







2026 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Years Ended June 30, 2026 and June 30, 2025

Illinois Community College District No. 523, Malta, IL

Kish | KISHWAUKEE COLLEGE

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Years Ended
June 30, 2026 and 2025

Prepared by
Finance Department

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS
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INTRODUCTORY SECTION

KISHWAUKEE COLLEGE
DISTRICT NUMBER 523
MALTA, ILLINOIS

PRINCIPAL OFFICIALS

June 30, 2026

Board Members	Position	Term Expires
Robert Johnson	Chair	2029
Dr. Robert Hammon	Vice-Chair	2029
Kathy Speers	Secretary	2027
David Lilja	Trustee	2031
Geri-Dee Hayden	Trustee	2027
Tonda Bruch	Trustee	2029
Catherine Hopkins	Trustee	2031
Gema Hernandez	Student Trustee	2027

OFFICERS OF THE COLLEGE

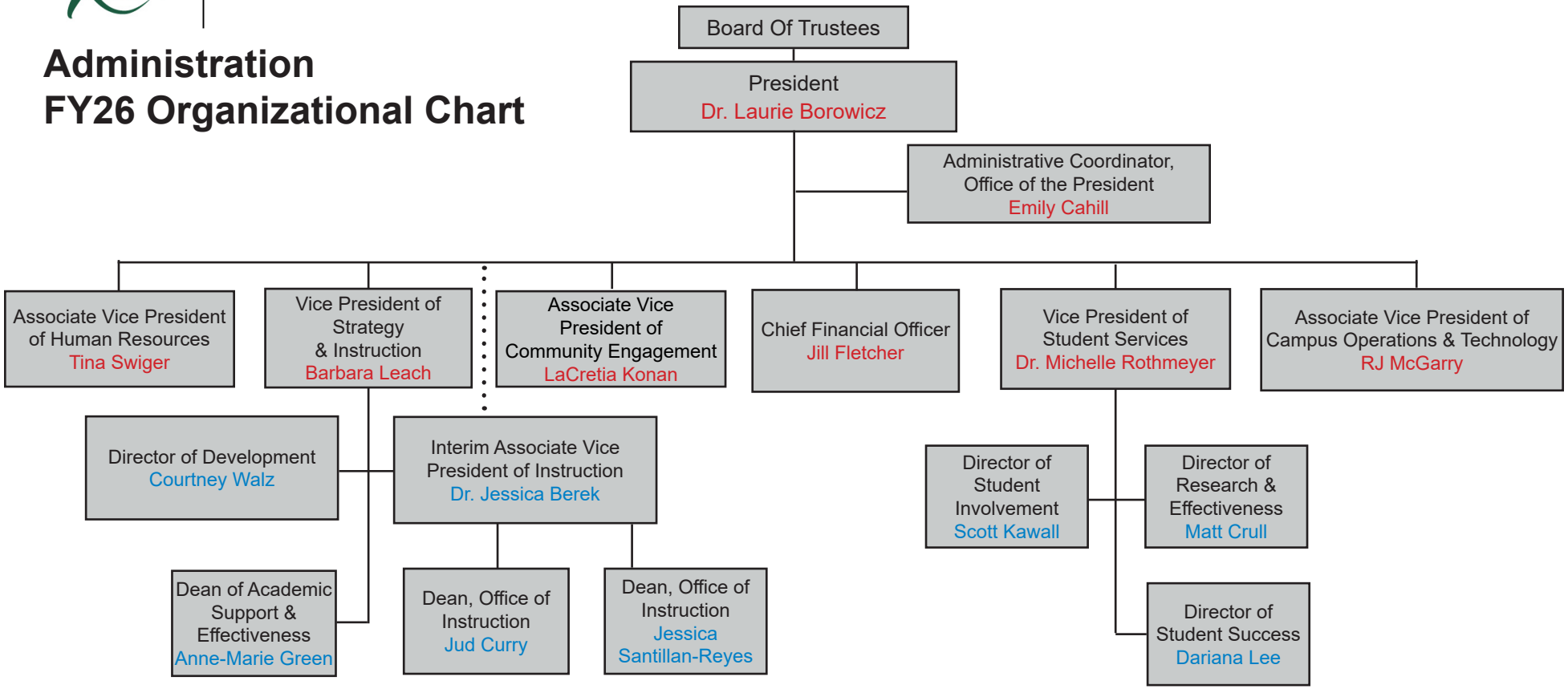
Dr. Laurie Borowicz	President
Dr. Barbara Leach	Vice-President of Strategy & Instruction
Dr. Michelle Rothmeyer	Vice President Student Services
Jill Fletcher	Chief Financial Officer

OFFICIALS ISSUING REPORT

Jill Fletcher	Chief Financial Officer

KISHWAUKEE COLLEGE

Administration
FY26 Organizational Chart



Last Updated: 1/1/26

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Kishwaukee College
Illinois

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morrill

Executive Director/CEO

KISHWAUKEE COLLEGE

Business Office
Jill Fletcher, CFO
Direct: 815-825-9517 • jfletcher@kish.edu

Transmittal Letter

October 28, 2026

To Members of the Board of Trustees, and
Citizens of Kishwaukee College District No. 523:

The Annual Comprehensive Financial Report of Kishwaukee College District No. 523, Malta, Illinois as of and for the fiscal year ended June 30, 2026, is hereby submitted.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

Sikich CPA LLC has issued an unmodified (clean) opinion on Kishwaukee College District No. 523 basic financial statements for the year ended June 30, 2026. The independent auditor's report is located at the front of the financial section of the report.

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

STRATEGIC INITIATIVES, VALUES, VISION, MISSION & EQUITY STATEMENT

The leaders of Kishwaukee College redefined the mission, vision, values, and strategic initiatives of the College in the 2022 Strategic Plan. The updated plan provides us with the direction for where we are going in the future. Given the shifting higher education landscape, we understand that change and adapting to the needs of our learners and our communities is our future. The 2022 Strategic Plan included adding College Equity and Civility Statements. The update was approved by the Board of Trustees in October 2022 and is rolled into the new Strategic Initiatives and Goals. The four Strategic Initiatives identified in the existing plan provide the College with a focus and the framework for FY27 annual goal setting and beyond. Annual goals will reflect our College Values, demonstrating a shared commitment of serving our students.

STRATEGIC INITIATIVES & FY27 COLLEGE GOALS

Strategy 1: Student Success

- Review and update student learning outcomes in 50% of all Kishwaukee College courses to include digital literacy and employability skills.
- Implement the use of AI within the Navigate student success management system.

Strategy 2: Valuing Employees

- Revise and standardize all KCSS job descriptions and complete wage study.
- Successfully negotiate KCSS Contract.

Strategy 3: Partnerships

- Host a College wide meeting of advisory committee members and business partners to gather information and feedback on the College's engagement with local industry.
- Develop and implement a communication plan to connect students to employment opportunities
- Explore opportunities to expand and develop new healthcare programs to meet evolving industry needs.

Strategy 4: Institutional Effectiveness and Resource Management

- Identify and implement emerging technologies, including an AI credential, to ensure the College remains future focused.
- Modernize the College phone system.
- Analyze program prerequisites to help prevent fraudulent applications.

VALUES

Collaborative: Build positive and trusting relationships through partnership and teamwork.

Equity: Support and embrace a diverse campus community.

Future Focused: Respond and adapt to changing needs through innovation and flexibility.

Quality: Provide an accessible education with a focus on excellence and continuous improvement.

Supportive: Foster an empathetic, civil, and encouraging College environment.

VISION

Kishwaukee College will provide accessible and innovative education by responding and adapting to changing student and community needs.

MISSION

Kishwaukee College improves lives by providing equitable, student-centered education.

EQUITY STATEMENT

Kishwaukee College is committed to a culture of diversity, equity, inclusion and belonging, focused on respect and fairness, in all aspects of the College experience.

PROFILE OF THE COLLEGE

Kishwaukee College is a public, comprehensive two-year, post-secondary educational institution. The College district encompasses seven high school districts and includes the communities of DeKalb, Genoa, Kingston, Kirkland, Malta, Rochelle, Shabbona, Sycamore, and Waterman.

Kish provides post-secondary education to the local community by offering associate degrees, career certificates, short-term programs, adult education and more. Founded in 1966 under Illinois' Public Community College Act, the College opened in 1968 with an initial enrollment of 620. Through the years, Kish grew in enrollment and expanded

its educational offerings, facilities and equipment. The College is accredited by the Higher Learning Commission and recognized by the Illinois Community College Board and currently offers four transfer associate degrees, 15 occupational degrees, a general studies degree and 42 certificates for in-demand career fields.

Through flexible learning options, Kish students can complete their programs of study at their convenience. The College provides flexibility for students through online, hybrid (online and on-campus sessions), and evening courses; compressed shorter sessions; and one-day, two-day, and four-day schedules. Classes are offered year-round, including summer, to support students' needs. Through Kish's dual credit program, high school students can simultaneously earn high school and college credit. The College's high school offerings continue to grow with new initiatives created to support local high school districts.

