and Family Literacy Grants. 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 terms or conditions of the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to State Adult Education and Family Literacy Grants.

The report is intended solely for the information and use of the boards of trustees and management of Kankakee Community College District 520 and the Illinois Community College Board and is not intended to be and should not be used by anyone other than those specified parties.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
December 5, 2023

Kankakee Community College District 520

Balance Sheet - State Adult Education and Family Literacy Funds

As of June 30, 2023		State Basic		Performance		Total
Assets						
Cash	$	1,159	$	8,954	$	10,113
Receivables		4,465		960		5,425
Total assets	$	5,624	$	9,914	$	15,538
Liabilities and Fund Balance						
Accrued liabilities		5,624		4,655		10,279
Advances from other funds		-		5,259		5,259
Total liabilities		5,624		9,914		15,538
Fund balance		0		0		0
Total liabilities and fund balances	$	5,624	$	9,914	$	15,538

See Notes to ICCB Grant Programs Financial Statements.

Kankakee Community College District 520

Statement of Revenues, Expenditures and Changes in Fund Balance
State Adult Education and Literacy Funds

Year Ended June 30, 2023	**State Basic**	**Performance**	**Total**
Revenues:			
State sources	$ 190,669	$ 67,720	$ 258,389
Total revenues	190,669	67,720	258,389
Expenditures:			
Personnel services	160,518	50,511	211,029
Fringe benefits	26,766	9,105	35,871
Travel	1,037	-	1,037
Supplies	2,348	1,879	4,227
Occupancy (Rent and Utilities)	-	2,424	2,424
Telecommunications	-	3,801	3,801
Total expenditures	190,669	67,720	258,389
Excess of revenues over expenditures	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

See Notes to ICCB Grant Programs Financial Statements.

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

Year Ended June 30, 2023

State Basic	Budget Amount	Actual Generated	Actual Generated Percentage
State basic generated (45% minimum requried)	$ 190,669	$ 94,317	49.47 %

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, 2023. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, 2023 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

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.

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

Schedule of Credit Hour Data

WIPFLI

Independent Accountant's Report on Credit Hour Data and Other Bases Upon Which Claims are Filed

Board of Trustees
Kankakee Community College District 520
Kankakee, IL

We have examined management of Kankakee Community College District 520 (the "College")'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 District 520 during the period July 1, 2022 through June 30, 2023. 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 District 520 is fairly stated, in all material respects.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
December 5, 2023

Kankakee Community College District 520

Schedule of Credit Hour Data and Other Bases Upon Which Claims are Filed
For the Year Ended June 30, 2023

Total Reimbursable Semester Credit Hours by Term

	Summer Term		Fall Term		Spring Term		Total All Terms	
Credit Hour Categories	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Baccalaureate	2,899.0	0.0	12,282.0	0.0	11,223.0	0.0	26,404.0	0.0
Business Occupational	110.0	0.0	727.0	0.0	816.0	0.0	1,653.0	0.0
Technical Occupational	307.0	0.0	2,197.0	0.0	2,841.0	0.0	5,345.0	0.0
Health Occupational	1,003.0	0.0	2,745.0	0.0	3,580.0	0.0	7,328.0	0.0
Remedial/Developmental	120.0	0.0	619.0	0.0	410.0	0.0	1,149.0	0.0
Adult Education	0.0	98.5	0.0	670.5	0.0	1,217.5	0.0	1,986.5
	4,439.0	98.5	18,570.0	670.5	18,870.0	1,217.5	41,879.0	1,986.5

	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:	38,671.0	1,938.5	3,388.0	0.0	2,637.0	0.0

Credit Hours on Chargeback or Contractual Agreement:	372.0
District Equalized Assessed Valuation:	$2,971,454,441

Correctional Semester Credit Hours by Term

	Summer	Fall	Spring	Total
Credit Hour Categories	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: [signature]
President

Signature: Beth Munley
Vice President of Business Affairs

Kankakee Community College District 520

Reconciliation of Total Semester Credit Hours

For the Year Ended June 30, 2023

	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	26,404.0	26,404.0	0.0	0.0	0.0	0.0
Business Occupational	1,653.0	1,653.0	0.0	0.0	0.0	0.0
Technical Occupational	5,345.0	5,345.0	0.0	0.0	0.0	0.0
Health Occupational	7,328.0	7,328.0	0.0	0.0	0.0	0.0
Remedial/Developmental	1,149.0	1,149.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	1,986.5	1,986.5	0.0
Total	41,879.0	41,879.0	0.0	1,986.5	1,986.5	0.0

	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:	38,671.0	38,671.0	0.0	1,938.5	1,938.5	0.0
Dual Credit Hours:	3,388.0	3,388.0	0.0	0.0	0.0	0.0
Dual Enrollment Hours:	2,637.0	2,637.0	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	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

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

WIPFLI

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

Board of Trustees
Kankakee Community College District 520
Kankakee, IL

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Kankakee Community College District 520 (the "College"), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 5, 2023. The financial statements of Kankakee Community College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Kankakee Community College Foundation.

