

**KANKAKEE COMMUNITY COLLEGE
DISTRICT 520**

Annual Financial Statements

For the Fiscal Year Ended

June 30, 2019

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
ANNUAL FINANCIAL STATEMENTS
Fiscal year ended June 30, 2019

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Independent Auditors' Report	1-2
	Management's Discussion and Analysis	3-9
<u>Basic Financial Statements</u>		
A	Statement of Net Position	10
B	Statement of Revenues, Expenses and Changes in Net Position	11
C	Statement of Cash Flows	12-13
D	Component Unit – Kankakee Community College Foundation, Inc. – Statement of Financial Position	14
E	Component Unit – Kankakee Community College Foundation, Inc. – Statement of Activities	15
F	Component Unit – Kankakee Community College Foundation, Inc. – Statement of Functional Expenses	16
G	Component Unit – Kankakee Community College Foundation, Inc. – Statement of Cash Flows	17
	Notes to Financial Statements	18-39
 <u>Schedule</u>		
<u>Required Supplemental Information</u>		
1	Schedule of the Proportionate Share of the Net Pension Liability	40
2	Schedule of Contributions	41
	Notes to Required Supplemental Information	42
<u>Supplemental Financial Information Section</u>		
3	Reconciliation of Total Fund Equity to Net Position	43
4	Reconciliation of Changes in Fund Equity to Changes in Net Position	44
5	Combining Balance Sheet - Governmental Funds	45-46
6	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	47-48

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
ANNUAL FINANCIAL STATEMENTS
Fiscal year ended June 30, 2019

TABLE OF CONTENTS

- 2 -

<u>Schedule</u>		<u>Page</u>
7	Combining Balance Sheet - Proprietary Fund Types	49-50
8	Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Types	51-52
9	Combining Balance Sheet – Governmental Fund Types – General Fund	53
10	Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund Types - General Fund	54
11	Budgetary Comparison Schedule - Educational Fund	55
12	Schedule of Revenues and Comparison with Budget - Educational Fund	56
13	Schedule of Expenditures and Comparison with Budget - Educational Fund	57-58
14	Budgetary Comparison Schedule - Operations and Maintenance Fund	59
15	Budgetary Comparison Schedule - College Bookstore Fund	60
16	Budgetary Comparison Schedule - Athletics Fund	61
17	Budgetary Comparison Schedule - Student Center Fund	62
18	Budgetary Comparison Schedule - College Center Fund	63
19	Budgetary Comparison Schedule - Fitness Center Fund	64
20	Uniform Financial Statement - All Funds Summary	65-66
21	Uniform Financial Statement - Summary of Fixed Assets and Debt	67
22	Uniform Financial Statement - Schedule of Operating Funds Revenues by Source	68
23	Uniform Financial Statement - Schedule of Operating Funds Expenditures by Program and by Object	69

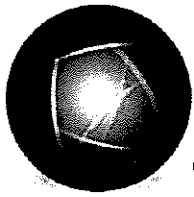
**KANKAKEE COMMUNITY COLLEGE DISTRICT 520
ANNUAL FINANCIAL STATEMENTS
Fiscal year ended June 30, 2019**

TABLE OF CONTENTS

- 3 -

<u>Schedule</u>		<u>Page</u>
24	Uniform Financial Statement - Restricted Purposes Funds - Revenues and Expenditures	70
25	Uniform Financial Statement - Current Funds - Expenditures by Activity	71
26	Schedules of Assessed Valuations, Rates, Extensions and Collections	72
27	Schedule of Bonds Payable	73-74
28	Illinois Community College Board - Certification of Chargeback Reimbursement	75
 <u>Illinois Community College Board</u> <u>State Grants Financial Compliance Section</u> 		
	Independent Auditors' Report - ICCB Grants	76-77
29	Balance Sheets - State Adult Education and Family Literacy Restricted Funds	78
30	Statement of Revenues and Expenditures State Adult Education and Family Literacy Restricted Funds	79
31	Expenditure Amounts and Percentages State Adult Education and Family Literacy Restricted Funds	80
	Notes to Financial Statements - ICCB Grants	81
	Independent Accountants' Report – Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	82
32	Schedule of Enrollment Data and other Bases upon Which Claims are Filed	83
33	Reconciliation of Total Semester Credit Hours	84
	Notes to Schedules - ICCB	85

This page was intentionally left blank.



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Kankakee Community College District 520 (District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Kankakee Community College District 520 as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying supplemental financial information section as listed in the table of contents (including the "Illinois Community College Board State Grants Financial Compliance Section") is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Groskreutz, Abraham, Eshleman & Genetse LLC

Kankakee, Illinois
November 5, 2019

**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

This section of Kankakee Community College District 520's (the District) annual financial report presents its discussion and analysis of the District's financial performance during the fiscal years ended June 30, 2019 and 2018. Please read it in conjunction with the District's financial statements. Responsibility for the completeness and fairness of this information rests with the District.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Major Features of the District Financial Statements	
Scope	Entire District
Required financial statements	* Statement of net position * Statement of revenues, expenses and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resource focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.

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

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

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

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

**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

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

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

FINANCIAL HIGHLIGHTS

The financial highlights of the District are as follows:

- The Equalized Assessed Valuation of the District increased by \$80.9 million or 3.4%. Over the previous three years the District had averaged a 3.5% annual increase.
- Overall revenues were \$46.2 million; overall expenses were \$43.0 million.
- Credit hour enrollment decreased 8.6% to 51,136 hours.

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

Net Position

The District's combined net position increased 10.6% to \$34.3 million for fiscal 2019. The District's financial position increase is primarily due to the issuance of bonds to fund capital projects along with a decrease in actual expenditures as compared to budgeted expenditures.

Condensed Statement of Net Position (in millions of dollars)				
	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Current assets	\$ 42.9	\$ 40.3	\$ 2.6	6.5
Non-current assets	36.3	32.1	4.2	13.1
Total assets	<u>79.2</u>	<u>72.4</u>	<u>6.8</u>	9.4
Deferred outflows of resources	0.4	0.2	0.2	0.0
Total assets and deferred outflows	<u>79.6</u>	<u>72.6</u>	<u>7.0</u>	9.6
Current liabilities	8.1	5.9	2.2	37.3
Long-term obligations	29.2	25.1	4.1	16.3
Total liabilities	<u>37.3</u>	<u>31.0</u>	<u>6.3</u>	20.3
Deferred inflows of resources	8.0	10.6	(2.6)	(24.5)
Total liabilities and deferred inflows	<u>45.3</u>	<u>41.6</u>	<u>3.7</u>	8.9
Net position				
Invested in capital assets, net	25.8	19.0	6.8	35.8
Restricted	9.7	6.0	3.7	61.7
Unrestricted	<u>(1.2)</u>	<u>6.0</u>	<u>(7.2)</u>	(120.0)
Total net position	<u>\$ 34.3</u>	<u>\$ 31.0</u>	<u>\$ 3.3</u>	10.6

KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

Changes in Net Position

The District's total revenues were \$46.2 million. State sources account for 39.4% while federal sources account for 16.2%. Real estate and other taxes account for about 27.1%, tuition and student fees 13.9%, and the balance is from miscellaneous sources.

The total cost of all programs and services was \$42.9 million. The District's program related expenses are predominantly instructional cost, academic support, student services and public services, which were \$22.8 million or 53.1% of total expenses. Operations and maintenance of the District's facilities were \$3.9 million or 9.1% of total expenses. Scholarships and awards were \$1.2 million or 2.8% of expenses. Auxiliary enterprises representing operations such as the bookstore and student activities were \$2.1 million or 4.9% of total expenses, which by definition are to be self-supporting. The District's administrative/business activities, including institutional support were \$12.9 million or 30.1% of total expenses.

Total revenues exceeded expenses, increasing net assets by \$3.3 million over last year.

Fiscal Year 2019 Compared to 2018

Net tuition and fee revenue increased slightly by \$.4 million or 6.7% due to an increase of \$7 per credit hour in the tuition and fee rates charged to students combined with an overall enrollment decrease of 8.6% over last year.

Federal grants decreased \$.9 million or 10.7% due to a decrease in financial aid disbursements because of decreased enrollment. State grants and contracts increased \$.8 million or 8.2% due to an increase in the pension contribution the state of Illinois makes on-behalf of the District.

Auxiliary revenue and other revenues remained the same as last fiscal year.

Instructional expenses remained the same while academic support increased by \$.1 million. Student services expenses increased by \$.8 million or 27.6% due to an increase in grant-funded expenditures. The decrease in public services of \$1.1 million or 25.0% is primarily due to the decrease of grant-funded expenditures along with a decrease in other public service expenditures.

Operations and maintenance expenses remained the same while institutional support increased \$1.1 million or 12.9% primarily due to an increase in the state of Illinois on-behalf pension contribution.

Scholarships and awards decreased \$.8 million or 40.0% due to the decrease in institutional scholarships. Auxiliary enterprises decreased \$.1 million or 4.5% due to decreased costs within the bookstore, athletics, student activities, and college center fund. Depreciation expense increased \$.1 million or 3.4% due to an increase in depreciated assets.

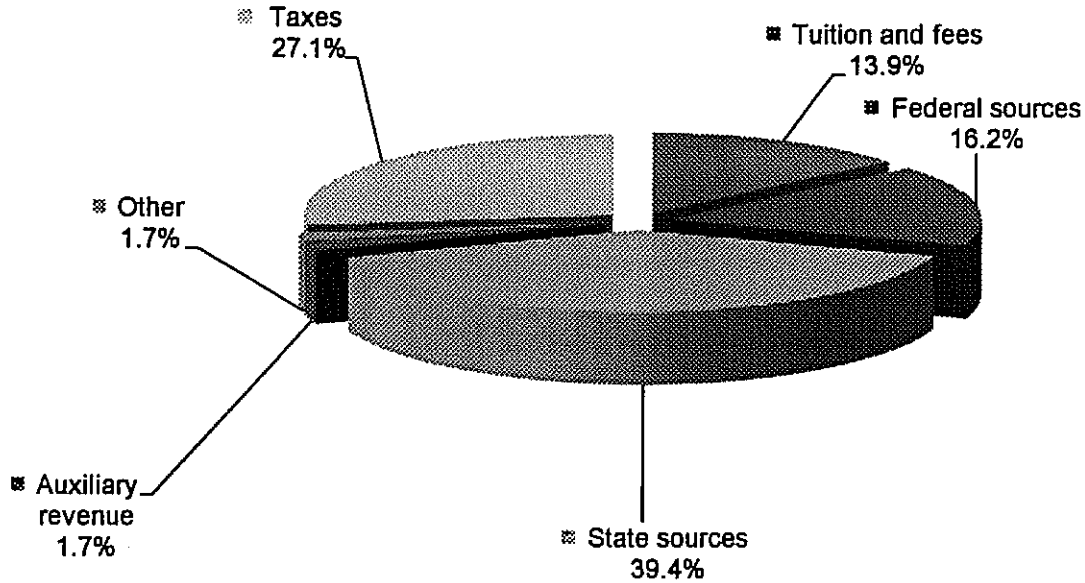
Non-operating revenues (expenses) increased by \$4.3 million or 26.7% primarily due to the increase of state grant revenues for the Advanced Technology Education Center. Taxes increased by \$.7 million due to higher extensions based on a significant increase in equalized assessed value. State grants increased by \$3.4 million due to the increase of state grant revenues for the Advanced Technology Education Center. Other revenues increased by \$.1 million due to increased savings from the CPower energy conservation program.