Kish focuses on supporting the local workforce by providing numerous avenues for career training and development. The College's Adult Education program supports students earning high school equivalency, learning English, and college or career transitions. Additionally, eight short-term programs provide students with industry certifications in one semester or shorter. Kish is also a recognized provider of continuing education and offers access to hundreds of professional education opportunities through ed2go. The College's Workforce and Continuing Education department provides quality and efficient service to area businesses that help keep their companies and staff members competitive by focusing on employee training, internships and professional development. Kishwaukee College responds to community needs and adapts its courses and programs to current demands. College leadership works with local and state agencies and other educational institutions to offer relevant, student-centered education.

FINANCIAL INFORMATION

Internal Controls

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

Budgetary Controls

The College maintains its accounts and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Boards, the National Association of College and University Business Officers and the Illinois Community College Board (ICCB). The ICCB requires accounting by funds in order that limitations and restrictions on resources can be easily accounted for. The financial records of the College are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal obligation to pay. The notes to the financial statements expand and explain the financial statements and the accounting principles applied.

Financial resource allocation is ultimately determined by the Board of Trustees, through their annual budget approval. Board policy requires Board approval for purchases that exceed $25,000.

Moreover, every year administrative staff and the Board participate in a long-term financial planning exercise, where the external environment is assessed to estimate future revenue streams. From this exercise, the Board is able to quantify the availability of funds for ongoing operations, capital projects or new personnel. By balancing the expected future revenue streams with the College's needs, the Board is able to forecast the likelihood and amount of future tuition increases.

While the full Board is very committed to maintaining the College's financial strength, it recognizes that a more focused and time-intensive effort is sometimes needed beyond what can be accomplished in a full Board meeting. Therefore, the Board has a Finance Committee to place an even greater emphasis on managing the College's fiscal health.

The College maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees, no later than September. The level of budgetary control is established for each individual fund. The College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, the College continues to meet its responsibility for sound financial management.

ECONOMIC CONDITION AND OUTLOOK

District Economy

The Kishwaukee College district is an important business and agricultural region in northern Illinois, supported by a major state university, transportation hub, warehouse facilities, and grain and livestock farms. Some of the largest employers in the district are Northern Illinois University, Target Distribution Center, Northwestern Medicine, the DeKalb School District, Amazon, and Rochelle Foods. During Fiscal Year 2026, unemployment in DeKalb County decreased from 4.5% to 3.7%.

Tax Base

The College's tax base is diverse as the largest ten taxpayers combined account for 24.9% of property tax revenue. Property taxes continue to be a significant source of revenue for Kishwaukee College. During fiscal year 2026, local property taxes accounted for 49.3% of total operating revenues. This is up from 47.0% in FY25.

Since 2016, Equalized Assessed Value (EAV) in the College's district has grown 102.0%. These increases reverse EAV declines the College experienced from 2010 to 2014. The College typically levies taxes at its statutory maximum and is not a tax-capped taxing body. Therefore, changes in EAV have a direct impact on property tax revenues. The College District's 2025 EAV of $4,133,403,860 increased by 7.5% when compared with the 2024 EAV. However, over the last nine years, the College District's EAV has grown at an average annual rate of 11.3%.

Debt Administration

The College has general bonded debt of $42,851,000 as of June 30, 2026, and $46,390,000 as of June 30, 2025. The decrease of $3,539,000 from 2026 to 2025 is the result of bond principal payments.

The College was last reviewed by Standard & Poor's in May 2026. S&P affirmed a AA-/Stable rating on the district's outstanding debt. The outlook reflects the district's: (1) stable local economy anchored in DeKalb County with steadily growing assessed value (AV) related to recent commercial development (2) consistently positive operating results, with surpluses ranging from 5%-10% of total adjusted operating expenditures in the five most recent audited fiscal years, and (3) solid management policies and practices, including conservative budget assumptions and routine monitoring of budget-to-actual performance, along with a clearly articulated reserve target, and a formal investment policy. Partially offsetting the above strengths is somewhat elevated, but manageable, maximum annual debt service (MADS) burden near 12% of expenditures, but with all principal retiring within 10 years, and no additional debt plans.

FY26 ACCOMPLISHMENTS AND INITIATIVES

The College's financial outlook remains stable. Strong financial operations, conservative budgeting practices and a strengthening EAV will help position Kishwaukee College well for the future.

The following are some of the initiatives and accomplishments from the year:

- Updated website to ensure ease of use for student experience. Developed a website audit and navigation strategy.
- Implemented the Navigate student success management.
- Fully implemented employee engagement plan.
- Updated all Unrepresented Staff Job Descriptions and embarking on professional staff wage study.
- Successfully negotiated KCEA union contract.
- Developed plan to rebuild the growing portion of the greenhouse. Construction underway
- Foundation successfully fundraised $530K for the new Greenhouse, surpassing the $500K goal. Also raised $147K for the Nursing textbook initiative.

AWARDS & ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a ***Certificate of Achievement for Excellence in Financial Reporting*** to Kishwaukee College District 523 for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. This Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Each Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of Achievement is valid for a period of one year only. Kishwaukee College District 523 has received the Certificate of Achievement for 14 years in a row since 2012.

Independent Audit

The Illinois Public Community College Act requires an annual audit by independent certified public accountants. The College's Board of Trustees selected the public accounting firm of Sikich CPA LLC. The requirement has been satisfied and the auditor's opinion is unmodified. The auditor's report on the financial statements and schedules is included in the financial section of this report.

Acknowledgments

Thanks are to be extended to the Board of Trustees for its continued interest and support in planning and conducting the financial operations of the College with fiscal integrity. Also, thanks to the office of Institutional Research, as well as the staff of the Business Office and the external auditors, Sikich CPA LLC, for their contributions and assistance in preparing this report.

Respectfully submitted,

Dr. Laurie Borowicz
President

Jill Fletcher
CFO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Kishwaukee College
Illinois Community College
District No. 523
Malta, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Kishwaukee College - Illinois Community College District No. 523, Malta, Illinois (the College) and the discretely presented component unit, Kishwaukee College Foundation (the Foundation), as of and for the years ended June 30, 2026 and 2025, and the related notes to financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Kishwaukee College - Illinois Community College District No. 523 and the discretely presented component unit, Kishwaukee College Foundation, as of June 30, 2026 and 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

For the fiscal years ended June 30, 2026 and 2025, the College adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. Our opinion is not modified with respect to this matter. See Note 11 for additional information.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplementary information, supplemental financial information and uniform financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, supplemental financial information and uniform financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2026, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
October 28, 2026

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

Board of Trustees
Kishwaukee College -
Illinois Community College
District No. 523
Malta, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Kishwaukee College - Illinois Community College District No. 523's (the College) as of and for the year ended June 30, 2026, and the related notes to financial statements, which collectively comprise College's basic financial statements, and have issued our report thereon dated October 28, 2026. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sikich CPA LLC

Naperville, Illinois
October 28, 2026

Overview of the Financial Statements

As the management of Kishwaukee College, we offer the readers of the College's financial statements this narrative overview and analysis of the financial activities of the College for the years ended June 30, 2026, 2025 and 2024.

The Management Discussion and Analysis (MD&A) provides an overview of the College's financial position at June 30, 2026, 2025 and 2024 and the results of operations for the years then ended. This summary should not be taken as a replacement for the audit report, which consists of the financial statements, notes to the financial statements, and required and other supplementary information.

The financial statement, as presented under the reporting model established by GASB Statement No. 35, focuses on the College as a whole. The basic financial statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The Statement of Net Position focuses on the financial condition of the College. This statement combines and consolidates current financial resources (short-term expendable resources) with capital assets. The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of College activities, which are supported mainly by student tuition, property taxes, state appropriations and other revenues. This approach is intended to summarize and simplify the user's analysis of cost of various College services to students and the public.

The Statement of Net Position includes all assets and deferred outflows of resources and liabilities and deferred inflows of resources. Over time, increases or decreases in net position is one indicator of the improvement or decline of the College's financial condition when considered with non-financial facts such as enrollment levels and the condition of facilities. Assets and deferred outflows of resources and liabilities and deferred inflows of resources are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation.

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating, non-capital subsidies or non-operating. Annual state appropriations are considered non-capital subsides according to generally accepted accounting principles. The utilization of capital assets is reflected in the financial statements as depreciation, which spreads the cost of an asset over its expected useful life. Depreciation expense is classified as an operating expense.

The Statement of Cash Flows presents information related to cash inflows and outflows. GASB principles include four major sources of cash flows: cash flows from operating activities, cash flows from non-capital financing activities, cash flows from capital financing activities, and cash flows from investing activities.

During the fiscal year ended June 30, 2004 the College adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Under this statement, if a private foundation provides financial support to a public college or university at a level that meets specified criteria, the foundation is considered a "component unit" of the college for purposes of financial reporting and the college is required to include the foundation's financial activities in the college's financial statements.

Overview of the Financial Statements (continued)

The Kishwaukee College Foundation is administered and operated exclusively for the benefit of the College. However, the Foundation is not a subsidiary or affiliate of the College and is not directly or indirectly controlled by the College. The resources of the Foundation are disbursed at the discretion of the Foundation's independent board of directors in accordance with donor directions and Foundation policy.