Report on 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Kankakee Community College District 520's financial statements are free from 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

Wipfli LLP

Sterling, Illinois
December 5, 2023

WIPFLI

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Kankakee Community College District 520
Kankakee, IL

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kankakee Community College District 520's (the "College") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. 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.

In our opinion, Kankakee 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 major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College’s federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over-compliance. Accordingly, no such opinion is expressed.

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

Wipfli LLP

Sterling, Illinois
December 5, 2023

Kankakee Community College District 520

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
Department of Labor:				
Passed through Kankakee County:				
WIOA Cluster:				
WIOA Adult Program (m)	17.258	22-1B	$595,661	$0
WIOA Youth Activities (m)	17.259	22-01/22-02	283,484	0
WIOA Dislocated Workers (m)	17.278	22-1B	282,418	0
Total WIOA Cluster			1,161,563	0
Passed through Kankakee County:				
Trade Adjustment Assistance	17.245	22-1B	29,302	0
Total Department of Labor			1,190,865	0
Department of Treasury:				
Passed through Illinois Community College Board:				
Coronavirus State and Local Fiscal Recovery Funds:				
COVID-19 College Bridge Program	21.027	CB-52001-22	195,873	0
Total Department of Treasury			195,873	0
Department of Education:				
Passed through Illinois Community College Board:				
Adult Education - Basic Grants to States:				
Federal Basic	84.002	5200122	185,773	0
Direct award:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity Grants (m)	84.007		95,405	0
Federal Work Study Program (m)	84.033		99,815	0
Federal Pell Grant Program (m)	84.063		3,721,562	0
Federal Direct Loan Program (m)	84.268		659,785	0
Total Student Financial Aid Cluster			4,576,567	0
Direct award:				
TRIO Cluster:				
TRIO - Student Support Services	84.042A	P042A200558	414,890	0
TRIO - Upward Bound	84.047	P047A170601	344,970	0
TRIO - Talent Search	84.044	P044A210470	272,342	0
Total TRIO Cluster			1,032,202	0
Passed through Illinois Community College Board:				
Career and Technical Education - Basic Grants to States:				
CTE Perkins Postsecondary Grants	84.048	CTE-520-23	239,571	0
Total Perkins			239,571	0
Direct award:				
Education Stabilization Fund:				
COVID-19 - Higher Education Emergency Relief Fund - Student Portion (m)	84.425E	P425E202075	137,164	0
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion (m)	84.425F	P425F200600	1,423,641	0
COVID-19 - Higher Education Emergency Relief Fund - Strengthening Institutions (m)	84.425M	P425M201022	363,550	0
Passed through Illinois Community College Board:				
COVID-19 - Governor's Emergency Education Relief Fund (m)	84.425C	GEER II-520	83,647	0
Total Education Stabilization Fund			2,008,002	0
Total Department of Education			8,042,115	0
Department of Health and Human Services:				
Passed through Illinois Community College Board:				
COVID-19 - Child Care and Development Block Grant - ECE	93.575	ECE-52001-22	227,908	0
Total Department of Health and Human Services			227,908	0
Total Federal Awards Expended			$9,656,761	$0

(m) Denotes major program

See Notes to Schedule of Expenditures of Federal Awards.

Note 1: General

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Kankakee Community College District 520 under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the schedule presents only a selected portion of the operations of Kankakee Community College District 520, it is not intended to and does not present the financial position, changes in net position or cash flows of Kankakee Community College District 520.

Note 2: Basis of Accounting

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Indirect Cost Rate

Kankakee Community College District 520 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The College has a federally negotiated rate with the US Department of Health and Human Services of 39.00%.

Note 4: Federal Loan Program

For the year ended June 30, 2023, the College acted a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of $659,785.

Note 5: Non-Cash Assistance

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2023.

Note 6: Other Federal Award Information

The College did not receive or administer any insurance or loan guarantees during fiscal year ended June 30, 2023.

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	_____ Yes __X__ No
• Significant deficiency(ies) identified?	_____ 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?	_____ 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 2 CFR 200.516(a)?	_____ Yes __X__ No

Identification of major programs

AL Number(s)	Federal Program or Cluster
84.007, 84.003, 84.063, 84.268	Student Financial Assistance Cluster
84.425C, 84.425E, 84.425F, 84.425M	Education Stabilization Fund
17.258, 17.259, 17.278	WIOA Cluster

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

Auditee qualified as low-risk auditee? __X__ Yes _____ No

Section II - Audit Findings in Relation to Financial Statements

No findings related to the financial statements.

Section III - Audit Findings and Questioned Costs in Relation to Federal Awards

No findings or questioned costs related to federal awards.

Kankakee Community College District 520

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2023

The following summarizes the prior audit findings and corrective action taken:

2022-001: Education Stabilization Fund - Reporting

The HEERF Annual Report had errors relating to the amount of Emergency Financial Aid Grants applied to satisfy student's outstanding account balances. The amounts applied to student accounts were accurate but total amount reported in the Annual Report did not reconcile to supporting documentation. This was resolved for 2023.