**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

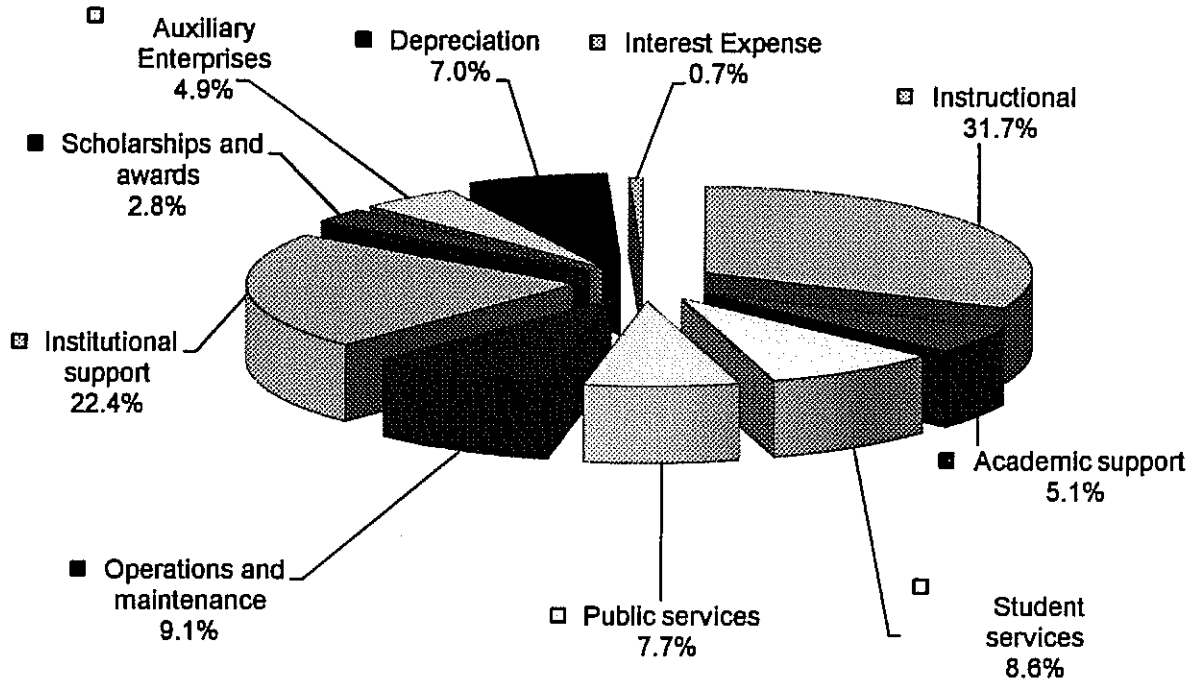
Changes in Net Position from Operating Results (in millions of dollars)				
	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating revenues:				
Tuition and fees	\$ 6.4	\$ 6.0	\$ 0.4	6.7
Federal grants and contracts	7.5	8.4	(0.9)	(10.7)
State grants and contracts	10.6	9.8	0.8	8.2
Auxiliary revenue	0.8	0.8	-	-
Other	0.2	0.2	-	-
Total operating revenues	<u>25.5</u>	<u>25.2</u>	<u>0.3</u>	<u>1.2</u>
Less operating expenses				
Instructional	13.6	13.6	-	-
Academic support	2.2	2.1	0.1	4.8
Student services	3.7	2.9	0.8	27.6
Public services	3.3	4.4	(1.1)	(25.0)
Operations and maintenance	3.9	3.9	-	-
Institutional support	9.6	8.5	1.1	12.9
Scholarships and awards	1.2	2.0	(0.8)	(40.0)
Auxiliary enterprises	2.1	2.2	(0.1)	(4.5)
Depreciation	3.0	2.9	0.1	3.4
Total operating expenses	<u>42.6</u>	<u>42.5</u>	<u>0.1</u>	<u>0.2</u>
Operating Income (loss)	<u>(17.1)</u>	<u>(17.3)</u>	<u>0.2</u>	<u>(1.2)</u>
Non-operating revenues (expenses):				
Taxes	12.5	11.8	0.7	5.9
State grants and contracts	7.6	4.2	3.4	81.0
Gifts and donations	-	-	-	-
Other	0.6	0.5	0.1	20.0
Interest expense	(0.3)	(0.4)	0.1	(25.0)
Capital grants and contracts	-	-	-	-
Non-operating revenues (expenses), net	<u>20.4</u>	<u>16.1</u>	<u>4.3</u>	<u>26.7</u>
Increase (decrease) in net position	<u>3.3</u>	<u>(1.2)</u>	<u>4.5</u>	<u>(375.0)</u>
Net position:				
Net position, beginning of year	31.0	53.4	(22.4)	(41.9)
Prior period adjustment	-	(21.2)	(21.2)	-
Restated net position	<u>31.0</u>	<u>32.2</u>	<u>(43.6)</u>	<u>(135.4)</u>
Net position, end of year	<u>\$ 34.3</u>	<u>\$ 31.0</u>	<u>\$ 3.3</u>	<u>10.6</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

Sources of Revenues for Fiscal Year 2019



Expenses for Fiscal Year 2019



**KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

As of June 30, 2019, the District had \$36.3 million in capital assets, net of depreciation, including the main campus, several off campus sites, instructional equipment, office equipment and furniture and fixtures. (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation expense for the year was \$2.9 million, while building improvements and deletions to equipment, furniture, leasehold improvements and construction in progress amounted to \$7.0 million.

Capital Assets (net of depreciation, in millions of dollars)				
	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Land	\$ 2.1	\$ 2.1	\$ -	-
Land improvements	3.0	2.6	0.4	15.4
Buildings and improvements	51.2	43.3	7.9	18.2
Furniture and equipment	25.8	24.6	1.2	4.9
Leasehold Improvements	0.9	0.9	-	-
Construction in progress	-	2.4	(2.4)	(100.0)
	<u>83.0</u>	<u>75.9</u>	<u>7.1</u>	<u>9.4</u>
Less accumulated depreciation	<u>46.7</u>	<u>43.8</u>	<u>2.9</u>	<u>6.6</u>
Total	<u>\$ 36.3</u>	<u>\$ 32.1</u>	<u>\$ 4.2</u>	13.1

Long-Term Liabilities:

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

Outstanding Long-Term Liabilities		
	<u>2019</u>	<u>2018</u>
Outstanding Long-term liabilities, beginning of the year	\$27.6	\$29.9
Debt Issued:		
College Bonds	5.9	0.0
Debt Retired:	<u>(2.1)</u>	<u>(2.2)</u>
Compensated Absences Increase (Decrease):	<u>(0.1)</u>	<u>0.0</u>
Retiree Health Insurance Liability Increase (Decrease):	<u>0.4</u>	<u>(0.1)</u>
Outstanding Long-term liabilities, end of the year	<u>\$31.7</u>	<u>\$27.6</u>

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

KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019

FACTORS AFFECTING THE DISTRICT'S FUTURE

Kankakee Community College welcomed its seventh president in July 2019. Dr. Michael Boyd, a visionary leader with a passion for student success, will lead the institution into the future. Plans developed during the past year, including a strategic plan, facilities master plan, and strategic enrollment management plan, will help guide the path to the future.

The strategic plan includes the following goals:

- 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 is aligned with the strategic plan. The first priority in the facilities plan is the development of a Student Success Center in the heart of campus. This project is planned to begin in December, and to be ready for welcoming our students back in fall term 2020. The next priorities in the facilities master plan are focused on the redesign of teaching and learning spaces in the older facilities on campus including the original permanent classroom building and the original technology training building.

The strategic enrollment management (SEM) plan is comprised of a Core Team supported by four leadership teams:

- Recruitment Leadership Team
- Retention Leadership Team
- Completion and Transfer Leadership Team
- Retention Software Exploration Leadership Team

The SEM team is charged with reversing the trend of declining enrollments, and early indicators from their focus on new students is showing promise in that direction. The next focus will be on retention, with the adoption of intrusive advising and a new retention software implementation.

The economic outlook for the district continues to be very positive. The Kankakee Metropolitan Statistical Area was ranked first among the 395 MSAs nationwide for year-over-year growth in 2018. Major expansions are occurring at the global bioscience leader CSL Behring, and at Nucor Steel. The district has a highly diversified economy, in various sectors including manufacturing, bioscience, health care, and transportation. The equalized assessed valuation of the district continues on an upward trend, with average increases of 3.5% over the past four years.

With new visionary leadership, multiple strategic plans in place, and a thriving economy, the College continues its mission of Enhancing Quality of Life through Learning.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional information, contact the Vice President of Finance and Administration, 100 College Drive, Kankakee, Illinois 60901.

This page was intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page was intentionally left blank.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
STATEMENT OF NET POSITION
June 30, 2019

<u>Assets</u>	<u>Primary Government</u>
Current assets:	
Cash and cash equivalents	\$ 17,316,285
Short-term investments	7,927,904
Receivables, net of uncollectible amounts:	
Property taxes	11,923,210
Federal and state sources	850,443
Tuition and fees	3,325,219
Accrued interest	67,906
Due from component unit	74,007
Other	98,814
Inventories	616,695
Prepaid expenses	668,095
Total current assets	42,868,578
Capital assets, net	36,257,225
Total assets	79,125,803
<u>Deferred Outflow of Resources</u>	
Deferred OPEB items	285,985
Deferred contractually required contribution	139,029
Total deferred outflows of resources	425,014
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and accrued expenses	2,197,814
Bonds payable - current portion	2,100,000
Unearned tuition and fees revenue	2,975,866
Unearned government grants and other claims	371,654
Accrued compensated absences	467,500
Total current liabilities	8,112,834
Non-current liabilities:	
Accrued compensated absences	352,042
Bonds payable - less current portion	14,042,675
Retiree health insurance liability	14,758,978
Total long-term liabilities	29,153,695
Total liabilities	37,266,529
<u>Deferred Inflows of Resources</u>	
Deferred OPEB items	2,028,943
Deferred property tax revenue	5,963,569
Total deferred inflows of resources	7,992,512
<u>Net Position</u>	
Net investment in capital assets	25,788,682
Restricted for :	
Debt service	1,426,614
Capital projects and improvements	6,433,470
Audit purposes	69,849
Liability insurance	1,743,706
Unrestricted	(1,170,545)
Total net position	\$ 34,291,776

See accompanying notes.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended June 30, 2019**

<u>Revenues</u>	<u>Primary Government</u>
Operating revenues:	
Student tuition and fees, net	\$ 6,404,461
Federal grants and contracts	7,529,731
State grants and contracts	10,597,051
Local grants and contracts	57,556
Auxiliary enterprise revenue	752,122
Other operating revenues	164,133
	<hr/>
Total operating revenues	25,505,054
	<hr/>
<u>Expenses</u>	
Operating expenses:	
Instructional	13,568,912
Academic support	2,187,038
Student services	3,706,821
Public service	3,290,356
Operations and maintenance of plant	3,878,083
Institutional support	9,590,409
Scholarship and awards	1,219,734
Auxiliary enterprises	2,098,992
Depreciation	3,040,183
	<hr/>
Total operating expenses	42,580,528
	<hr/>
Operating income (loss)	(17,075,474)
	<hr/>
<u>Non-operating Revenues (Expenses)</u>	
State grants and contracts	3,834,920
Property taxes	11,990,359
Personal property replacement tax	487,039
Investment income	213,170
Gain (loss) on disposal of capital assets	(15,155)
Other non-operating revenues	415,562
Interest expense and fees	(342,238)
	<hr/>
Non-operating revenues (expenses), net	16,583,657
	<hr/>
<u>Other Revenues</u>	
Capital grants and contracts	3,750,000
	<hr/>
Change in net position	3,258,183
	<hr/>
Net position, July 1, 2018	31,033,593
	<hr/>
Net position, June 30, 2019	\$ 34,291,776
	<hr/> <hr/>

See accompanying notes.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
STATEMENT OF CASH FLOWS
For the year ended June 30, 2019

	<u>Primary Government</u>
Cash flows provided (used) by operating activities:	
Tuition and fees	\$ 6,376,249
Payments to students	2,853,147
Payments to suppliers	(33,722,744)
Payments to employees	(15,966,303)
Grants and contracts	25,848,691
Auxiliary enterprise revenues	752,122
Other receipts	164,133
Net cash provided (used) by operating activities	(13,694,705)
Cash flows provided (used) by noncapital financing activities:	
Local property taxes	11,998,105
State appropriations	4,326,455
Other receipts	415,562
Net cash provided (used) by noncapital financing activities	16,740,122
Cash flows provided (used) by capital and related financing activities:	
Capital grants and gifts received	3,750,000
Proceeds from bond issuance	5,070,000
Proceeds from premium on bond issuance	833,846
Purchases of capital assets	(7,159,490)
Bond principal payments	(1,950,000)
Interest and fees paid on bonds	(547,401)
Net cash provided (used) by capital and related financing activities	(3,045)
Cash flows provided (used) by investing activities:	
Proceeds from sales and maturities of investments	4,000,000
Earning on investments	187,359
Purchase of investments	(4,579,340)
Net cash provided (used) by investing activities	(391,981)
Net increase in cash and cash equivalents	2,650,391
Cash and cash equivalents, July 1, 2018	14,665,894
Cash and cash equivalents, June 30, 2019	\$ 17,316,285

(Continued)

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
STATEMENT OF CASH FLOWS
(Continued)
For the year ended June 30, 2019

	<u>Primary Government</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (17,075,474)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	3,040,183
(Increase) decrease in operating assets and deferred outflow of resources:	
Receivables, net	912,777
OPEB items	199,507
Inventories	(15,492)
Prepaid expenses	(131,567)
Deferred contractually required contribution	538
Increase (decrease) in operating liabilities and deferred inflow of resources:	
Accounts payable and accrued expenses	(1,144,007)
Unearned revenue	(127,491)
OPEB items	682,145
Compensated absences	(35,824)
	<hr/>
Net cash provided (used) by operating activities	\$ (13,694,705) <hr/>
Noncash investing, capital and financing activities:	
On-behalf payments for the State Universities Retirement System of Illinois	\$ (9,704,002) <hr/>
Amortization of premium on bond proceeds	\$ 200,414 <hr/>
Gain (loss) on disposal of capital assets	\$ (15,155) <hr/>