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

Financial Summary

Total net position (assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources) was $51,148 thousand as of June 30, 2026. Net position increased by $6,450 thousand from the prior year due mostly to the $3,539 thousand decrease in bonds payable resulting from principal payments made on the College's outstanding bonds.

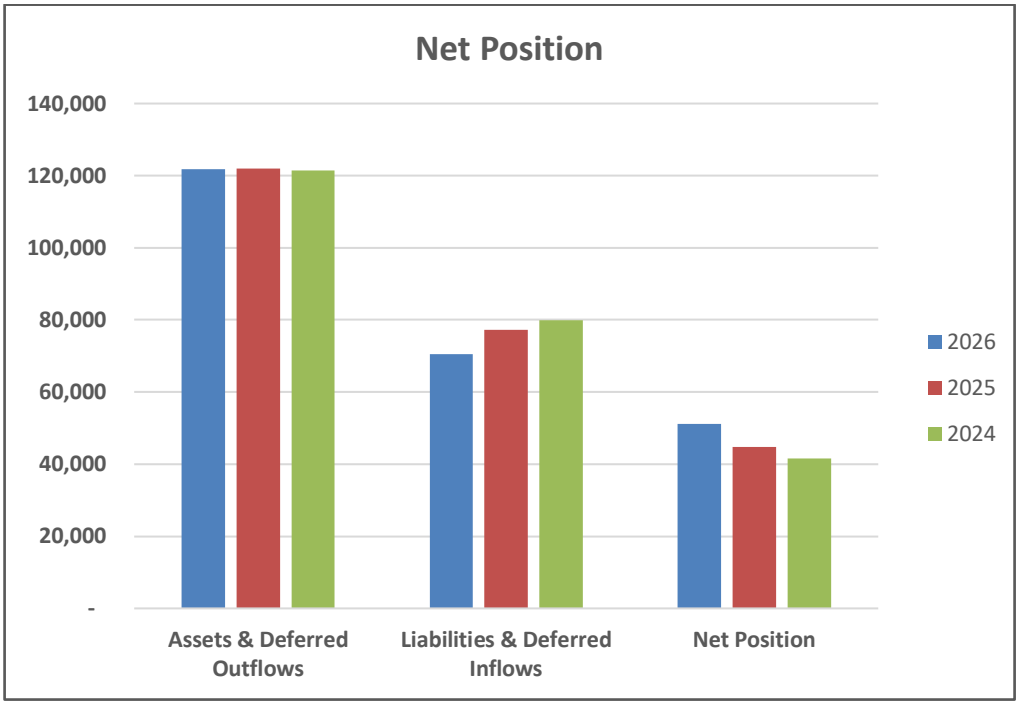
Operating revenues were $13,549 thousand, down $10 thousand from the prior year. These revenues are generally exchange transactions, such as tuition and fees, Pell grants, and auxiliary enterprise revenue. Operating expenses were $45,965 thousand, which was a $441 thousand increase from the prior year. These expenses are incurred for the general purpose of providing education and operational activities of the College.

Non-capital subsidies were $38,880 thousand, up $3,302 thousand from the prior year. These subsidies are non-exchange transactions such as State grants, Federal grants and property taxes. Property and replacement taxes were $1,931 thousand higher than last year. In addition, state grants were $1,648 thousand higher than last year.

Non-operating revenues (expenses) were ($14) thousand, improved by $399 thousand from the prior year.

Condensed Statement of Net Position
June 30, (in thousands)

	2026	2025	Increase (Decrease)	2024	Increase (Decrease)
Current Assets	53,241	53,939	(698)	51,399	2,540
Noncurrent Assets - Capital Net	67,381	67,286	95	69,607	(2,321)
Total Assets	120,622	121,225	(603)	121,007	219
Deferred Outflows of Resources	1,091	682	409	436	245
Total Assets and Deferred Outflows	121,713	121,907	(194)	121,443	464
Current Liabilities	10,776	12,629	(1,853)	10,441	38,534
Long-Term Liabilities	44,852	48,975	(4,122)	53,197	8,407
Total Liabilities	55,629	61,604	(5,975)	63,638	46,941
Deferred Inflows of Resources	14,936	15,606	(670)	16,308	(702)
Total Liab and Deferred Inflows	70,565	77,210	(6,645)	79,946	46,238
Net Position:					
Net Investment in Capital Assets	32,804	29,428	3,376	29,915	(487)
Restricted	10,015	10,931	(916)	10,955	(24)
Unrestricted	8,329	4,339	3,991	627	3,711
Total Net Position	51,148	44,697	6,450	41,497	3,200



Changes in Net Position
Years Ended June 30, (in thousands)

	2026	2025	Increase (Decrease)	2024	Increase (Decrease)
Operating Revenues					
Net Tuition and Fees	7,564	7,001	563	7,969	(968)
Federal Grants - Pell	5,310	5,435	(125)	4,091	1,344
Auxiliary Enterprise Revenue	415	860	(446)	747	113
Other Operating Revenues	260	264	(3)	421	(158)
Total Operating Revenues	13,549	13,559	(10)	13,229	330
Operating Expenses	45,965	45,524	441	43,077	2,447
Operating Income (Loss)	(32,416)	(31,965)	(451)	(29,848)	(2,116)
Non-Capital Subsidies					
Property and Replacement Taxes	22,298	20,368	1,931	18,771	1,597
State Grants	12,823	11,175	1,648	10,705	470
Federal Other	2,841	3,236	(395)	3,807	(571)
Contributions and Gifts	918	800	118	746	54
Total Non-Capital Subsidies	38,880	35,578	3,302	34,029	1,549
Operating Inc (Loss) and Non-Cap Subsidies	6,464	3,613	2,851	4,180	(567)
Non-Operating Revenues (Expenses)					
Interest and Investment Income	760	959	(199)	1,082	(123)
Interest Expense	(1,270)	(1,361)	91	(1,448)	87
Capital Contributions	530	-	530	60	(60)
Gain (Loss) on Disposal of Capital Assets	(34)	(11)	(23)	(41)	30
Total Non-Operating Revenues (Expenses)	(14)	(413)	399	(348)	(66)
Change in Net Position	6,450	3,200	3,250	3,833	(633)
Change in Accounting Principle *	-	-	-	(491)	491
Net Position, July 1	44,697	41,497	3,200	38,156	3,341
Net Position, June 30	51,148	44,697	6,450	41,497	3,200

Detailed Analysis

Fiscal Year 2026 Compared to 2025

Current assets decreased $698 thousand, of which $1,783 thousand is in cash. There was an increase in investments due to the $673 thousand CDB Trust account held for the campus water project. The non-current assets increased $95 thousand, where new investments in capital assets (net of write-offs) of $5,026 thousand were greater than the increase in accumulated depreciation and amortization of $4,931 thousand.

Current liabilities decreased $1,853 thousand, due to the $1,360 thousand decrease in accounts payable. This decrease is a result of $939 thousand due on a roofing project at year-end last year. Non-current liabilities decreased by $4,122 thousand. This was due to a $3,539 thousand decrease in bonds payable resulting from principal payments made on the College's outstanding bonds.

As a result of all of the factors described in this section, total net position at June 30, 2026 increased by $6,450 thousand from last year.