See accompanying notes.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
COMPONENT UNIT - KANKAKEE COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2019

Assets

Current assets:

Cash and cash equivalents	\$ 460,681
Unconditional promise to give, current portion	653
Accrued interest	8,300
Prepaid expenses	2,631
Investments	<u>8,686,759</u>
 Total current assets	 <u><u>\$ 9,159,024</u></u>

Liabilities

Current liabilities:

Accounts payable	\$ 1,700
Due to primary government	<u>74,007</u>
 Total current liabilities	 <u><u>75,707</u></u>

Net Assets

Without donor restrictions:

Undesignated	<u>483,598</u>
--------------	----------------

With donor restrictions:

Purpose restricted	2,991,573
Perpetual	<u>5,608,146</u>
Total with donor restrictions	<u><u>8,599,719</u></u>

Total net assets	<u><u>9,083,317</u></u>
------------------	-------------------------

Total liabilities and net assets	<u><u>\$ 9,159,024</u></u>
----------------------------------	----------------------------

See accompanying notes.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
COMPONENT UNIT - KANKAKEE COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Contributions	\$ 167,979	\$ 1,634,111	\$ 1,802,090
Donated material and services	180,563		180,563
Grants	46		46
Investment income, net	121,430	58,014	179,444
Net assets released from restrictions	206,690	(206,690)	-0-
Total revenues and support	676,708	1,485,435	2,162,143
Expenses and losses:			
Program services:			
Scholarships	173,186		173,186
Special projects	48,340		48,340
Total program services	221,526	-0-	221,526
Support services:			
Scholarships	225,401		225,401
Special projects	51,193		51,193
Total support services	276,594	-0-	276,594
Total expenses and losses	498,120	-0-	498,120
Change in net assets	178,588	1,485,435	1,664,023
Net assets, July 1, 2018	305,010	7,114,284	7,419,294
Net assets, June 30, 2019	\$ 483,598	\$ 8,599,719	\$ 9,083,317

See accompanying notes.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520
 COMPONENT UNIT - KANKAKEE COMMUNITY COLLEGE FOUNDATION, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 For the year ended June 30, 2019**

	Program Services		Supporting Services			Grand Total
	Scholarships	Special Projects	Total	Management and General	Fundraising	
Alumni events						
Annual Audit	\$ 35,599	\$	35,599	7,072	\$	\$ 7,072
Continuing education				6,615		6,615
Contractual		\$ 26,157	26,157	10,676		10,676
Donor cultivation					\$ 35,791	35,791
Donor funded	34,876		34,876	17,343		17,343
Endowed	61,212		61,212			61,212
Foundation funded	41,499		41,499			41,499
Instructional supplies				28,926		28,926
Insurance				2,420		2,420
Meals		785	785			785
Other		5,346	5,346	712	1,120	1,905
Salaries and benefits				151,637	5,833	11,891
Student support		9,494	9,494			9,494
Supplies		2,263	2,263		555	555
Travel		4,295	4,295		7,894	12,189
Total expenses	\$ 173,186	\$ 48,340	\$ 221,526	\$ 225,401	\$ 51,193	\$ 498,120

See accompanying notes.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
COMPONENT UNIT - KANKAKEE COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2019

Cash flows from (used for) operating activities:	
Change in net assets	\$ 1,664,023
Items required to reconcile change in net assets to net cash from (used for) operating activities:	
Realized (gain) loss on sale of investments	(299,839)
Net (appreciation) depreciation in value of investments	285,914
(Increase) decrease in operating assets:	
Unconditional promise to give	16,050
Accrued interest	(4,101)
Prepaid expense	(2,406)
Increase (decrease) in operating liabilities:	
Accounts payable	(12,533)
Due to primary government	<u>(22,913)</u>
Net cash from (used for) operating activities	<u>1,624,195</u>
Cash flows from (used for) investing activities:	
Proceeds from sale of investments	3,072,731
Purchase of investments	<u>(4,722,644)</u>
Net cash from (used for) investing activities	<u>(1,649,913)</u>
Net change in cash and cash equivalents	(25,718)
Cash and cash equivalents, July 1, 2018	<u>486,399</u>
Cash and cash equivalents, June 30, 2019	<u>\$ 460,681</u>

See accompanying notes.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

The following is a summary of the significant policies:

Reporting Entity

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

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

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

Measurement Focus, Basis of Accounting and Basis of Presentation

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

Revenue and Expense Recognition

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

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

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

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

Cash and Cash Equivalents

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

Inventories

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

Prepaid Items

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

Property Taxes

Property taxes are recognized as revenue in the year for which the taxes are intended to finance, regardless of when collected. Pursuant to a Board of Trustees resolution, property tax levies are allocated 50 percent in the fiscal year the levy is passed and 50 percent in the following fiscal year. Based on this, 50 percent of the property tax levies passed in December 2018, was recognized as revenue for the year ended June 30, 2019. The other 50 percent of the 2018 levy is intended to finance the 2020 fiscal year and accordingly, is reported as receivables and deferred revenue as of June 30, 2019. The 2019 tax levy, which attaches as an enforceable lien on property as of January 1, 2019, has not been recorded as a receivable as of June 30, 2019, as the tax has not yet been levied by the College and will not be levied until December 2019, and therefore, the levy is not measurable at June 30, 2019.

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

These taxes are assessed in December and become an enforceable lien on the property as of the preceding January 1. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amount to be collected. Property taxes are payable by the property owner in two equal installments on or about June 1 and September 1, 2019.

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

Capital Assets

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

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

Compensated Absences

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

Deferred Outflows/Inflows of Resources

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

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

Internal Service Activities

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

Use of Estimates

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

Net Position

The District's net position is classified as follows:

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

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

Federal Awards Programs

The District participates in several federally funded grant programs which include Pell Grants, SEOG Grants, Federal Work-Study, Direct Loans, Workforce Investment Act and Perkins programs. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited by the grantors, but the District believes that disallowed expenditures, discovered in subsequent audits, if any, will not have a material effect on the financial position of the District.

Pensions

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

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

On-Behalf Payments for Fringe Benefits

The District applies the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, whereby the State is responsible for the employer contribution and the total pension liability resulting from a special funding situation. Therefore, for the fiscal year ended June 30, 2019 the District has reported its proportionate share of the collective pension expense and revenue for the State's contribution (see Note 2).

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

Tuition and Fees Receivable

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

NOTE 2 – PENSION PLAN:

State Universities Retirement System:

A. **Plan Description**

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

B. **Benefits Provided**

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2018 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 2 – PENSION PLAN (Continued):

C. Contributions

The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (1) a ramp-up period from 1996 to 2010 and (2) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90 percent of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from “trust, federal, and other funds” are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year ended June 30, 2018 and 2019, respectively, was 12.46 percent and 12.29 percent of employee payroll. The normal cost is equal to the value of current year’s pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of “affected annuitants” or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6.0 percent during the final rate of earnings period).

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

Net Pension Liability

At June 30, 2018, SURS reported a net pension liability (NPL) of \$27,494,556,682. The net pension liability was measured as of June 30, 2018.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the District is \$-0-. The proportionate share of the State’s net pension liability associated with the District is \$98,650,469 or 0.3588 percent. The employer proportionate share of collective pension expense should be 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 2018. As a result, the District recognized revenue and pension expense of \$9,634,938 from this special funding situation during the fiscal year ended June 30, 2019.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 2 – PENSION PLAN (Continued):

Pension Expense

At June 30, 2018 SURS reported a collective net pension expense of \$2,685,322,700.

Employer Proportionate Share of Pension Expense

The District's proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year end June 30, 2018. As a result, the District recognized on-behalf revenue and pension expense of \$9,634,938 for the fiscal year ended June 30, 2019.

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

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 65,521,614	\$181,032,053
Changes in assumption	1,286,257,095	123,218,306
Net difference between projected and actual earnings on pension plan investments	26,810,634	
Contributions made after the measurement date	<u>139,029</u>	<u> </u>
Total	<u>\$1,378,728,372</u>	<u>\$304,250,359</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 2 – PENSION PLAN (Continued):

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

<u>Year Ending June 30</u>	<u>Net Deferred Outflows of Resources</u>
2019	\$ 763,171,084
2020	540,443,042
2021	(192,612,398)
2022	<u>(36,662,744)</u>
Total	<u>\$1,074,338,984</u>

E. Employer Deferral of Fiscal Year 2019 Pension Expense

The District paid \$139,029 in federal, trust or grant contributions for the fiscal year ended June 30, 2019. These contributions were made subsequent to the pension liability measurement date of June 30, 2018 and are recognized as Deferred Outflows of Resources as of June 30, 2019.

F. Assumptions and Other Inputs

Actuarial assumptions

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2014 – 2017. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 2 – PENSION PLAN (Continued):

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
U.S. Equity	23%	5.00%
Private Equity	6%	8.50%
Non-U.S. Equity	19%	6.45%
Global Equity	8%	6.00%
Fixed Income	19%	1.50%
Treasury-Inflation Protected Securities	4%	0.75%
Emerging Market Debt	3%	3.65%
Real Estate REITS	4%	5.45%
Direct Real Estate	6%	4.75%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	<u>1%</u>	<u>7.00%</u>
Total	<u>100%</u>	4.55%
Inflation		<u>2.75%</u>
Expected Arithmetic Return		<u>7.30%</u>

Discount Rate

A single discount rate of 6.65 percent was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75 percent and a municipal bond rate of 3.62 percent (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 2 – PENSION PLAN (Continued):

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount of 6.65 percent, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
<u>5.65%</u>	<u>6.65%</u>	<u>7.65%</u>
\$33,352,188,584	\$27,494,556,682	\$22,650,651,520

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

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

NOTE 3 - RETIREE HEALTH PLAN:

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

The Act requires every active contributor (employee) of SURS to contribute 0.5% of covered payroll and every community college district to contribute 0.5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State of Illinois to contribute 0.5% of estimated covered payroll directly to the plan.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 3 - RETIREE HEALTH PLAN (Continued):

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of CIP and additions to/deductions from CIP's fiduciary net position have been determined on the same basis as they are reported by CIP.

For this purpose, CIP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments, if any are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at costs.

At June 30, 2019, the District reported a liability of \$14,758,978 for its proportionate share of the total OPEB liability that reflected a reduction for State OPEB support of \$14,758,978 resulting in a total OPEB liability associated with the College of \$29,517,956. The OPEB liability was measured as of June 30, 2018, and total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation performed as of June 30, 2017 rolled forward to June 30, 2018. The District's proportion of the OPEB liability was based on the District's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the State, statutorily determined. At June 30, 2018 and 2017, the District's proportions were .782865% and .786442%, respectively.

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,019,781 and on-behalf revenue and expenses of \$69,064 for support provide by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$216,921	\$ 32,325
Changes in assumption		1,847,389
Changes in proportionate share and differences between college contributions and proportionate share of contributions		148,747
Net difference between projected and actual earnings on OPEB plan investments		482
Contributions made after the measurement date	<u>69,064</u>	<u> </u>
Total	<u>\$285,985</u>	<u>\$2,028,943</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 3 - RETIREE HEALTH PLAN (Continued):

The deferred outflows of resources related to OPEB resulting from the District's contribution subsequent to the measurement date, reported at \$69,365, will be recognized as a reduction of the OPEB liability for the measurement period ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

<u>Year Ending</u> <u>June 30,</u>	
2020	\$ 302,004
2021	302,004
2022	302,004
2023	302,004
2024	302,003
Thereafter	<u>302,003</u>
Total	<u>\$1,812,022</u>

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

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

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates were 3.62% as of June 30, 2018, and 3.56% as of June 30, 2017.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 3 - RETIREE HEALTH PLAN (Continued):

Rate Sensitivity

The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the District calculated using the discount rate of 3.62% as well as what the District's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.62%) or 1 percentage point higher (4.62%) than the current rate:

	<u>1% Decrease</u> <u>(2.62%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.62%)</u>	<u>1% Increase</u> <u>(4.62%)</u>
OPEB Liability	\$17,105,272	\$14,758,978	\$12,806,163

The table below presents the District's OPEB liability, calculated using the healthcare cost trend rates as well as what the District's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026, for non-Medicare coverage, and 9% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	<u>1% Decrease</u>	<u>Current</u> <u>Healthcare Rate</u>	<u>1% Increase</u>
OPEB Liability	\$12,235,095	\$14,758,978	\$18,080,790

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

NOTE 4 - CAPITAL ASSETS:

A summary of changes in capital assets of the District for the year ended June 30, 2019 is as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2019</u>
Land	\$ 2,142,785				\$ 2,142,785
Construction in progress	2,379,806	\$ 2,749,890		\$(5,129,696)	-0-
Land improvements	2,620,130	334,604			2,954,734
Building and improvements	43,285,745	2,801,606		5,129,696	51,217,047
Equipment	24,647,127	1,273,391	\$101,971		25,818,547
Leasehold improvements	<u>868,782</u>				<u>868,782</u>
Total capital assets	75,944,375	7,159,491	101,971	-0-	83,001,895
Less accumulated depreciation	<u>43,791,302</u>	<u>3,040,184</u>	<u>86,816</u>		<u>46,744,670</u>
Capital assets, net	<u>\$32,153,073</u>	<u>\$4,119,307</u>	<u>\$ 15,155</u>	<u>\$ -0-</u>	<u>\$36,257,225</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 5 - DEPOSITS AND INVESTMENTS:

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

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

Deposits

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

At June 30, 2019, the carrying amount of the District's deposits was \$21,789,882, and the bank balance was \$22,233,489. The entire bank balance was covered through federal depository insurance or by collateral held by the District or its agent in the District's name.