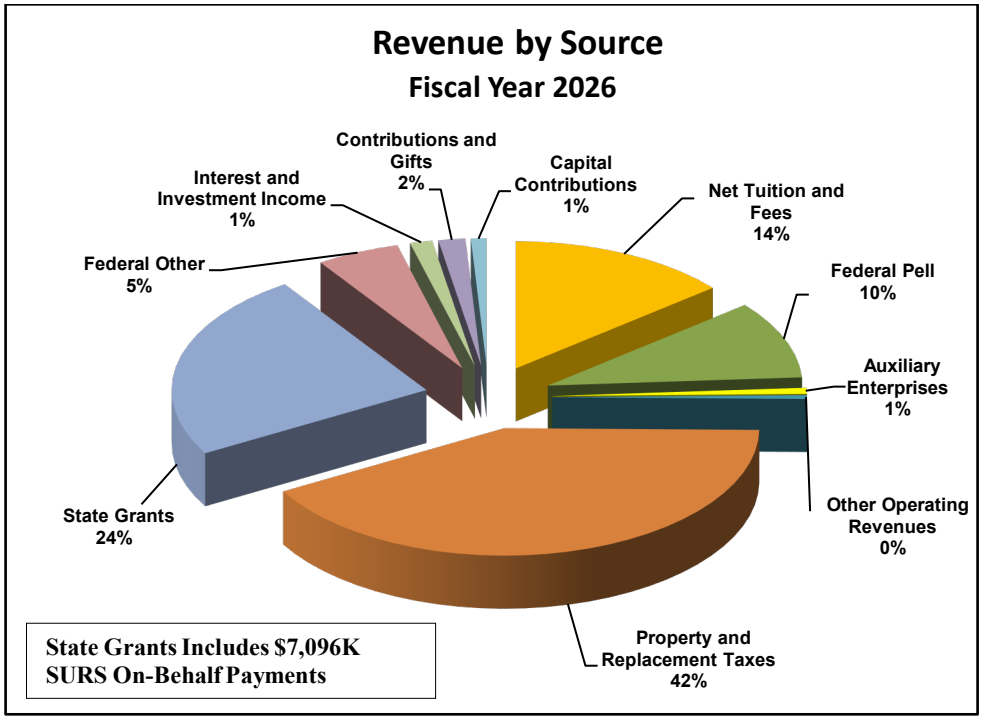
Fiscal Year 2025 Compared to 2024

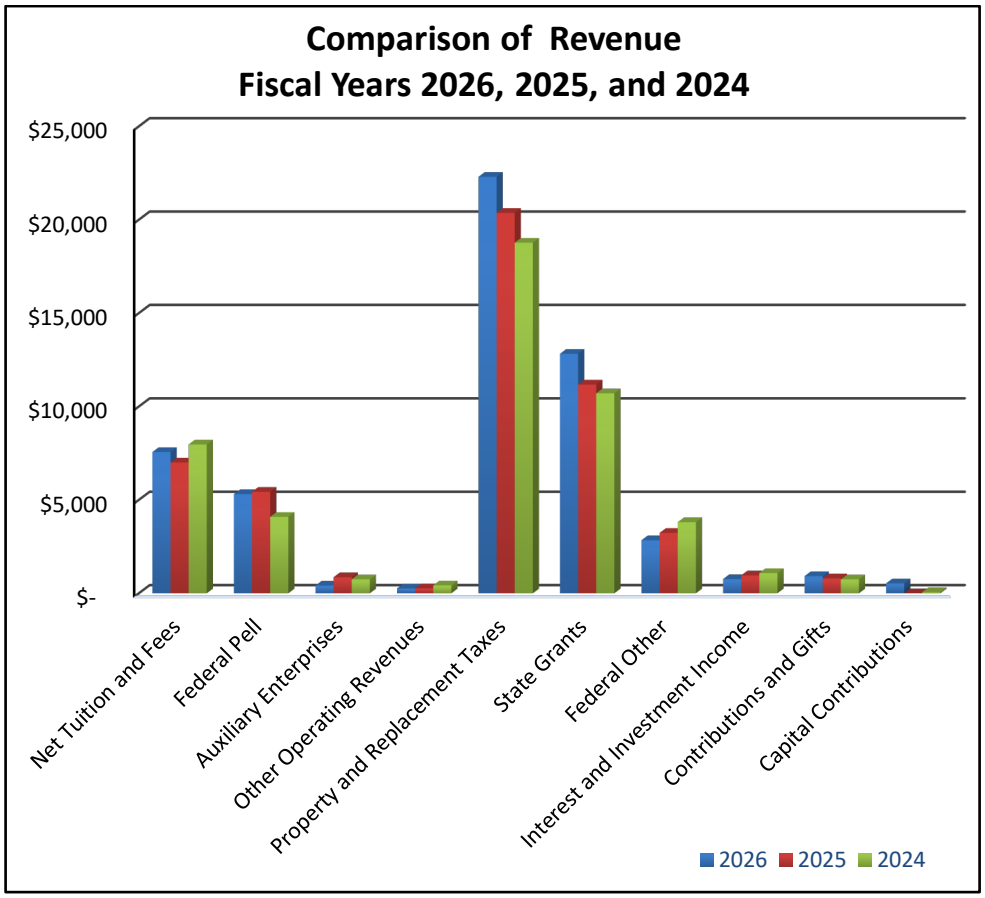
Current assets increased $2,540 thousand, of which $1,729 thousand is in cash, cash equivalents and investments. The non-current assets decreased $2,321 thousand, where new investments in capital assets (net of write-offs) of $2,600 thousand were less than the increase in accumulated depreciation and amortization of $4,921 thousand.

Current liabilities increased $2,188 thousand, due to the $1,770 thousand increase in accounts payable. This increase is a result of $939 thousand due on a roofing project at year-end and an increase of $705 thousand due to the Community College Healthcare Consortium as a result of the year's claim and premium activities. Non-current liabilities decreased by $4,223 thousand. This was due to a $3,370 thousand decrease in bonds payable resulting from principal payments made on the College's outstanding bonds.

As a result of all of the factors described in this section, total net position at June 30, 2025 increased by $3,200 thousand from last year.

The following are graphic illustrations of revenues by source for the year ended June 30, 2026





Fiscal Year 2026 Compared to 2025

Operating revenue decreased $10 thousand due to two main areas. Tuition revenue increased by $563 thousand due to a 4% increase in enrollment along with an $8 increase in tuition per credit hour. The increase in the tuition rate was to cover the conversion to the College's All-In Tuition model. All-In Tuition includes the cost of textbooks with the cost of tuition. The other main area, which negatively affected operating revenue, was the reduction in Auxiliary Fund revenue of $446 thousand. This was mainly from the shift away from selling textbooks to students.

Operating expenses increased $441 thousand. One contributing factor is the SURS on-behalf payments for the College were $1,068 thousand higher this year. Also, there was a reduction in expenses in the Health Benefit Plan fund of $446 thousand compared to last year. The Health Benefit fund was slightly positive in FY26 compared to a $460 thousand loss last year.

Non-operating revenue improved to a $14 thousand loss this year, compared to a loss of $413 thousand last year. This is largely due to a capital contribution from the Foundation of $530 thousand to help build a new greenhouse for the College.

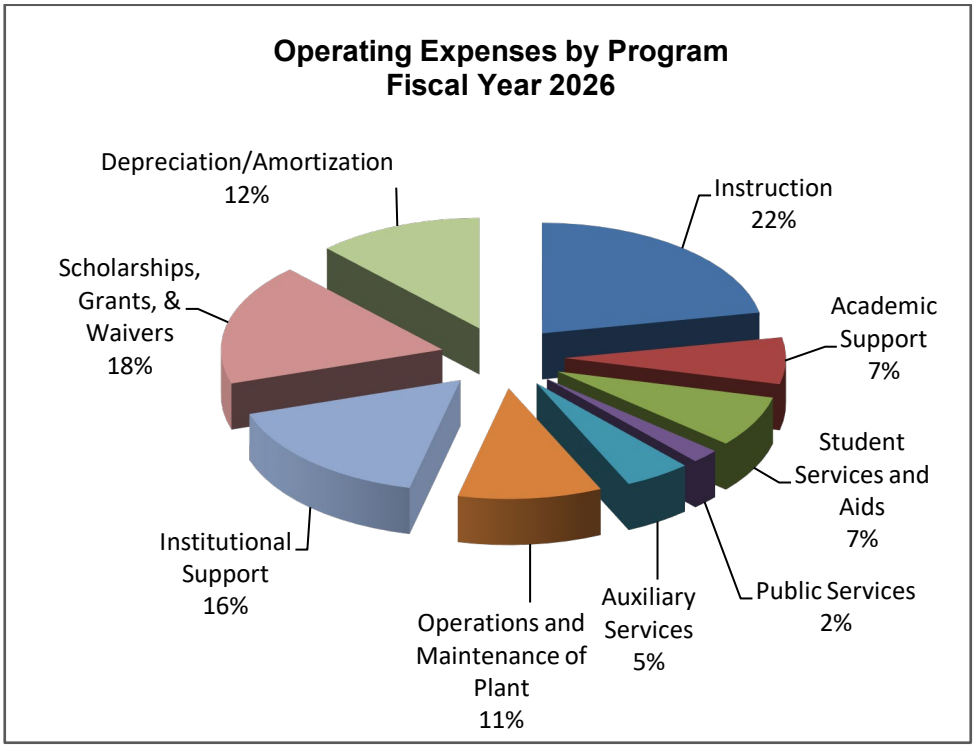
Fiscal Year 2025 Compared to 2024

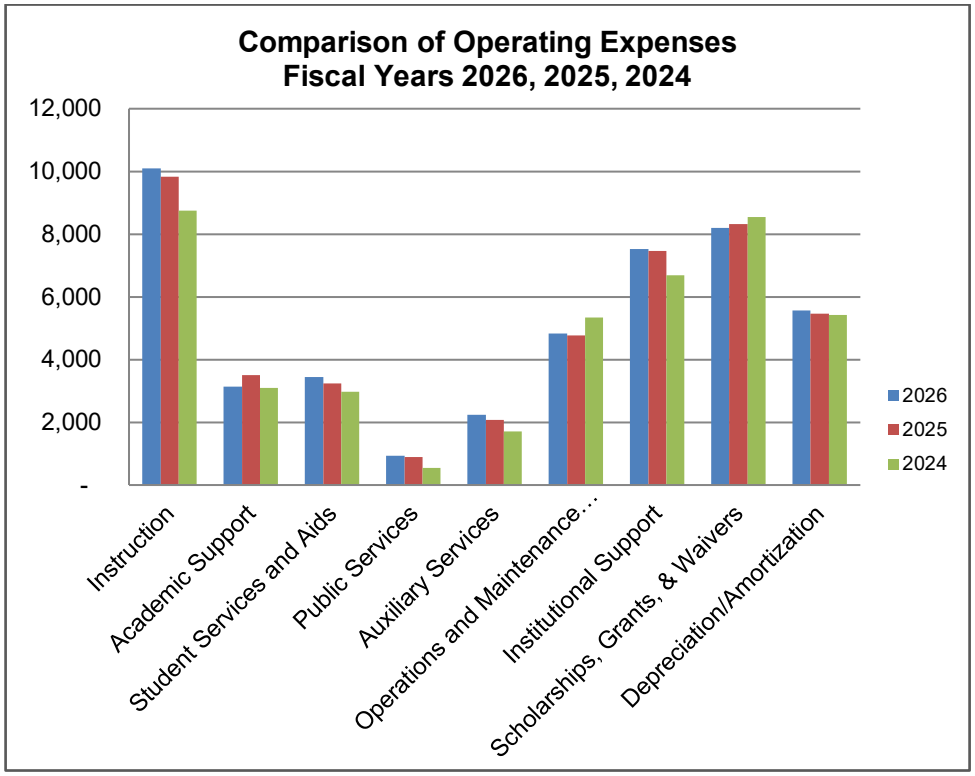
Operating revenue increased $330 thousand due to a $1,344 thousand increase in Pell grants awarded to students. There was also $968 thousand decrease in tuition and fees as a result of the elimination of an estimated $1,325 thousand in revenue from the elimination of all student fees.