NOTE 6 - LONG-TERM LIABILITIES:

A summary of changes in long-term liabilities for the year ended June 30, 2019 is as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable:					
General obligation bonds	\$12,165,000	\$5,070,000	\$1,950,000	\$15,285,000	\$2,100,000
Premium on bond proceeds	<u>224,242</u>	<u>833,846</u>	<u>200,413</u>	<u>857,675</u>	<u> </u>
Total bond payable	12,389,242	5,903,846	2,150,413	16,142,675	2,100,000
Compensated absences	855,366	354,654	390,478	819,542	467,500
Retiree health insurance liability	<u>14,341,851</u>	<u>417,127</u>	<u> </u>	<u>14,758,978</u>	<u> </u>
Total long-term liabilities	<u>\$27,586,459</u>	<u>\$6,675,627</u>	<u>\$2,540,891</u>	<u>\$31,721,195</u>	<u>\$2,567,500</u>

Long-term liabilities are comprised of the following:

General Obligation Bonds

\$8,275,000 General Obligation Community College serial bonds dated July 1, 2013, due in annual installments on December 1, of amounts ranging from \$335,000 to \$2,000,000 through December 2020, plus interest ranging from 2% to 3.75% payable semiannually. \$ 3,755,000

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 6 - LONG-TERM LIABILITIES (Continued):

\$3,370,000 Taxable General Obligation Community College serial bonds dated February 4, 2016, due in annual installments on December 1, of amounts ranging from \$50,000 to \$2,000,000 through December 2022, plus interest ranging from .9% to 3.25% payable semiannually.	\$ 3,220,000
\$3,305,000 General Obligation Community College serial bonds dated February 29, 2016, due in annual installments on December 1, of amounts ranging from \$65,000 to \$1,940,000 through December 2023 plus interest of 3% payable semiannually.	3,240,000
\$5,070,000 General Obligation Community College serial bonds dated June 27, 2019, due in annual installments on December 1, of amounts ranging from \$85,000 to \$2,390,000 through December 2025, plus interest of 5% payable semiannually.	<u>5,070,000</u>
Total general obligation bonds	15,285,000
Add: Unamortized premium on bond issuance	<u>857,675</u>
Total bonds payable	16,142,675
Less: amount due in one year	<u>2,100,000</u>
Bonds payable-less current portion	<u>\$14,042,675</u>

The annual requirement to amortize all outstanding bonds payable, excluding the issuance premium of \$857,675, and including interest of \$2,176,274 follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 2,100,000	\$ 515,780	\$ 2,615,780
2021	2,090,000	460,081	2,550,081
2022	2,155,000	395,600	2,550,600
2023	2,220,000	333,213	2,553,213
2024	2,295,000	259,225	2,554,225
2025-2026	<u>4,425,000</u>	<u>212,375</u>	<u>4,637,375</u>
	<u>\$15,285,000</u>	<u>\$2,176,274</u>	<u>\$17,461,274</u>

Compensated Absences

Vested portion of the vacation and sick leave and other employee benefits.	<u>\$819,542</u>
--	------------------

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 7 – LEGAL DEBT MARGIN:

Assessed Valuation – 2018 levy year	<u>\$2,438,769,044</u>
Statutory debt limit – 2.875% of assessed valuation	\$70,114,610
Debt outstanding	<u>15,285,000</u>
Legal debt margin	<u>\$54,829,610</u>

NOTE 8 – OPERATING LEASE:

The District leased a building to serve as its South Extension Center on September 5, 2017. The lease’s term ends February 28, 2020 with a three year extension subsequently agreed upon and an additional five year extension option available to the District. Total costs for the lease was \$24,179 for the year ended June 30, 2019. The future minimum lease payments for this lease are as follows:

<u>Year Ending</u>	<u>June 30,</u>
2020	\$24,904
2021	25,651
2022	17,440

NOTE 9 – CONSTRUCTION COMMITMENTS:

The District has an active construction project as of June 30, 2019. This project and the District’s commitment with contractors at June 30, 2019 are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Advanced Technology Education Center	<u>\$7,269,318</u>	<u>\$15,000</u>

NOTE 10 – RISK MANAGEMENT AND LITIGATION:

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

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 11 – DISCRETELY PRESENTED COMPONENT UNIT:

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

Basis of Accounting

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

Basis of Presentation

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

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

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

Functional Allocation of Expenses

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

Income Tax Status

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

Cash and Cash Equivalents

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 11 – DISCRETELY PRESENTED COMPONENT UNIT (Continued):

Investments

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

At June 30, 2019, the Foundation's investments consist of the following:

Certificates of deposit	\$ 511,535
U.S. Treasury of obligations	78,537
U.S. government agencies	126,132
Mutual funds	2,008,931
Exchange-traded and closed-end funds	212,988
Preferred stock	162,757
Common stock	1,939,775
Corporate bonds	60,898
Hedge funds	499,971
Managed futures funds	<u>3,085,235</u>
Total investments	<u>\$8,686,759</u>

Interest Rate Risk

The securities of U.S. government agencies at June 30, 2019 consist of the following:

FNMA	\$107,890
FHLMC	<u>18,242</u>
	<u>\$126,132</u>

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 11 – DISCRETELY PRESENTED COMPONENT UNIT (Continued):

Investment income in the Foundation was comprised of the following for the year ended June 30, 2019:

Interest, capital gain distributions, and dividend income	\$ 210,355
Realized gain (loss) on investments	299,839
Unrealized gain (loss) on investments	(285,914)
Investment expenses:	
Third party investment management fees, custodian fees, and other expenses	(44,836)
Investment income (loss), net	\$ <u>179,444</u>

Derivative Gains and Losses

For the fiscal year ended June 30, 2019, the Foundation reported its gains and losses on derivative investments as investment income on the Statement of Activities. The hedge fund loss of \$3,563 consisted of a decrease in unrealized gains of \$3,563. The managed futures fund gain of \$1,713 consisted of a increase in unrealized gains of \$1,713.

Fair Value Measurements

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

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019.

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 11 – DISCRETELY PRESENTED COMPONENT UNIT (Continued):

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

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

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

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

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

Related Party Transactions

At June 30, 2019, the Foundation had accounts payable of \$74,007 to the College, a related party.

Donated Services

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

For the year ended June 30, 2019, the Foundation received contributed administrative services totaling \$151,637 from the College, a related party.

Concentration of Credit Risk

Foundation maintains cash balances at two financial institutions in Kankakee County. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2019, the entire bank balance was covered.

The Foundation also maintains an investment balance at a Kankakee County stock brokerage firm. The balance at the brokerage firm was insured up to \$500,000, which includes a \$250,000 limit for cash, by the Securities Investor Protection Corporation (SIPC). At June 30, 2019, the Foundation's entire cash balance was covered.

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 11 – DISCRETELY PRESENTED COMPONENT UNIT (Continued):

Cash and Cash Equivalents

Cash and cash equivalents consist of the following at June 30, 2019:

Brokerage money market	\$175,430
Brokerage cash	31
Checking	<u>285,220</u>
	<u>\$460,681</u>

NOTE 12 – BOND REFUNDING:

Refunding of General Obligation Community College Bonds, Series 2019B

On June 27, 2019, the District issued \$5,070,000 of General Obligation Community College Bonds, Series 2019B, with an interest rate of 5.0 percent from which all the proceeds were used to provide resources to renovate, repair and equip the Student Success Center and to finance capital improvements, technology needs, and capital equipment that were placed in an irrevocable trust for the purpose of the advance refunding of \$5,520,000 of General Obligation Community College Bonds, Series 2019 with an interest rate of 2.25 percent. As a result of the refunding, the refunded bonds were retired and the liability was removed from the statement of net position.

REQUIRED SUPPLEMENTARY INFORMATION

This page was intentionally left blank.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS
June 30, 2019

	2018	2017	2016	2015	2014
District's proportion percentage of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportion amount of the collective net pension liability	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Portion of nonemployer contributing entities' total proportion of collective net pension liability	98,650,469	93,515,659	98,606,244	89,176,468	82,845,107
Total	\$ 98,650,469	\$ 93,515,659	\$ 98,606,244	\$ 89,176,468	\$ 82,845,107
Employer covered-employee payroll	\$ 15,330,275	\$ 15,249,616	\$ 15,309,374	\$ 16,031,781	\$ 16,019,595
Proportion of collective net pension liability associated with employer as a percentage of its covered-employee payroll	643.50%	613.23%	644.09%	556.25%	517.15%
SURS Plan Net Position as a percentage of total pension liability	41.27%	42.04%	39.57%	42.37%	44.39%

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
SCHEDULE OF CONTRIBUTIONS
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS
June 30, 2019

	2018	2017	2016	2015	2014
Contractually required contributions	\$ 139,029	\$ 139,567	\$ 140,569	\$ 176,970	\$ 155,372
Contributions made in relation to contractually required contributions	<u>139,029</u>	<u>139,567</u>	<u>140,569</u>	<u>176,970</u>	<u>155,372</u>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered-employee payroll	<u>\$15,330,275</u>	<u>\$15,249,616</u>	<u>\$15,309,374</u>	<u>\$16,031,781</u>	<u>\$16,019,595</u>
Contributions as a percentage of covered-employee payroll	<u>0.91%</u>	<u>0.92%</u>	<u>0.92%</u>	<u>1.10%</u>	<u>0.97%</u>

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

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES:

Changes of benefit terms

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2018.

Changes of assumptions

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

- Salary increase. Decrease in the overall assumed salary increase rates, ranging from 3.25 percent to 12.25 percent based on years of service, with underlying wage inflation of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.75 percent. This reflects maintaining an assumed real rate of return of 4.50 percent and decreasing the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75 percent (effective July 2, 2019).
- Normal retirement rates. A slight increase in the retirement rate at age 50. No change to the rates for ages 60-61, 67-74 and 80+, but a slight decrease in rates at all other ages. A rate of 50 percent if the member has 40 or more years of service and is younger than age 80.
- Early retirement rates. Decrease in rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover rates. Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.
- Mortality rates. Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.
- Disability rates. Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

This page was intentionally left blank.