Operating expenses increased $2,447 thousand. This is mainly due to the increase in Pell awards to students of $1,344 thousand. There were 258 more students that received Pell in FY25 than in FY24. In addition, there was an increase in expenses in the Auxiliary Fund of $295 thousand, mainly due to higher activity in the bookstore. There was also an increase in expenses in the Health Benefit Plan fund of $314 thousand due to losses in the health fund.

The loss in non-operating revenue (losses) increased by $66 thousand. The largest item contributing to this loss is a $123 thousand reduction of interest and investment revenue from the prior year.

The following are graphic illustrations of operating expenses for the year ended June 30, 2026.

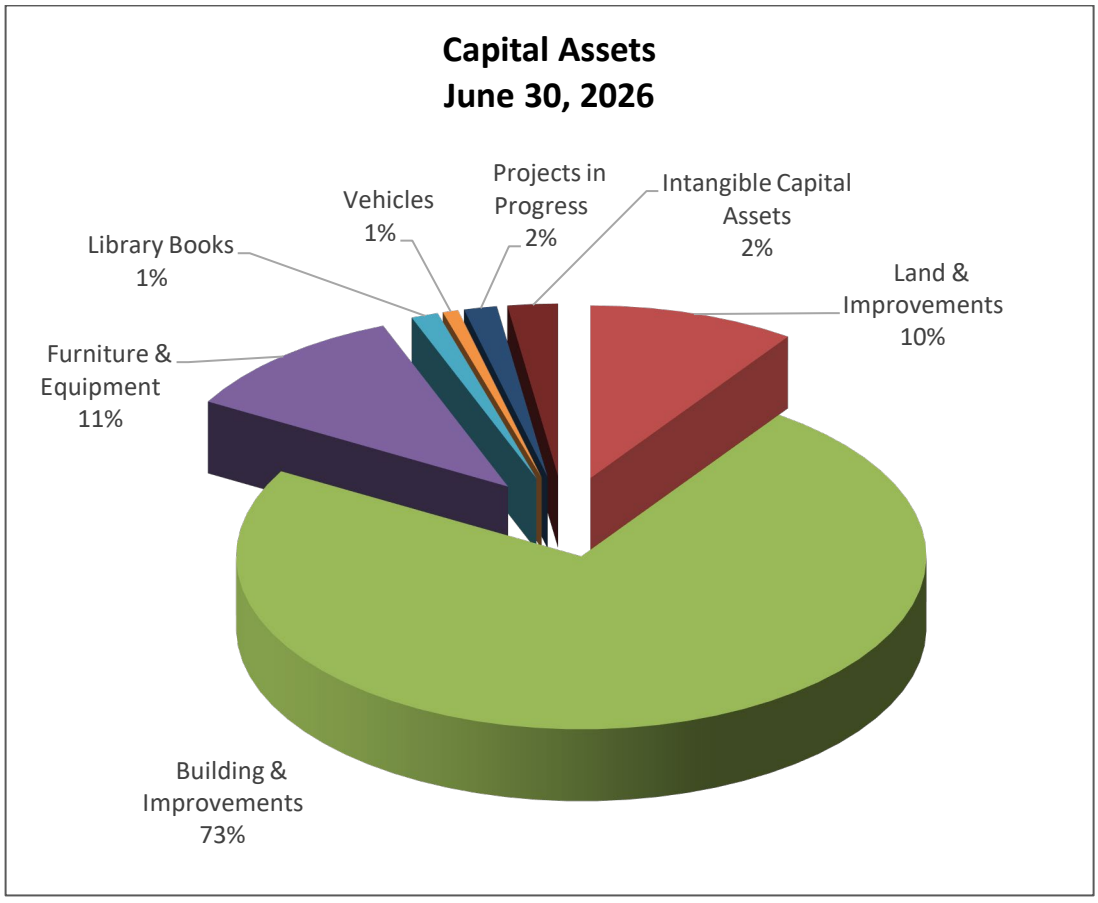




Significant Capital Asset and Long-Term Financing Activity

Capital Assets, Net
June 30, (in thousands)

	2026	2025	Increase (Decrease)	2024	Increase (Decrease)
Tangible Capital Assets					
Land & Improvements	13,936	13,931	5	13,875	56
Building & Improvements	105,474	101,374	4,101	101,367	7
Furniture & Equipment	15,649	15,430	219	14,807	623
Library Books	1,819	1,819	-	1,819	-
Vehicles	1,047	985	62	897	89
Projects in Progress	2,218	1,719	499	156	1,563
Intangible Capital Assets	3,381	3,241	140	2,978	263
Total Assets	143,524	138,498	5,026	135,898	2,600
Accumulated Depreciation & Amortization	76,143	71,212	4,931	66,291	4,921
Net Capital Assets	67,381	67,286	95	69,607	(2,321)



Fiscal Year 2026 Compared to 2025

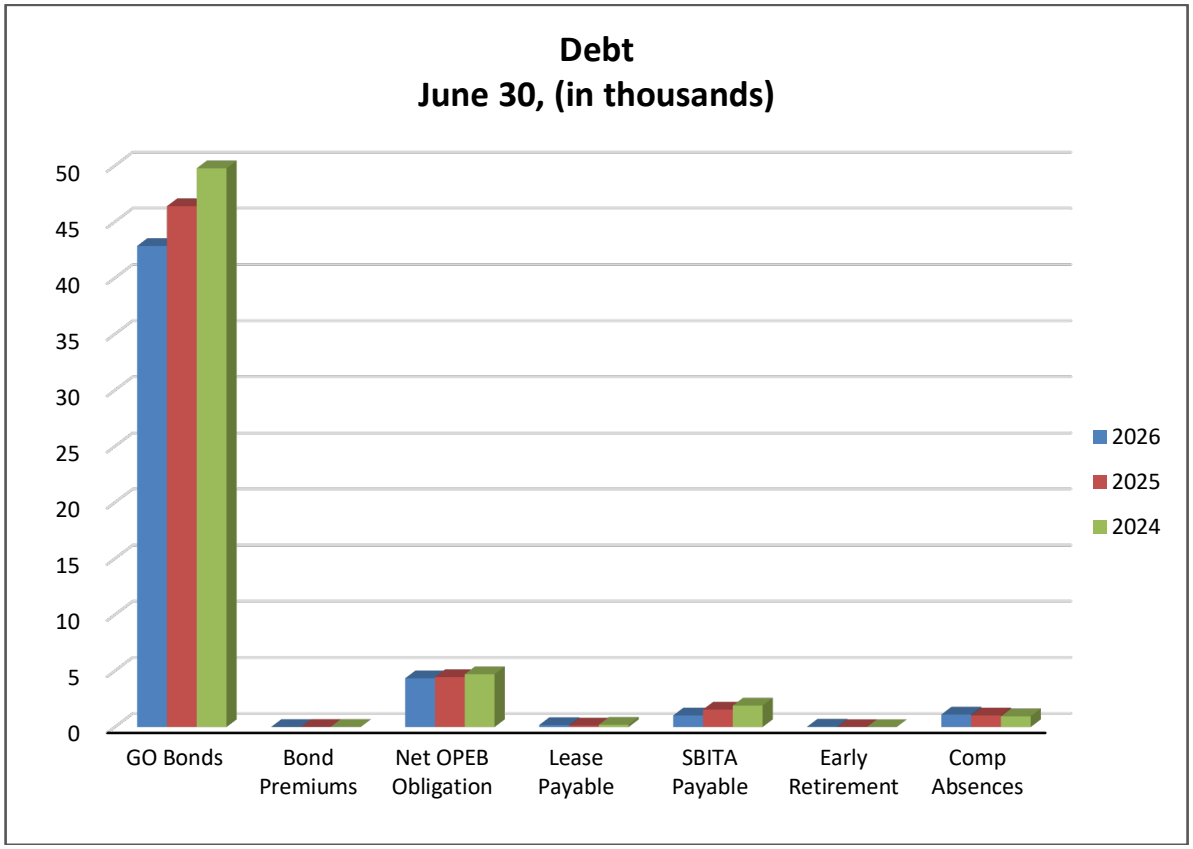
At June 30, 2026, the College has recorded $143,524 thousand invested in land, buildings, land improvements, equipment, and contracts for leases and SBITA software (Subscription Based IT Arrangement). Of this amount, $76,143 thousand in depreciation and amortization has accumulated over the years. The College's net book value of capital assets on June 30, 2026 is $67,381 thousand. For more detailed information on capital asset activity, refer to Note (4) – Capital Assets, in the Notes to Financial Statements.

Fiscal Year 2025 Compared to 2024

At June 30, 2025, the College has recorded $138,498 thousand invested in land, buildings, land improvements, equipment, and contracts for leases and SBITA software (Subscription Based IT Arrangement). Of this amount, $71,212 thousand in depreciation and amortization has accumulated over the years. The College's net book value of capital assets on June 30, 2025 is $67,286 thousand. For more detailed information on capital asset activity, refer to Note (4) – Capital Assets, in the Notes to Financial Statements.

Debt
June 30, (in thousands)

	2026	2025	Increase (Decrease)	2024	Increase (Decrease)
GO Bonds	42,851	46,390	(3,539)	49,760	(3,370)
Bond Premiums	4	10	(6)	17	(7)
Net OPEB Obligation	4,344	4,447	(103)	4,702	(255)
Lease Payable	177	135	42	199	(64)
SBITA Payable	1,035	1,557	(522)	1,911	(354)
Early Retirement	37	-	37	-	-
Compensated Absences	1,112	1,034	78	952	82
Total Debt	49,560	53,573	(4,013)	57,541	(3,968)



Fiscal Year 2026 Compared to 2025

As of June 30, 2026, the College's long-term debt was $49,560 thousand. This balance decreased by $4,013 thousand as compared with the prior year, due to principal payments on bonds outstanding. For more detailed information on debt activity, refer to Note (5) – Long-Term Debt, in the Notes to Financial Statements.

Fiscal Year 2025 Compared to 2024

As of June 30, 2025, the College's long-term debt was $53,573 thousand. This balance decreased by $3,968 thousand as compared with the prior year, due to principal payments on bonds outstanding. For more detailed information on debt activity, refer to Note (5) – Long-Term Debt, in the Notes to Financial Statements.

Currently Known Facts, Decisions, or Conditions

FY2026 was the College's first academic year under the All-In Tuition model, which combines tuition, fees, and required textbooks into a single tuition charge to provide greater transparency in student billing. The FY2026 tuition rate of $160 per credit hour will remain unchanged for FY2027.

The College's property tax base continues to grow as a result of commercial development within the district. Management expects continued growth in assessed valuation to positively affect future property tax revenues. The FY2027 budget anticipates a 5 percent increase in operating property tax revenue.

Enrollment has continued to recover from pandemic-related declines. Because enrollment affects student-generated revenues and operating requirements, changes in enrollment are incorporated into the College's financial planning. The FY2027 budget assumes enrollment will remain relatively flat.

The FY2027 budget reflects increasing health insurance premiums and higher technology costs associated with increased reliance on software licensing and subscription-based products and services. These costs are expected to place additional pressure on operating expenses.

The College is completing construction of a new $1.44 million greenhouse to support its horticulture program. In addition, the College was awarded a Capital Development Board grant for the replacement of the campus water system. The College's share of the water system project is expected to be approximately $1.15 million. The College also plans to update its facilities master plan during FY2027 and will finalize its three-year capital plan following completion of the master plan. Capital projects are expected to be funded through Protection, Health and Safety (PHS) funds and fund balance reserves designated for capital projects. The College currently has no plans to issue additional long-term debt.

Requests for Information

This financial report is designed to provide a general overview of Kishwaukee College's finances for all those with interest in the topic. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to:

Ms. Jill Fletcher, CFO
Kishwaukee College
21193 Malta Road
Malta, Illinois 60150-9699
Phone number (815) 825-9517

BASIC FINANCIAL STATEMENTS

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

STATEMENTS OF NET POSITION

June 30, 2026 and 2025

	2026	2025
CURRENT ASSETS		
Cash and cash equivalents	$ 37,170,779	$ 38,954,096
Investments	672,867	143,897
Receivables (net of allowances for uncollectibles)		
Taxes	10,040,880	10,141,522
Accounts	10,436	15,797
Other	1,184,529	554,620
Tuition	3,523,800	3,572,055
Prepaid expenses	381,870	294,688
Inventories	255,959	262,524
Total current assets	53,241,120	53,939,199
NONCURRENT ASSETS		
Capital assets	143,524,026	138,498,182
Less accumulated depreciation and amortization	(76,143,224)	(71,212,173)
Net capital assets	67,380,802	67,286,009
Total noncurrent assets	67,380,802	67,286,009
Total assets	120,621,922	121,225,208
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding	134,187	154,831
OPEB items	870,650	433,843
SURS pension contribution	85,917	93,246
Total deferred outflows of resources	1,090,754	681,920
Total assets and deferred outflows of resources	121,712,676	121,907,128
CURRENT LIABILITIES		
Accounts payable	1,051,048	2,411,853
Accrued salaries and payroll deductions payable	862,264	919,099
Unearned tuition and fees	3,333,697	3,415,246
Unearned revenue	321,039	748,063
OPEB liability - CIP plan	129,166	100,678
OPEB liability - College plan	-	208,030
Early retirement incentive payable	37,348	-
Accrued compensated absences, current	166,848	155,122
Lease liability, current	99,123	65,905
SBITA liability, current	556,036	521,847
Bonds payable, current	3,718,744	3,546,418
Interest payable	480,047	514,775
Other current liabilities	21,050	22,317
Total current liabilities	10,776,410	12,629,353

(This statement is continued on the following page.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

STATEMENTS OF NET POSITION (Continued)

June 30, 2026 and 2025

	2026	2025
NONCURRENT LIABILITIES		
OPEB liability - CIP plan	$ 4,214,286	$ 4,085,204
OPEB liability - College plan	-	52,207
Accrued compensated absences	945,474	879,023
Lease liability	78,224	68,947
SBITA liability	479,443	1,035,480
Bonds payable	39,135,000	42,853,745
Total noncurrent liabilities	44,852,427	48,974,606
Total liabilities	55,628,837	61,603,959
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	11,359,084	10,534,862
OPEB items	3,577,094	5,070,835
Total deferred inflows of resources	14,936,178	15,605,697
Total liabilities and deferred inflows of resources	70,565,015	77,209,656
NET POSITION		
Net investment in capital assets	32,803,523	29,427,776
Restricted for		
Capital outlay	1,466,758	2,441,071
Debt service	2,646,419	2,497,240
Tort liability	2,663,866	2,796,143
Specific purposes	526,798	478,152
Working cash	2,625,000	2,625,000
Pension contributions	85,917	93,246
Unrestricted	8,329,380	4,338,844
TOTAL NET POSITION	$ 51,147,661	$ 44,697,472

See accompanying notes to financial statements.

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the Years Ended June 30, 2026 and 2025

	2026	2025
OPERATING REVENUES		
Tuition and fees	$ 7,563,620	$ 7,000,616
Federal grants and contracts - Pell grant prorgram	5,310,259	5,434,862
Auxiliary enterprises revenue	414,726	860,270
Other operating revenue	260,148	263,502
Total operating revenues	13,548,753	13,559,250
OPERATING EXPENSES		
Instruction	10,104,074	9,823,427
Academic support	3,134,152	3,496,647
Student services	3,441,619	3,230,926
Public services	935,403	893,958
Auxiliary services	2,233,028	2,069,218
Operation and maintenance of plant	4,826,568	4,768,429
Institutional support	7,522,573	7,457,170
Scholarships, student grants, waivers	8,202,355	8,320,882
Amortization	659,278	599,910
Depreciation	4,905,552	4,863,211
Total operating expenses	45,964,602	45,523,778
OPERATING LOSS	(32,415,849)	(31,964,528)
NONCAPITAL SUBSIDIES		
Property taxes	21,920,893	19,981,604
Personal property replacement tax	377,578	386,015
State grants and contracts	12,822,853	11,174,960
Federal grants and contracts	2,841,163	3,235,784
Contributions and gifts	917,597	799,514
Total noncapital subsidies	38,880,084	35,577,877
OPERATING INCOME AND NONCAPITAL SUBSIDIES	6,464,235	3,613,349
NON-OPERATING REVENUES (EXPENSES)		
Investment income	760,123	958,859
Interest expense and fiscal charges	(1,270,013)	(1,361,010)
Gain (loss) on disposal of capital assets	(34,052)	(10,959)
Capital contributions	529,896	-
Total non-operating revenues (expenses)	(14,046)	(413,110)
CHANGE IN NET POSITION	6,450,189	3,200,239
NET POSITION, JULY 1	44,697,472	41,497,233
NET POSITION, JUNE 30	$ 51,147,661	$ 44,697,472

See accompanying notes to financial statements.