SUPPLEMENTAL FINANCIAL INFORMATION

This page was intentionally left blank.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
SUPPLEMENTAL FINANCIAL INFORMATION SECTION
June 30, 2019

The following supplemental financial information (Schedules 3 to 28) is presented for management information purposes. Governmental funds are prepared using the modified accrual basis of accounting prescribed by the NCGA Statement No. 1 and related interpretations. Proprietary funds are prepared using the accrual basis of accounting.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
RECONCILIATION OF TOTAL FUND EQUITY TO NET POSITION
June 30, 2019

Governmental Funds equity	\$ 23,146,250
Proprietary Funds equity	<u>7,786,298</u>
Total fund equity	30,932,548
Reconciling items:	
Capital assets, net	36,257,225
Deferred contractually required contributions	139,029
Compensated absences	(783,859)
Deferred salaries	(226,300)
Unearned tuition	644,118
Bonds payable	(16,142,675)
OPEB deferred inflows	(2,028,943)
OPEB deferred outflows	285,985
Retiree health insurance liability	(14,758,978)
Accrued interest on bonds	<u>(26,374)</u>
Net position	<u>\$ 34,291,776</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520
RECONCILIATION OF CHANGES IN FUND EQUITY
TO CHANGES IN NET POSITION
For the year ended June 30, 2019**

Net change in fund equity - Governmental Funds	\$ 3,025,334
Net change in fund equity - Proprietary Funds	<u>730,357</u>
Total change in fund equity	3,755,691
 Reconciling items:	
Addition of capital assets	7,159,490
Gain (loss) on disposal of capital assets	(15,155)
Depreciation	(3,040,183)
Change in deferred contractually required contributions	(538)
Change in unearned summer salaries	(19,098)
Change in compensated absences	28,411
Change in unearned summer tuition	19,900
Bond principal payments	1,950,000
Proceeds from debt certificate	(5,520,000)
Payment to debt escrow	5,520,000
Proceeds from bond issuance	(5,070,000)
Premium on bond issuance	(833,846)
Amortization of premium on bond issuance	200,413
Change in OPEB deferred inflows	(682,145)
Change in OPEB deferred outflows	217,620
Change in retiree health insurance liability	(417,127)
Change in accrued interest on bonds	<u>4,750</u>
Change in net position	<u>\$ 3,258,183</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520
COMBINING BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019**

	<u>Educational Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Capital Projects Fund</u>
<u>Assets</u>			
Cash	\$ 4,197,887	\$ 3,101,053	\$ 2,672,219
Investments	500,000	2,000,000	43,080
Receivables, net of uncollectible amounts:			
Property taxes	5,440,613	1,555,661	1,202,264
Replacement taxes	66,235	11,689	
Federal and state sources	233,829		
Tuition and fees	3,325,219		
Accrued interest	1,747	34,721	
Due from component unit	74,007		
Other		12,444	
Due from other funds	556,838	55,519	
Prepaid expenditures	773,651	63,030	
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 15,170,026</u>	<u>\$ 6,834,117</u>	<u>\$ 3,917,563</u>
<u>Liabilities</u>			
Accounts payable and accrued expenditures	\$ 921,462	\$ 366,368	\$ 385,904
Due to other funds	102,209	34	
Deferred revenue	6,145,450	929,512	601,330
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>7,169,121</u>	<u>1,295,914</u>	<u>987,234</u>
<u>Fund Balance</u>			
Fund balance (deficit):			
Reserved for capital improvements	1,669,938	1,833,203	2,930,329
Reserved for debt service			
Reserved for audit purposes			
Reserved for liability insurance			
Reserved for prepaid expenditures	773,651	63,030	
Unreserved	5,557,316	3,641,970	
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>8,000,905</u>	<u>5,538,203</u>	<u>2,930,329</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 15,170,026</u>	<u>\$ 6,834,117</u>	<u>\$ 3,917,563</u>

Working Cash Fund	Debt Service Fund	Restricted Purposes Funds	Audit Fund	Liability, Protection and Settlement Fund	Total
\$ 3,384,824	\$ 247,855		\$ 40,767	\$ 1,287,131	\$ 11,546,912
	2,358,294		58,183	1,308,195	5,927,904
		\$ 538,690			11,923,210
					77,924
					772,519
					3,325,219
					36,468
					74,007
					12,444
		78,685		101,230	792,272
		1,438		51,820	889,939
<u>\$ 3,384,824</u>	<u>\$ 2,606,149</u>	<u>\$ 618,813</u>	<u>\$ 98,950</u>	<u>\$ 2,748,376</u>	<u>\$ 35,378,818</u>
		\$ 129,633		\$ 20,477	\$ 1,823,844
		423,959		278,060	804,262
	\$ 1,179,535	65,221	\$ 29,101	654,313	9,604,462
<u>\$ -0-</u>	<u>1,179,535</u>	<u>618,813</u>	<u>29,101</u>	<u>952,850</u>	<u>12,232,568</u>
					6,433,470
	1,426,614				1,426,614
			69,849		69,849
				1,743,706	1,743,706
<u>3,384,824</u>		1,438		51,820	889,939
		(1,438)			12,582,672
<u>3,384,824</u>	<u>1,426,614</u>	<u>-0-</u>	<u>69,849</u>	<u>1,795,526</u>	<u>23,146,250</u>
<u>\$ 3,384,824</u>	<u>\$ 2,606,149</u>	<u>\$ 618,813</u>	<u>\$ 98,950</u>	<u>\$ 2,748,376</u>	<u>\$ 35,378,818</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the year ended June 30, 2019

	Educational Fund	Operations and Maintenance Fund	Capital Projects Fund
Revenues:			
Local government sources	\$ 5,482,899	\$ 1,567,354	\$ 1,200,740
State government sources	4,231,169	338,960	3,750,000
Federal government sources			
Student tuition and fees	8,599,666	385,565	
Interest	37,319	59,408	8,044
Other	218,412	444,362	
Total revenues	18,569,465	2,795,649	4,958,784
Expenditures:			
Instructional	8,704,435		
Academic support	1,986,703		
Student services	1,684,237		
Public services	636,914		
Operations and maintenance		3,389,262	6,148,850
Scholarship and awards			
Institutional support	6,931,778	150,610	
Auxillary services			
Debt service:			
Principal retirement			
Interest and fixed charges			
Total expenditures	19,944,067	3,539,872	6,148,850
Excess (deficiency) of revenues over expenditures	(1,374,602)	(744,223)	(1,190,066)
Other financing sources (uses):			
Proceeds from debt certificate	1,770,000	1,750,000	2,000,000
Payment to debt escrow	(1,801,395)	(1,750,000)	(2,000,000)
Proceeds from bond issuance	1,417,362	1,417,362	2,000,000
Premiums on bond issuance	416,923	416,923	
Transfers in (out)	800,000	(780,772)	
Total other financing sources (uses)	2,602,890	1,053,513	2,000,000
Net change in fund balances	1,228,288	309,290	809,934
Fund balance, July 1, 2018	6,772,617	5,228,913	2,120,395
Fund balance, June 30, 2019	\$ 8,000,905	\$ 5,538,203	\$ 2,930,329

Working Cash Fund	Debt Service Fund	Restricted Purposes Funds	Audit Fund	Liability Protection and Settlement Fund	Total
	\$ 2,363,450	\$ 57,556 10,348,881 7,529,731	\$ 57,677	\$ 1,318,239	\$ 12,047,915 18,669,010 7,529,731 8,985,231
\$ 36,260	3,501	3,188	213	6,161 580	150,906 666,542
<u>36,260</u>	<u>2,366,951</u>	<u>17,939,356</u>	<u>57,890</u>	<u>1,324,980</u>	<u>48,049,335</u>
		4,962,047 585,151 2,062,584 3,154,889 632,701 4,629,506 1,683,644 209,606			13,666,482 2,571,854 3,746,821 3,791,803 10,170,813 4,629,506 9,812,580 209,606
	1,974,199 322,788				1,974,199 322,788
<u>-0-</u>	<u>2,296,987</u>	<u>17,920,128</u>	<u>50,000</u>	<u>996,548</u>	<u>50,896,452</u>
<u>36,260</u>	<u>69,964</u>	<u>19,228</u>	<u>7,890</u>	<u>328,432</u>	<u>(2,847,117)</u>
	235,276				5,520,000 (5,551,395) 5,070,000 833,846 -0-
<u>-0-</u>	<u>235,276</u>	<u>(19,228)</u>	<u>-0-</u>	<u>-0-</u>	<u>5,872,451</u>
36,260	305,240	-0-	7,890	328,432	3,025,334
<u>3,348,564</u>	<u>1,121,374</u>	<u>-0-</u>	<u>61,959</u>	<u>1,467,094</u>	<u>20,120,916</u>
<u>\$ 3,384,824</u>	<u>\$ 1,426,614</u>	<u>\$ -0-</u>	<u>\$ 69,849</u>	<u>\$ 1,795,526</u>	<u>\$ 23,146,250</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
COMBINING BALANCE SHEET - PROPRIETARY FUND TYPES
June 30, 2019

	<u>College Bookstore Fund</u>	<u>Athletics Fund</u>	<u>Student Center Fund</u>
<u>Assets</u>			
Cash	\$ 1,485,639	\$ 285,009	\$ 437,456
Investments	2,000,000		
Receivables, net of uncollectible amounts:			
Accrued interest	31,438		
Other	86,291		79
Due from other funds	4,886	63,974	1,728
Inventories	599,743		
Prepaid expenses	4,266	190	
	<u>4,212,263</u>	<u>349,173</u>	<u>439,263</u>
Total assets	\$ 4,212,263	\$ 349,173	\$ 439,263
<u>Liabilities</u>			
Accounts payable and accrued expenses	\$ 17,822	\$ 19,397	\$ 320
Accrued compensated absences	15,042	19,308	1,333
Due to other funds	58,068		118
Deferred revenue	24,906	209,481	116,358
	<u>115,838</u>	<u>248,186</u>	<u>118,129</u>
Total liabilities	115,838	248,186	118,129
<u>Fund Equity</u>			
Retained earnings	<u>4,096,425</u>	<u>100,987</u>	<u>321,134</u>
Total liabilities and fund equity	\$ 4,212,263	\$ 349,173	\$ 439,263

Schedule 7

<u>College Center Fund</u>	<u>Fitness Center Fund</u>	<u>Health Insurance Fund</u>	<u>Total</u>
\$ 32,449	\$ 27,311	\$ 3,501,509	\$ 5,769,373 2,000,000
			31,438
			86,370
254	123		70,965
16,952			616,695
			4,456
<u>\$ 49,655</u>	<u>\$ 27,434</u>	<u>\$ 3,501,509</u>	<u>\$ 8,579,297</u>
\$ 108	\$ 279	\$ 309,670	\$ 347,596
	789		35,683
			58,975
			350,745
<u>108</u>	<u>1,068</u>	<u>309,670</u>	<u>792,999</u>
<u>49,547</u>	<u>26,366</u>	<u>3,191,839</u>	<u>7,786,298</u>
<u>\$ 49,655</u>	<u>\$ 27,434</u>	<u>\$ 3,501,509</u>	<u>\$ 8,579,297</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPES
For the year ended June 30, 2019

	College Bookstore Fund (Schedule 15)	Athletics Fund (Schedule 16)	Student Center Fund (Schedule 17)
Revenues:			
Student fees		\$ 325,423	\$ 175,426
Sales and services	\$ 1,291,355	2,548	
Interest	48,935	938	1,380
Other		130,191	15,906
Total revenues	1,340,290	459,100	192,712
Expenses:			
Independent operations	1,229,018	515,290	149,925
Income (loss) before transfers	111,272	(56,190)	42,787
Transfers in (out)	(58,022)	58,022	
Net income	53,250	1,832	42,787
Retained earnings, July 1, 2018	4,043,175	99,155	278,347
Retained earnings, June 30, 2019	<u>\$ 4,096,425</u>	<u>\$ 100,987</u>	<u>\$ 321,134</u>

<u>College Center Fund (Schedule 18)</u>	<u>Fitness Center Fund (Schedule 19)</u>	<u>Health Insurance Fund</u>	<u>Total</u>
			\$ 500,849
\$ 13,063	\$ 14,844	\$ 2,562,870	3,884,680
106	86	10,819	62,264
	675		146,772
<u>13,169</u>	<u>15,605</u>	<u>2,573,689</u>	<u>4,594,565</u>
<u>9,540</u>	<u>11,078</u>	<u>1,949,357</u>	<u>3,864,208</u>
3,629	4,527	624,332	730,357
			-0-
<u>3,629</u>	<u>4,527</u>	<u>624,332</u>	<u>730,357</u>
<u>45,918</u>	<u>21,839</u>	<u>2,567,507</u>	<u>7,055,941</u>
<u>\$ 49,547</u>	<u>\$ 26,366</u>	<u>\$ 3,191,839</u>	<u>\$ 7,786,298</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
COMBINING BALANCE SHEET
GOVERNMENTAL FUND TYPES - GENERAL FUND
June 30, 2019

<u>Assets</u>	<u>Educational Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total</u>
Cash	\$ 4,197,887	\$ 3,101,053	\$ 7,298,940
Investments	500,000	2,000,000	2,500,000
Receivables, net of uncollectible amounts:			
Property taxes	5,440,613	1,555,661	6,996,274
Replacement taxes	66,235	11,689	77,924
Federal and state sources	233,829		233,829
Tuition and fees	3,325,219		3,325,219
Accrued interest	1,747	34,721	36,468
Due from component unit	74,007		74,007
Other		12,444	12,444
Due from other funds	556,838	55,519	612,357
Prepaid expenditures	773,651	63,030	836,681
 Total assets	 <u>\$ 15,170,026</u>	 <u>\$ 6,834,117</u>	 <u>\$ 22,004,143</u>
 <u>Liabilities</u>			
Accounts payable and accrued expenditures	\$ 921,462	\$ 366,368	\$ 1,287,830
Due to other funds	102,209	34	102,243
Deferred revenue	6,145,450	929,512	7,074,962
 Total liabilities	 <u>7,169,121</u>	 <u>1,295,914</u>	 <u>8,465,035</u>
 <u>Fund Balance</u>			
Fund balance:			
Reserved for capital improvements	1,669,938	1,833,203	3,503,141
Reserved for prepaid expenditures	773,651	63,030	836,681
Unreserved	5,557,316	3,641,970	9,199,286
 Total fund balance	 <u>8,000,905</u>	 <u>5,538,203</u>	 <u>13,539,108</u>
 Total liabilities and fund balance	 <u>\$ 15,170,026</u>	 <u>\$ 6,834,117</u>	 <u>\$ 22,004,143</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPES - GENERAL FUND
For the year ended June 30, 2019

	<u>Educational Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total</u>
Revenues:			
Local government sources	\$ 5,482,899	\$ 1,567,354	\$ 7,050,253
State government sources	4,231,169	338,960	4,570,129
Student tuition and fees	8,599,666	385,565	8,985,231
Interest	37,319	59,408	96,727
Other	218,412	444,362	662,774
Total revenues	<u>18,569,465</u>	<u>2,795,649</u>	<u>21,365,114</u>
Expenditures:			
Instructional	8,704,435		8,704,435
Academic support	1,986,703		1,986,703
Student services	1,684,237		1,684,237
Public services	636,914		636,914
Operations and maintenance		3,389,262	3,389,262
Institutional support	6,931,778	150,610	7,082,388
Total expenditures	<u>19,944,067</u>	<u>3,539,872</u>	<u>23,483,939</u>
Excess (deficiency) of revenues over expenditures	<u>(1,374,602)</u>	<u>(744,223)</u>	<u>(2,118,825)</u>
Other financing sources (uses):			
Proceeds from debt certificate	1,770,000	1,750,000	3,520,000
Payment to debt escrow	(1,801,395)	(1,750,000)	(3,551,395)
Proceeds from bond issuance	1,417,362	1,417,362	2,834,724
Premiums on bond issuance	416,923	416,923	833,846
Transfers in (out)	800,000	(780,772)	19,228
Total other financing sources (uses)	<u>2,602,890</u>	<u>1,053,513</u>	<u>3,687,798</u>
Net change in fund balances	1,228,288	309,290	1,537,578
Fund balance, July 1, 2018	<u>6,772,617</u>	<u>5,228,913</u>	<u>12,001,530</u>
Fund balance, June 30, 2019	<u>\$ 8,000,905</u>	<u>\$ 5,538,203</u>	<u>\$ 13,539,108</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
BUDGETARY COMPARISON SCHEDULE
EDUCATIONAL FUND
For the year ended June 30, 2019
(With comparative totals for 2018)

	2019		2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues (Schedule 12):			
Local government sources	\$ 5,420,345	\$ 5,482,899	\$ 5,414,162
State government sources	4,169,415	4,231,169	4,561,983
Student tuition and fees	8,490,503	8,599,666	8,161,383
Interest	34,150	37,319	23,077
Other	213,871	218,412	221,763
Total revenues	<u>18,328,284</u>	<u>18,569,465</u>	<u>18,382,368</u>
Expenditures (Schedule 13):			
Instructional	9,148,154	8,704,435	8,770,204
Academic support	2,122,415	1,986,703	1,466,766
Student services	1,804,368	1,684,237	1,652,654
Public services	694,490	636,914	624,424
Institutional support	6,631,943	6,931,778	6,155,952
Total expenditures	<u>20,401,370</u>	<u>19,944,067</u>	<u>18,670,000</u>
Excess (deficiency) of revenues over expenditures	<u>(2,073,086)</u>	<u>(1,374,602)</u>	<u>(287,632)</u>
Other financing sources (uses):			
Proceeds from debt certificates		1,770,000	
Payment to debt escrow		(1,801,395)	
Proceeds from bond issuance	1,750,000	1,417,362	
Premiums on bond issuance		416,923	
Transfers in (out)	745,743	800,000	9,031
Total other financing sources (uses)	<u>2,495,743</u>	<u>2,602,890</u>	<u>9,031</u>
Net change in fund balance	<u>\$ 422,657</u>	<u>\$ 1,228,288</u>	<u>\$ (278,601)</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520
SCHEDULE OF REVENUES AND COMPARISON WITH BUDGET
EDUCATIONAL FUND**

**For the year ended June 30, 2019
(With comparative totals for 2018)**

	2019		2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Local government sources:			
General property taxes	\$ 5,420,345	\$ 5,482,899	\$ 5,414,162
State government sources:			
State apportionment/equalization	3,565,656	3,569,016	3,936,783
ICCB Career and Technical Education	227,862	248,170	253,180
Replacement taxes	375,897	413,983	372,020
Total state government sources	<u>4,169,415</u>	<u>4,231,169</u>	<u>4,561,983</u>
Student tuition and fees:			
Tuition	7,655,988	7,736,463	7,510,701
Fees	834,165	863,078	650,207
Other	350	125	475
Total student tuition and fees	<u>8,490,503</u>	<u>8,599,666</u>	<u>8,161,383</u>
Interest	34,150	37,319	23,077
Other	213,871	218,412	221,763
Total revenues	<u>\$ 18,328,284</u>	<u>\$ 18,569,465</u>	<u>\$ 18,382,368</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
SCHEDULE OF EXPENDITURES AND COMPARISON WITH BUDGET
EDUCATIONAL FUND

For the year ended June 30, 2019
(With comparative totals for 2018)

	2019		2018
	Budget	Actual	Actual
Instructional:			
Salaries	\$ 7,479,409	\$ 7,255,917	\$ 7,293,817
Employee benefits	811,700	811,701	789,036
Contractual services	107,828	88,625	93,307
Material and supplies	328,770	280,587	280,477
Conferences and meetings	137,150	87,612	88,126
Fixed charges	9,251	4,305	8,867
Capital outlay	148,718	106,373	156,722
Other	125,328	69,315	59,852
Total instructional	9,148,154	8,704,435	8,770,204
Academic support:			
Salaries	1,014,619	961,365	923,476
Employee benefits	136,088	136,167	127,009
Contractual services	344,301	342,400	292,262
Material and supplies	162,091	148,933	104,523
Conferences and meetings	30,445	12,942	5,317
Capital outlay	432,821	383,948	14,179
Other	2,050	948	
Total academic support	2,122,415	1,986,703	1,466,766
Student services:			
Salaries	1,422,943	1,347,432	1,307,187
Employee benefits	212,312	212,312	197,585
Contractual services	22,320	16,593	20,435
Material and supplies	95,900	79,201	87,199
Conferences and meetings	36,070	13,360	31,715
Utilities		1,950	5,846
Capital outlay	14,823	13,389	2,687
Total student services	1,804,368	1,684,237	1,652,654
Public services:			
Salaries	412,181	385,963	399,320
Employee benefits	66,359	66,359	53,816
Contractual services	51,900	52,453	48,066
Material and supplies	108,750	81,353	63,970
Conferences and meetings	19,300	13,279	17,417
Other	36,000	37,507	41,835
Total public services	694,490	636,914	624,424

(Continued)

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
SCHEDULE OF EXPENDITURES AND COMPARISON WITH BUDGET
EDUCATIONAL FUND

(Continued)

For the year ended June 30, 2019
(With comparative totals for 2018)

	2019		2018
	Budget	Actual	Actual
Institutional support:			
Salaries	\$ 2,381,266	\$ 2,396,466	\$ 2,421,386
Employee benefits	498,604	621,130	590,399
Contractual services	1,023,735	963,504	803,148
Material and supplies	372,822	412,728	380,086
Conferences and meetings	151,360	119,157	93,910
Fixed charges	26,575	26,375	26,709
Utilities		2,893	2,526
Capital outlay	625,460	517,894	334,490
Other	1,552,121	1,871,631	1,503,298
	<u>6,631,943</u>	<u>6,931,778</u>	<u>6,155,952</u>
Total institutional support			
	<u>6,631,943</u>	<u>6,931,778</u>	<u>6,155,952</u>
Total expenditures	<u>\$ 20,401,370</u>	<u>\$ 19,944,067</u>	<u>\$ 18,670,000</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
BUDGETARY COMPARISON SCHEDULE
OPERATIONS AND MAINTENANCE FUND
For the year ended June 30, 2019
(With comparative totals for 2018)

	2019		2018
	Budget	Actual	Actual
Revenues:			
Local government sources:			
General property taxes	\$ 1,548,817	\$ 1,567,354	\$ 1,513,915
State government sources:			
State apportionment/equalization	265,904	265,904	301,457
Replacement taxes	66,335	73,056	65,651
Total state government sources	332,239	338,960	367,108
Student tuition	388,002	385,565	389,421
Interest	37,957	59,408	29,272
Other	370,006	444,362	402,425
Total revenues	2,677,021	2,795,649	2,702,141
Expenditures:			
Operations and maintenance:			
Salaries	1,102,390	1,040,232	1,016,595
Employee benefits	244,782	244,782	224,416
Contractual services	126,391	167,701	269,614
Materials and supplies	223,425	299,111	242,115
Conference and meetings	2,100	4,243	5,046
Fixed charges	29,000	29,322	26,319
Utilities	816,704	955,881	945,755
Capital outlay	1,216,100	647,990	419,091
Other			421
Total operations and maintenance	3,760,892	3,389,262	3,149,372
Institutional support:			
Employee benefits	(12,478)		
Contractual services	100,000	48,587	24,672
Materials and supplies		10,097	
Fixed charges	81,886	90,622	81,099
Capital outlay	10,000		8,717
Other	700	1,304	1,994
Total institutional support	180,108	150,610	116,482
Total expenditures	3,941,000	3,539,872	3,265,854
Excess (deficiency) of revenues over expenditures	(1,263,979)	(744,223)	(563,713)
Other financing sources (uses):			
Proceeds from debt certificates		1,750,000	
Payment to debt escrow		(1,750,000)	
Proceeds from bond issuance	1,750,000	1,417,362	
Premiums on bond issuance		416,923	
Transfer in (out)	19,228	(780,772)	
Total other financing sources (uses)	1,769,228	1,053,513	-0-
Net change in fund balance	\$ 505,249	\$ 309,290	\$ (563,713)

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
BUDGETARY COMPARISON SCHEDULE
COLLEGE BOOKSTORE FUND
For the year ended June 30, 2019
(With comparative totals for 2018)

	2019		2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues:			
Sales and services	\$ 1,629,125	\$ 1,291,355	\$ 1,333,902
Interest	24,752	48,935	29,390
Total revenues	<u>1,653,877</u>	<u>1,340,290</u>	<u>1,363,292</u>
Expenses:			
Independent operations:			
Salaries	103,087	93,324	104,329
Employee benefits	9,968	8,094	10,321
Contractual services	23,500	12,632	17,353
Material and supplies	1,285,050	1,104,655	1,128,539
Conferences and meetings	1,000	887	486
Other	10,000	9,426	9,156
Total expenses	<u>1,432,605</u>	<u>1,229,018</u>	<u>1,270,184</u>
Income before transfers	221,272	111,272	93,108
Transfers in (out)	<u>(704,022)</u>	<u>(58,022)</u>	<u>(485,000)</u>
Net income (loss)	<u>\$ (482,750)</u>	<u>\$ 53,250</u>	<u>\$ (391,892)</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
BUDGETARY COMPARISON SCHEDULE
ATHLETICS FUND
For the year ended June 30, 2019
(With comparative totals for 2018)

	2019		2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues:			
Student fees	\$ 320,115	\$ 325,423	\$ 324,140
Sales and services	2,200	2,548	2,200
Interest		938	791
Other	<u>77,000</u>	<u>130,191</u>	<u>131,411</u>
Total revenues	<u>399,315</u>	<u>459,100</u>	<u>458,542</u>
Expenses:			
Independent operations:			
Salaries	155,494	161,079	161,031
Employee benefits	11,513	14,204	11,442
Contractual services	84,310	81,410	71,432
Material and supplies	48,607	46,022	45,678
Conferences and meetings	139,748	191,275	200,922
Fixed charges	6,000	4,535	4,557
Capital outlay	11,165	16,500	6,142
Other	<u>500</u>	<u>265</u>	<u></u>
Total expenses	<u>457,337</u>	<u>515,290</u>	<u>501,204</u>
Income (loss) before transfers	(58,022)	(56,190)	(42,662)
Transfers in	<u>58,022</u>	<u>58,022</u>	<u>35,000</u>
Net income (loss)	<u>\$ -0-</u>	<u>\$ 1,832</u>	<u>\$ (7,662)</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
BUDGETARY COMPARISON SCHEDULE
STUDENT CENTER FUND
For the year ended June 30, 2019
(With comparative totals for 2018)

	2019		2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues:			
Student fees	\$ 172,565	\$ 175,426	\$ 172,196
Sales and services	100		
Interest	900	1,380	956
Other	50,000	15,906	28,917
	<u>223,565</u>	<u>192,712</u>	<u>202,069</u>
Total revenues			
Expenses:			
Independent operations:			
Salaries	114,267	82,564	96,732
Employee benefits	15,247	15,238	14,697
Contractual services	15,000	19,114	10,411
Material and supplies	5,900	2,140	4,695
Conferences and meetings	3,250	2,494	3,059
Other	69,901	28,375	45,928
	<u>223,565</u>	<u>149,925</u>	<u>175,522</u>
Total expenses			
	<u>\$ -0-</u>	<u>\$ 42,787</u>	<u>\$ 26,547</u>
Net income			