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 7,108,663	$ 6,944,393
Federal grants and contracts - Pell grant prorgram	5,310,259	5,434,862
Payments to suppliers	(24,074,729)	(21,161,048)
Payments to employees	(19,356,411)	(19,865,882)
Auxiliary enterprise charges	414,726	860,270
Other	260,148	263,502
Net cash from operating activities	(30,337,344)	(27,523,903)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local property taxes	22,845,757	19,775,065
Corporate personal property replacement tax	377,578	386,015
State grants and contracts	12,192,944	11,938,146
Federal grants and contracts	2,841,163	2,904,414
Contributions and gifts	917,597	799,514
Net cash from noncapital financing activities	39,175,039	35,803,154
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of tangible and intangible capital assets	(5,932,607)	(2,224,236)
Capital contributions	529,896	-
Principal paid on bonds, leases and SBITAs	(4,158,938)	(3,906,283)
Interest paid on bonds, leases and SBITAs	(1,290,516)	(1,378,722)
Net cash from capital and related financing activities	(10,852,165)	(7,509,241)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	760,123	958,859
Sales (purchases) of investments	(528,970)	2,159,483
Net cash from investing activities	231,153	3,118,342
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,783,317)	3,888,352
CASH AND CASH EQUIVALENTS, JULY 1	38,954,096	35,065,744
CASH AND CASH EQUIVALENTS, JUNE 30	$ 37,170,779	$ 38,954,096

(This statement is continued on the following page.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended June 30, 2026 and 2025

	2026	2025
RECONCILIATION OF NET OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES		
Operating loss	$ (32,415,849)	$ (31,964,528)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation and amortization	5,564,830	5,463,121
Accounts receivable	53,616	(273,907)
Inventories	6,565	23,332
Prepaid expenses	(87,182)	342,133
Pension/OPEB items - deferred outflows	(429,478)	(266,130)
Accounts payable	(983,555)	950,295
Accrued salaries	(56,835)	(11,948)
Accrued compensated absences	78,177	82,151
Early retirement incentive	37,348	-
OPEB items - deferred inflows	(1,493,741)	(1,830,026)
Unearned revenue	(508,573)	217,684
OPEB liability	(102,667)	(256,080)
NET CASH FROM OPERATING ACTIVITIES	$ (30,337,344)	$ (27,523,903)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital asset purchases included in accounts payable	$ 709,851	$ 1,088,368
Lease right-to-use addition	139,585	117,802
Issuance of lease liability	(139,585)	(117,802)
State proportionate share pension expense	7,095,827	6,027,741
State proportionate share OPEB expense	(1,825,362)	(2,055,031)
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	$ 5,980,316	$ 5,061,078

See accompanying notes to financial statements.

DISCRETELY PRESENTED COMPONENT UNIT

KISHWAUKEE COLLEGE FOUNDATION
MALTA, ILLINOIS

STATEMENT OF FINANCIAL POSITION

June 30, 2026 and 2025

	2026	2025
ASSETS		
Cash and cash equivalents	$ 95,363	$ 92,381
Pledges receivable	2,400	-
Prepaid expenses	31,521	365
Investments	10,536,382	10,167,421
TOTAL ASSETS	$ 10,665,666	$ 10,260,167
LIABILITES AND NET ASSETS		
LIABILITIES		
Due to Kishwaukee College	$ 1,043	$ 23,566
Accounts payable	-	8,867
Total liabilities	1,043	32,433
NET ASSETS		
Without donor restrictions	1,123,236	1,198,550
With donor restrictions	9,541,387	9,029,184
Total net assets	10,664,623	10,227,734
TOTAL LIABILITIES AND NET ASSETS	$ 10,665,666	$ 10,260,167

See accompanying notes to financial statements.

DISCRETELY PRESENTED COMPONENT UNIT

KISHWAUKEE COLLEGE FOUNDATION
MALTA, ILLINOIS

STATEMENT OF ACTIVITIES

For the Years Ended June 30, 2026 and June 30, 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions	$ 1,110	$ 693,381	$ 694,491	$ 1,150	$ 464,775	$ 465,925
Special events and other	97,478	-	97,478	119,746	-	119,746
In-kind donations	12,846	133,835	146,681	28,477	-	28,477
Interest and dividends, net	19,512	185,569	205,081	22,975	174,462	197,437
Net realized gain on investments	88,605	546,947	635,552	83,579	456,913	540,492
Net unrealized gain on investments	87,505	512,270	599,775	18,675	149,850	168,525
Loss on return of contribution	(112,815)	-	(112,815)	-	-	-
Other income	-	-	-	122	-	122
Net assets released from restrictions	1,559,799	(1,559,799)	-	720,432	(720,432)	-
Total revenues	1,754,040	512,203	2,266,243	995,156	525,568	1,520,724
EXPENSES						
Program services						
Scholarships granted	385,936	-	385,936	422,068	-	422,068
Program enhancements	1,016,234	-	1,016,234	305,558	-	305,558
Contributed goods	133,835	-	133,835	15,631	-	15,631
Contributed wages and benefits	12,240	-	12,240	40,830	-	40,830
Wages and benefits	91,214	-	91,214	91,344	-	91,344
Total program services	1,639,459	-	1,639,459	875,431	-	875,431
Management and general						
Wages and benefits	60,560	-	60,560	72,475	-	72,475
Contributed wages and benefits	52,143	-	52,143	61,216	-	61,216
Professional services	44,722	-	44,722	35,360	-	35,360
Supplies	11,286	-	11,286	13,579	-	13,579
Total management and general	168,711	-	168,711	182,630	-	182,630
Direct donor benefits - meals and entertainment	9,028	-	9,028	24,182	-	24,182
Fundraising						
Wages and benefits	57,878	-	57,878	41,176	-	41,176
Contributed wages and benefits	36,371	-	36,371	64,400	-	64,400
Contributed goods	12,846	-	12,846	12,846	-	12,846
Other	6,359	-	6,359	12,339	-	12,339
Total fundraising	113,454	-	113,454	130,761	-	130,761
Total supporting services	291,193	-	291,193	337,573	-	337,573
Total expenses	1,930,652	-	1,930,652	1,213,004	-	1,213,004
Transfer from affiliate - Kishwaukee College						
Wages and benefits	100,754	-	100,754	166,446	-	166,446
Return of unused funds	544	-	544	4,693	-	4,693
Total transfer from affiliate	101,298	-	101,298	171,139	-	171,139
CHANGE IN NET ASSETS	(75,314)	512,203	436,889	(46,709)	525,568	478,859
NET ASSETS, BEGINNING OF YEAR	1,198,550	9,029,184	10,227,734	1,245,259	8,503,616	9,748,875
NET ASSETS, END OF YEAR	$ 1,123,236	$ 9,541,387	$ 10,664,623	$ 1,198,550	$ 9,029,184	$ 10,227,734

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Kishwaukee College - Illinois Community College District No. 523 (the College) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. In addition, the College presents its financial statements in accordance with accounting practices prescribed or permitted by the Illinois Community College Board. The following is a summary of the more significant policies of the College.

a. Reporting Entity

Financial Reporting Entity

The College is a separate legal entity established under Illinois Compiled Statutes (ILCS) governed by an elected Board of Trustees. The College is fiscally independent and is considered a primary government pursuant to GASB Statement No. 61. The College has determined that the Kishwaukee College Foundation (the Foundation) meets the requirements of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an Amendment of GASB Statement No. 14,* because of the nature and significance of the Foundation's relationship with the College are such that exclusion would cause the College's financial statements to be misleading or incomplete, which has resulted in the Foundation being reported as a discretely presented component unit of the College as it is legally separate from the College. Separate financial statements of the Foundation can be obtained by calling the Foundation at (815) 825-2086 ext. 2660.