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
BUDGETARY COMPARISON SCHEDULE
COLLEGE CENTER FUND
For the year ended June 30, 2019
(With comparative totals for 2018)

	2019		2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues:			
Sales and services	\$ 18,000	\$ 13,063	\$ 14,886
Interest		106	74
Total revenues	<u>18,000</u>	<u>13,169</u>	<u>14,960</u>
Expenses:			
Independent operations:			
Material and supplies	<u>18,000</u>	<u>9,540</u>	<u>16,456</u>
Net income (loss)	<u>\$ -0-</u>	<u>\$ 3,629</u>	<u>\$ (1,496)</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
BUDGETARY COMPARISON SCHEDULE
FITNESS CENTER FUND
For the year ended June 30, 2019
(With comparative totals for 2018)

	2019		2018
	Budget	Actual	Actual
Revenues:			
Sales and services	\$ 15,500	\$ 14,844	\$ 15,842
Interest	45	86	48
Other		675	
Total revenues	<u>15,545</u>	<u>15,605</u>	<u>15,890</u>
Expenses:			
Independent operations:			
Salaries	4,250	6,800	5,574
Contractual services		383	104
Material and supplies	500	406	502
Other	500	3,489	1,507
Total expenses	<u>5,250</u>	<u>11,078</u>	<u>7,687</u>
Net income	<u>\$ 10,295</u>	<u>\$ 4,527</u>	<u>\$ 8,203</u>

This page was intentionally left blank.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
UNIFORM FINANCIAL STATEMENT
For the year ended June 30, 2019

Uniform Financial Statements

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

The Uniform Financial Statements include the following:

- Schedule 20 - All Funds Summary
 - Schedule 21 - Summary of Fixed Assets and Debt
 - Schedule 22 - Schedule of Operating Funds Revenues by Source
 - Schedule 23 - Schedule of Operating Funds Expenditures by Program and by Object
 - Schedule 24 - Restricted Purposes Funds Revenues and Expenditures
 - Schedule 25 - Current Funds Expenditures by Activity
-

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
UNIFORM FINANCIAL STATEMENT
ALL FUNDS SUMMARY
For the year ended June 30, 2019

	Educational Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund
Fund balance, July 1, 2018	<u>\$ 6,772,617</u>	<u>\$ 5,228,913</u>	<u>\$ 2,120,395</u>	<u>\$ 1,121,374</u>
Revenues:				
Local tax revenue	5,896,882	1,640,410	1,200,740	2,363,450
All other local revenue				
ICCB grants	3,817,186	265,904		
All other state revenue			3,750,000	
Federal revenue				
Student tuition and fees	8,599,666	385,565		
CIP - on behalf				
SURS - on behalf				
All other revenue	<u>2,058,621</u>	<u>2,338,055</u>	<u>2,008,044</u>	<u>238,777</u>
Total revenue	<u>20,372,355</u>	<u>4,629,934</u>	<u>6,958,784</u>	<u>2,602,227</u>
Expenditures:				
Instruction	8,704,435			
Academic support	1,986,703			
Student services	1,684,237			
Public service/continuing education	636,914			
Auxiliary				
Operations and maintenance		3,389,262	6,148,850	2,296,987
Institutional support	6,931,778	150,610		
Scholarships, grants, waivers				
Total expenditures	<u>19,944,067</u>	<u>3,539,872</u>	<u>6,148,850</u>	<u>2,296,987</u>
Net transfers	<u>800,000</u>	<u>(780,772)</u>		
Fund balance, June 30, 2019	<u>\$ 8,000,905</u>	<u>\$ 5,538,203</u>	<u>\$ 2,930,329</u>	<u>\$ 1,426,614</u>

Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
\$ 7,055,941	\$ -0-	\$ 3,348,564	\$ 61,959	\$ 1,467,094	\$ 27,176,857
			57,677	1,318,239	12,477,398
	57,556				57,556
	285,380				4,368,470
	359,499				4,109,499
	7,529,731				7,529,731
500,849					9,486,080
	69,064				69,064
	9,634,938				9,634,938
4,093,716	3,188	36,260	213	6,741	10,783,615
4,594,565	17,939,356	36,260	57,890	1,324,980	58,516,351
	4,962,047				13,666,482
	585,151				2,571,854
	2,062,584				3,746,821
	3,154,889				3,791,803
3,864,208	209,606				4,073,814
	632,701				12,467,800
	1,683,644		50,000	996,548	9,812,580
	4,629,506				4,629,506
3,864,208	17,920,128	-0-	50,000	996,548	54,760,660
	(19,228)				-0-
\$ 7,786,298	\$ -0-	\$ 3,384,824	\$ 69,849	\$ 1,795,526	\$ 30,932,548

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
UNIFORM FINANCIAL STATEMENT
SUMMARY OF FIXED ASSETS AND DEBT
For the year ended June 30, 2019

	Fixed Asset/Debt Account Groups July 1, 2018	Additions	Deletions	Fixed Asset/Debt Account Groups June 30, 2019
Fixed assets:				
Land	\$ 2,142,785			\$ 2,142,785
Construction in progress	2,379,806	\$ 2,749,890	\$ 5,129,696	-0-
Equipment	24,647,127	1,273,391	101,971	25,818,547
Other Fixed Assets	46,774,657	8,265,906		55,040,563
Less: accumulated depreciation	<u>(43,791,302)</u>	<u>(3,040,184)</u>	<u>(86,816)</u>	<u>(46,744,670)</u>
Net fixed assets	<u>\$ 32,153,073</u>	<u>\$ 9,249,003</u>	<u>\$ 5,144,851</u>	<u>\$ 36,257,225</u>
Fixed debt:				
Bonds payable	\$ 12,389,242	\$ 5,903,846	\$ 2,150,413	\$ 16,142,675
Retiree health insurance liability	14,341,851	417,127		14,758,978
Other fixed liabilities	<u>855,366</u>	<u>354,654</u>	<u>390,478</u>	<u>819,542</u>
Total fixed liabilities	<u>\$ 27,586,459</u>	<u>\$ 6,675,627</u>	<u>\$ 2,540,891</u>	<u>\$ 31,721,195</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
UNIFORM FINANCIAL STATEMENT
SCHEDULE OF OPERATING FUNDS REVENUES BY SOURCE
For the year ended June 30, 2019

	Educational Fund	Operations and Maintenance Fund	Total Operating Funds
Local government revenue:			
Local taxes	\$ 5,482,899	\$ 1,567,354	\$ 7,050,253
Replacement taxes	413,983	73,056	487,039
Total local government	5,896,882	1,640,410	7,537,292
State government:			
ICCB - Base Operating grant	2,116,704	104,536	2,221,240
ICCB - Equalization grants	1,452,312	161,368	1,613,680
ICCB - other	248,170		248,170
Total state government	3,817,186	265,904	4,083,090
Student tuition and fees:			
Tuition	7,736,589	385,565	8,122,154
Fees	863,077		863,077
Total student tuition and fees	8,599,666	385,565	8,985,231
Other sources:			
Facilities revenue		231,103	231,103
Investment revenue	37,319	59,408	96,727
Other	2,021,302	2,047,544	4,068,846
Total other sources	2,058,621	2,338,055	4,396,676
Total revenues	\$ 20,372,355	\$ 4,629,934	\$ 25,002,289

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
UNIFORM FINANCIAL STATEMENT
SCHEDULE OF OPERATING FUNDS EXPENDITURES
BY PROGRAM AND BY OBJECT
For the year ended June 30, 2019

	Educational Fund	Operations and Maintenance Fund	Total Operating Funds
By program:			
Instructional	\$ 8,704,435		\$ 8,704,435
Academic support	1,986,703		1,986,703
Student services	1,684,237		1,684,237
Public services	636,914		636,914
Operations and maintenance		\$ 3,389,262	3,389,262
Scholarships, grants, and waivers			-
Institutional support	6,931,778	150,610	7,082,388
Total expenditures	19,944,067	3,539,872	23,483,939
Less non-operating items:			
Transfers	800,000	(780,772)	19,228
Adjusted expenditures	\$ 19,144,067	\$ 4,320,644	\$ 23,464,711
By object:			
Salaries	\$ 12,347,143	\$ 1,040,232	\$ 13,387,375
Employee benefits	1,847,669	244,782	2,092,451
Contractual services	1,463,575	216,288	1,679,863
General materials and supplies	1,002,802	309,208	1,312,010
Conference and meeting expenses	246,350	4,243	250,593
Fixed charges	30,680	119,944	150,624
Utilities	4,843	955,881	960,724
Capital outlay	1,021,604	647,990	1,669,594
Other	1,979,401	1,304	1,980,705
Total expenditures	19,944,067	3,539,872	23,483,939
Less non-operating items:			
Transfers	800,000	(780,772)	19,228
Adjusted expenditures	\$ 19,144,067	\$ 4,320,644	\$ 23,464,711

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
UNIFORM FINANCIAL STATEMENT
RESTRICTED PURPOSES FUNDS
REVENUES AND EXPENDITURES
For the year ended June 30, 2019

Revenue by source:

Local government	\$ 57,556
State government:	
ICCB - adult education	285,380
CIP - on behalf	69,064
SURS - on behalf	9,634,938
Other	359,499
Total state government	<u>10,348,881</u>
Federal government:	
Department of Education	5,834,968
Department of Labor	1,466,381
Other	228,382
Total federal government	<u>7,529,731</u>
Other sources	<u>3,188</u>
Total restricted purposes funds revenues	<u><u>\$ 17,939,356</u></u>

Expenditures by program:

Instructional	\$ 4,962,047
Academic support	585,151
Student services	2,062,584
Public service/continuing education	3,154,889
Auxiliary services	209,606
Operations and maintenance	632,701
Institutional support	1,683,644
Scholarships, grants and waivers	4,629,506
Total restricted purposes fund expenditures by program	<u><u>\$ 17,920,128</u></u>

Expenditures by object:

Salaries	\$ 1,843,258
Employee benefits (including SURS on-behalf)	10,136,573
Contractual services	209,868
General materials and supplies	110,790
Conference and meeting expenses	61,500
Fixed charges	14,703
Utilities	683
Capital outlay	50,781
Other	5,491,972
Total restricted purposes funds expenditures by object	<u><u>\$ 17,920,128</u></u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
UNIFORM FINANCIAL STATEMENT
CURRENT FUNDS
EXPENDITURES BY ACTIVITY
For the year ended June 30, 2019

Instructional programs	\$ 14,000,145
Academic support:	
Library center	356,468
Instructional materials center	27,190
Educational Media Services	384,859
Academic computing support	818,901
Academic administration and planning	141,507
Other	842,930
Total academic support	<u>2,571,855</u>
Student services support:	
Admissions and records	342,815
Counseling and career services	1,053,914
Financial aid administration	273,026
Other	1,425,760
Total student services support	<u>3,095,515</u>
Public service/continuing education:	
Community education	891,458
Customized training (instructional)	273,370
Community services	471,254
Other	2,382,906
Total public service/continuing education	<u>4,018,988</u>
Auxiliary services	<u>4,073,815</u>
Operations and maintenance of plant:	
Maintenance	883,113
Custodial services	777,297
Grounds	525,340
Campus security	477,674
Transportation	40,042
Utilities	928,201
Administration	235,269
Other	632,701
Total operations and maintenance of plant	<u>4,499,637</u>
Institutional support:	
Executive management	1,092,673
Fiscal operations	1,023,668
Community relations	722,111
Board of trustees	42,474
General institutional	3,138,662
Administrative data processing	1,670,715
Other	1,683,644
Total institutional support	<u>9,373,947</u>
Scholarships, students' grants and waivers	<u>4,712,316</u>
Total current funds expenditures	<u>\$ 46,346,218</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
SCHEDULES OF ASSESSED VALUATIONS, RATES,
EXTENSIONS AND COLLECTIONS
For the tax levy years 2018, 2017 and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assessed valuation (by county):			
Ford	\$ 37,404,012	\$ 37,409,739	\$ 17,981,763
Grundy	2,835,475	2,690,075	2,598,181
Iroquois	398,698,509	385,131,987	376,221,571
Kankakee	1,925,003,360	1,861,819,455	1,806,088,444
Livingston	73,546,260	69,643,499	66,724,742
Will	1,281,428	1,222,571	1,151,298
Total assessed valuation	<u>\$ 2,438,769,044</u>	<u>\$ 2,357,917,326</u>	<u>\$ 2,270,765,999</u>
Tax rates:			
Educational Fund	0.139	0.140	0.140
Liability, Protection and Settlement Fund	0.054	0.055	0.056
Capital Projects Fund	0.050	0.050	0.016
Bond and Interest Fund	0.098	0.098	0.113
Audit Fund	0.002	0.002	0.002
Operations and Maintenance Fund	0.040	0.040	0.040
Prior Period Adjustment	(0.004)		
Additional Educational and Operations and Maintenance Levy	<u>0.111</u>	<u>0.116</u>	<u>0.120</u>
Total tax rates	<u>0.490</u>	<u>0.501</u>	<u>0.487</u>
Tax extensions:			
Educational Fund	\$ 3,400,927	\$ 3,299,447	\$ 3,179,045
Liability, Protection and Settlement Fund	1,327,187	1,306,368	1,264,480
Capital Projects Fund	1,215,438	1,178,369	360,817
Bond and Interest Fund	2,396,157	2,325,620	2,556,428
Audit Fund	58,237	56,568	51,807
Operations and Maintenance Fund	971,983	942,714	908,298
Prior Period Adjustment	(102,613)		
Additional Educational and Operations and Maintenance Levy	<u>2,701,726</u>	<u>2,738,565</u>	<u>2,718,083</u>
Total Extensions	<u>\$ 11,969,042</u>	<u>\$ 11,847,651</u>	<u>\$ 11,038,958</u>
Tax Collections	<u>\$ 3,928</u>	<u>\$ 11,872,718</u>	<u>\$ 11,088,527</u>
Percentage of extensions collected	<u>0.03%</u>	<u>100.21%</u>	<u>100.45%</u>

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
SCHEDULE OF BONDS PAYABLE
June 30, 2019

	Series 2013		Series 2016A		Series 2016B	
Date of issue	July 1, 2013		February 4, 2016		February 29, 2016	
Interest rates	2.0% to 3.75%		0.90% to 3.25%		3.00%	
Principal redemption date	December 1		December 1		December 1	
Interest payments dates	June 1 and December 1		June 1 and December 1		June 1 and December 1	
Original issue	\$ 8,275,000		\$ 3,370,000		\$ 3,305,000	
Paid to date	<u>(4,520,000)</u>		<u>(150,000)</u>		<u>(65,000)</u>	
Balance, June 30, 2019	<u>\$ 3,755,000</u>		<u>\$ 3,220,000</u>		<u>\$ 3,240,000</u>	
Due as follows:						
Year ending						
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,000,000	\$ 100,813	\$ 100,000	\$ 82,575		\$ 97,200
2021	1,755,000	32,906	150,000	80,100	\$ 100,000	95,700
2022			2,000,000	55,025	100,000	92,700
2023			970,000	15,763	1,100,000	74,700
2024					1,940,000	29,100
2025						
2026						
	<u>\$ 3,755,000</u>	<u>\$ 133,719</u>	<u>\$ 3,220,000</u>	<u>\$ 233,463</u>	<u>\$ 3,240,000</u>	<u>\$ 389,400</u>

Series 2019		Totals		
June 27, 2019				
5.00%				
December 1				
June 1 and December 1				
\$ 5,070,000		\$ 20,020,000		
		(4,735,000)		
<u>\$ 5,070,000</u>		<u>\$ 15,285,000</u>		
Principal	Interest	Principal	Interest	Totals
	\$ 235,192	\$ 2,100,000	\$ 515,780	\$ 2,615,780
\$ 85,000	251,375	2,090,000	460,081	2,550,081
55,000	247,875	2,155,000	395,600	2,550,600
150,000	242,750	2,220,000	333,213	2,553,213
355,000	230,125	2,295,000	259,225	2,554,225
2,390,000	161,500	2,390,000	161,500	2,551,500
2,035,000	50,875	2,035,000	50,875	2,085,875
<u>\$ 5,070,000</u>	<u>\$ 1,419,692</u>	<u>\$ 15,285,000</u>	<u>\$ 2,176,274</u>	<u>\$ 17,461,274</u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520
ILLINOIS COMMUNITY COLLEGE BOARD
CERTIFICATION OF CHARGEBACK REIMBURSEMENT
For Fiscal Year 2019**

All Fiscal Year 2019 Non-Capital Audited Operating
Expenditures from the Following Funds:

Educational Fund	\$ 18,953,858
Operations and Maintenance Fund	2,891,882
Bond and Interest Fund	2,296,987
Restricted Purpose Fund	7,183,458
Audit Fund	50,000
Liability, Protection, and Settlement Fund	<u>996,548</u>

Total All Non-Capital Operating Expenditures \$ 32,372,733

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

2,757,821

Total Costs Included

\$ 35,130,554

Total Certified Semester Credit Hours for
Fiscal Year 2019

51,136

Per Capita Cost Per Semester Credit Hour

\$ 687.01

All Fiscal Year 2019 State and Federal Grants
for Non-Capital Expenditures, Except ICCB Grants

\$ 6,965,819

Fiscal Year 2019 State and Federal Grants Per
Semester Credit Hour

(136.22)

District's Average Credit Hour Grant Rate for
the Fiscal Year 2020

(38.77)

District's Student Tuition and Fees Per Semester
Credit Hour for Fiscal Year 2020

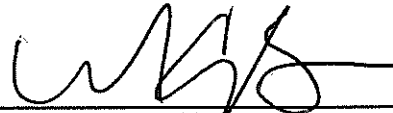
(161.00)

Chargeback Reimbursement Per Semester
Credit Hour

\$ 351.02



Approved by: Chief Fiscal Officer



Approved by: President

11/5/19

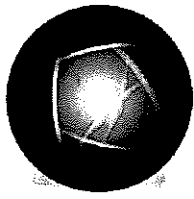
Date

11/5/19

Date

ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS FINANCIAL COMPLIANCE SECTION

This page was intentionally left blank.



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

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

Report on the Financial Statements

We have audited the accompanying balance sheet of the Adult Education and Family Literacy grants of Kankakee Community College District 520 as of June 30, 2019, the statements of revenues, and expenditures for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

999 Vanderbilt Beach Road, Suite 200⁷⁶ -
Naples, Florida 34108
Phone: (239) 593-8162

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy grants of Kankakee Community College District 520 as of June 30, 2019, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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

Groskreutz, Abraham, Eschman & Geretse LLC

Kankakee, Illinois
November 5, 2019

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
BALANCE SHEET
STATE ADULT EDUCATION AND
FAMILY LITERACY RESTRICTED FUNDS
June 30, 2019

<u>Assets</u>	<u>State Basic</u>	<u>Performance</u>	<u>Total</u>
Grant receivables	\$ 38,820	\$ 18,256	\$ 57,076
<u>Liabilities and Fund Balance</u>			
Accounts payable and accrued expenses	\$ 5,162	\$ 9,892	\$ 15,054
Due to other funds	33,658	8,364	42,022
Total liabilities	38,820	18,256	57,076
Fund balance	-0-	-0-	-0-
Total liabilities and fund balance	\$ 38,820	\$ 18,256	\$ 57,076

See accompanying notes.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
STATEMENT OF REVENUES AND EXPENDITURES
STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS
For the year ended June 30, 2019

	<u>State Basic</u>	<u>Performance</u>	<u>Total</u>
Revenues:			
ICCB grants	<u>\$ 194,100</u>	<u>\$ 91,280</u>	<u>\$ 285,380</u>
Expenditures:			
Instructional and student services:			
Instruction	111,004		111,004
Social work services	24,277	6,586	30,863
Guidance services	<u>30,029</u>	<u>6,586</u>	<u>36,615</u>
Total instructional and student services	<u>165,310</u>	<u>13,172</u>	<u>178,482</u>
Program support:			
Improvement of instructional services		7,250	7,250
General administration	9,619	10,597	20,216
Operation and maintenance of plant services		1,701	1,701
Workforce coordination	9,068	10,597	19,665
Data and information services	<u>10,103</u>	<u>47,963</u>	<u>58,066</u>
Total program support	<u>28,790</u>	<u>78,108</u>	<u>106,898</u>
Total expenditures	<u>194,100</u>	<u>91,280</u>	<u>285,380</u>
Excess of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See accompanying notes.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520
EXPENDITURE AMOUNTS AND PERCENTAGES
STATE ADULT EDUCATION AND
FAMILY LITERACY RESTRICTED FUNDS
For the year ended June 30, 2019**

	<u>Audited Expenditure Amount</u>	<u>Audited Expenditure Percentage</u>
State Basic:		
Instruction (45% minimum required)	\$111,004	57%
General administration (9% maximum allowed)	9,619	5%

See accompanying notes.

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – DESCRIPTION OF PROGRAMS:

State Basic

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

Performance

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

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

General

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

Basis of Accounting

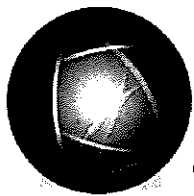
The statements have been prepared on the modified accrual basis. Expenditures include all liabilities for goods and services received as of June 30, 2019. Revenues are recognized as funds are expended. Unexpended grant receipts for grant periods ending on or before June 30, 2019 are reflected as a liability due to the ICCB by October 15.

Fixed Assets

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

Deferred Revenue

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



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

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

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Kankakee Community College District 520 for the year ended June 30, 2019 and the related notes to the schedules.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

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

Groskreutz, Abraham, Eshleman & Gerretse LLC

Kankakee, Illinois
November 5, 2019

This page was intentionally left blank.

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
For the year ended June 30, 2019**

	Reimbursable Semester Credit Hours by Term								(Note 3)	
	Summer		Fall		Spring		Total		Total	Restricted
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted		
(Notes 1 and 2)										
Baccalaureate	3,377.5		13,414.0	4.5	12,129.0		28,920.5		4.5	
Business Occupational	150.0	33.0	662.5	17.0	789.0		1,601.5		50.0	
Technical Occupational	294.0	9.0	2,254.5	268.5	2,608.0	265.5	5,156.5		543.0	
Health Occupational	1,393.5	42.5	3,760.5	10.5	4,657.0	24.5	9,811.0		77.5	
Remedial Development Adult Basic/ Secondary Education	201.0		1,565.0		1,017.0		2,783.0		0.0	
		119.0		950.0		1,119.0		0.0	2,188.0	
Total credit hours certified	5,416.0	203.5	21,656.5	1,250.5	21,200.0	1,409.0	48,272.5		2,863.0	

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

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

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

District Resident Reimbursable Credit Hours	
Attending	
Out-of-District on Chargeback or Contractual Agreement	
Attending In-District	
	Total
Semester credit hours	46,742.5
	1,218.0
	47,960.5

District 520 equalized assessed valuation \$ 2,438,769,044

KANKAKEE COMMUNITY COLLEGE DISTRICT 520
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
For the year ended June 30, 2019

<u>Categories</u>	<u>Total Unrestricted Credit Hours</u>	<u>Total Unrestricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>	<u>Total Restricted Credit Hours</u>	<u>Total Restricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate	28,920.5	28,920.5	0.0	4.5	4.5	0.0
Business Occupational	1,601.5	1,601.5	0.0	50.0	50.0	0.0
Technical Occupational	5,156.5	5,156.5	0.0	543.0	543.0	0.0
Health Occupational	9,811.0	9,811.0	0.0	77.5	77.5	0.0
Remedial Development	2,783.0	2,783.0	0.0	0.0	0.0	0.0
Adult Basic/Secondary Education	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>2,188.0</u>	<u>2,188.0</u>	<u>0.0</u>
Total	<u><u>48,272.5</u></u>	<u><u>48,272.5</u></u>	<u><u>0.0</u></u>	<u><u>2,863.0</u></u>	<u><u>2,863.0</u></u>	<u><u>0.0</u></u>

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

	<u>Total Attending (Unrestricted and Restricted)</u>	<u>Total attending as Certified to the ICCB (Unrestricted and Restricted)</u>	<u>Difference</u>
In-District Residents	46,742.5	46,742.5	0.0
Out-of-District on Chargeback or Contractual Agreement	1,218.0	1,218.0	0.0
Total	<u><u>47,960.5</u></u>	<u><u>47,960.5</u></u>	<u><u>0.0</u></u>

	<u>Total Reimbursable</u>	<u>Total reimbursable certified to the ICCB</u>	<u>Difference</u>
Dual credit	2,903.0	2,903.0	0.0
Dual enrollment	1,280.0	1,280.0	0.0
Total	<u><u>4,183.0</u></u>	<u><u>4,183.0</u></u>	<u><u>0.0</u></u>

**KANKAKEE COMMUNITY COLLEGE DISTRICT 520
ILLINOIS COMMUNITY COLLEGE BOARD
ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
NOTES TO SCHEDULES
June 30, 2019**

NOTE 1 – STUDENT RESIDENCY VERIFICATION PROCESS:

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

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

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

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

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

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

This page was intentionally left blank.