Joint Ventures

The College and seven other governmental entities within DeKalb County are members of the Kishwaukee Education Consortium (KEC). They are in partnership with business and industry (Kishwaukee Education-to-Careers Partnership), Kishwaukee College, Kane County Department of Employment and Education and other regional systems. KEC's purpose is to develop and maintain a regional education and employment system that addresses the principles of relevancy, quality, access and efficiency. KEC provides basic education and skill training for immediate employment or advanced education programs in preparation of later employment. KEC has

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Joint Ventures (Continued)

established Education-to-Career work-based learning programs as well as additional alternative education programs to serve at-risk and economically disadvantaged clients. Each member has a financial responsibility for annual assessments based on student enrollments. KEC also receives funding through federal and state grants. Complete financial statements for KEC can be obtained from their administrative office at 901 South Fourth Street, DeKalb, Illinois 60115.

b. Measurement Focus, Basis of Accounting and Financial Statement Presentation

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

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

The College reports unearned revenue and deferred revenue on its statement of net position. Unearned revenues arise when a potential revenue does not meet both the measurable and earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the College before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. Deferred revenue results from property taxes being levied and reported as a receivable before the period for which the taxes are levied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In subsequent periods, when both revenue recognition criteria are met, or when the College has met all eligibility requirements, the liability for unearned tuition and fee revenue is removed from the statement of net position and revenue is recognized. Tuition and fee revenues related to courses primarily held after June 30, 2026 and 2025 are reported as unearned revenue.

c. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposit accounts and certificates of deposits with a maturity of three months or less. For purposes of the statement of cash flows, cash equivalents include money market accounts and any highly liquid debt instruments purchased with a maturity of less than three months.

d. Investments

Investments with a maturity of less than one year when purchased and all non-negotiable certificates of deposit are reported at cost or amortized cost. Investments with a maturity greater than one year at the time of purchase are recorded at fair value.

e. Inventories

Inventories are valued at cost based on the first-in/first-out (FIFO) method, which approximates net realizable value, and consist primarily of items held for resale in the bookstore.

f. Prepaids

Payments for goods and services that benefit future periods are recorded as prepaid items. Prepaid items are recognized on the consumption method.

g. Capital Assets

Capital assets include property, plant, equipment, intangibles and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are valued at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Gains and losses

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

realized upon retirement or disposition of capital assets are recognized in income. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the College are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings and improvements	15-50
Furniture and equipment	5-10
Library books	10
Vehicles	5

Intangible assets represent the College's right-to-use leased assets and subscription assets. These intangible assets, as defined by GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for lease contracts of nonfinancial assets and subscription assets.

Right-to-use intangible assets for leases and subscription assets are amortized over the shorter of the lease/subscription term or useful life of the underlying asset.

h. Accrued Compensated Absences

Accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. The liability for accumulated unpaid vacation leave is based upon accumulated days times the current pay rate for each employee. A maximum of 20 days of vacation may be accumulated for full-time staff. Full-time employees also accrue 15 sick days per year and may accumulate a maximum of 220 days. Faculty employees who have completed 15 or more years of continuous full-time service may accumulate a maximum of 305 days. When a staff member retires after minimum years of service with the College, he/she is allowed to apply his/her accrued sick leave days toward service credit for retirement with the State Universities Retirement System (SURS or the System). The College implemented GASB Statement No. 101, *Compensated Absences*, during the fiscal year ended June 30, 2025. A liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Long-Term Obligations

Long-term obligations are reported as liabilities in the applicable financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period incurred.

j. Net Position

The College's net position is classified as follows:

Net Investment in Capital Assets

This represents the College's total investment in capital assets, net of accumulated depreciation and net of the unmatured portion of long-term liabilities issued to construct or purchase the capital assets, as well as any other non-debt capital related liabilities.

Restricted Net Position

This includes resources that the College 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 College's policy to use restricted resources first, then unrestricted resources when they are needed. None of the College's net position is restricted due to enabling legislation adopted by the College.

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

k. Classification of Revenues and Expenses

Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and (3) the federal Pell grant program. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state and local grants and contracts and (4) gifts and contributions. Operating expenses include all direct expenses incurred for education purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Classification of Revenues and Expenses (Continued)

Non-operating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses

Subsidies are (a) resources received from another party or subfund (1) for which the College does not provide goods and services to the other party or subfund and (2) that directly or indirectly keep the College's current or future fees and charges lower than they would be otherwise, (b) resources provided to another party or subfund (1) for which the other party or subfund does not provide goods and services to the College and (2) that are recoverable through the College's current or future pricing policies, and (c) all other transfers.

l. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statement of financial 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

m. Federal Financial Assistance

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study and Federal Family Education Loan programs. Federal programs are audited in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Compliance Supplement.

n. Proportionate Share Revenue and Expense

The College applies the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* whereby the State of Illinois (the State) is responsible for the employer contribution and the total pension liability resulting from a special funding situation. Therefore, for the fiscal years ended June 30, 2026 and 2025, the College has reported its proportionate share of the collective pension expense and revenue for the state's contribution.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Proportionate Share Revenue and Expense (Continued)

In addition, the College 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, for the fiscal years ended June 30, 2026 and 2025, 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.

o. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, including functional allocations, during the reporting period. Actual results could differ from those estimates.

p. Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Such reclassification had no effect on the reported beginning net position.

2. CASH AND INVESTMENTS

ILCS authorizes the College to make deposits/investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, state and local government bonds insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants,* and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

2. CASH AND INVESTMENTS (Continued)

In addition, the College's Board of Trustees has adopted an investment policy which provides further restrictions on the investment of college funds. It is the policy of the College to invest its funds in a manner which will provide market-average rate of return throughout budgetary and economic cycles, taking into account the risk constraints, the cash flow characteristics of the portfolio and legal restrictions for return on investments. The primary objectives of the policy, in order of priority are: safety of principal, liquidity, return on investment, maintaining public trust and local investments.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the College's deposits may not be returned to it. The College's investment policy requires all deposits with financial institutions in excess of federal depository insurance be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default, with collateral held by the Federal Reserve Bank or its branch office or at another facility in a trust or safekeeping department through book-entry at the Federal Reserve. At June 30, 2026 and 2025, the College had deposits of $0 and $72,445, respectively, that were uninsured or uncollateralized.

b. Investments

The College categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. At June 30, 2026 and 2025, there were no investments subject to the fair value measurements requirements of GASB Statement No. 72.

The College also has investments in money market mutual funds. The money market mutual funds are registered with the Securities and Exchange Commission and are reported as a 2a-7 like pool in accordance with GASB Statements No. 72 and 79. The total of these investments at June 30, 2026 and 2025 was $672,867 and $143,897, respectively.

Interest rate risk is the risk that the fair value of securities in the portfolio will fall due to changes in market interest rates. The College's investment policy has a maximum allowable maturity of five years for all allowable investments. As of June 30, 2026 and 2025, the College did not hold any investments subject to interest rate risk.

2. CASH AND INVESTMENTS (Continued)

b. Investments (Continued)

The College limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments in securities allowed under the investment policy. For U.S. agency securities not backed by the full faith and credit and taxing power of the federal government, a credit rating of A or better is required.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the College will not be able to recover some or all of the investment that is in possession of an outside party. The College's investment policy requires all investments to be held by independent third parties, acting as an agent of the College, in the College's name. The College's money market mutual funds are not subject to custodial credit risk. As of June 30, 2026 and 2025, there are no investments exposed to custodial credit risk.

The College's investment policy does address concentration of credit risk.

3. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the College:

- The property tax lien date is January 1;
- The annual tax levy ordinance of 2025 was passed on November 11, 2025 and the annual tax levy ordinance of 2024 was passed on November 12, 2024;
- Property taxes are due to the County Collectors in two installments, approximately June 1 and September 1; and
- The College receives the majority of its distributions in June, July, September and November 2026 and 2025.

Property taxes are recognized as revenue in the year intended to finance, regardless of when collected. The second half of the 2024 levy and the first half of the 2025 levy are recognized as revenue in the 2026 fiscal year. The second half of the 2025 levy is intended to finance the 2026 fiscal year and, accordingly, is reported as deferred revenue. The 2026 tax levy, which attached as an enforceable lien on property as of January 1, 2026, has not been recorded as a receivable as of June 30, 2026 as the tax has not yet been levied and will not be levied until November 2026 and, therefore, the levy is not measurable at June 30, 2026.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026 is as follows:

	Beginning Balances	Increases	Decreases	Transfers In (Out)	Ending Balances
Capital assets not being depreciated					
Land	$ 120,000	$ -	$ -	$ -	$ 120,000
Construction in progress	1,718,918	4,173,562	-	(3,674,709)	2,217,771
Total capital assets not being depreciated	1,838,918	4,173,562	-	(3,674,709)	2,337,771
Capital assets being Depreciated and amortized					
Land improvements	13,811,042	5,390	-	-	13,816,432
Buildings and improvements	101,373,505	546,422	-	3,554,489	105,474,416
Furniture and equipment	15,429,675	702,770	603,657	120,220	15,649,008
Library books	1,818,517	-	-	-	1,818,517
Vehicles	985,327	125,946	64,174	-	1,047,099
Lease assets					
Vehicles	295,110	-	-	-	295,110
Equipment	27,516	139,585	-	-	167,101
Subscription assets	2,918,572	-	-	-	2,918,572
Capital assets being depreciated and amortized	136,659,264	1,520,113	667,831	3,674,709	141,186,255
Less accumulated depreciation and amortization for					
Land improvements	4,107,980	402,776	-	-	4,510,756
Buildings and improvements	52,416,948	3,355,647	-	-	55,772,595
Furniture and equipment	10,619,324	1,065,451	588,287	-	11,096,488
Library books	1,818,516	-	-	-	1,818,516
Vehicles	693,873	81,678	45,492	-	730,059
Lease assets					
Vehicles	177,066	59,022	-	-	236,088
Equipment	15,564	37,618	-	-	53,182
Subscription assets	1,362,902	562,638	-	-	1,925,540
Total accumulated depreciation/amortization for capital assets	71,212,173	5,564,830	633,779	-	76,143,224
Total capital assets being depreciated and amortized, net	65,447,091	(4,044,717)	34,052	3,674,709	65,043,031
CAPITAL ASSETS, NET	$ 67,286,009	$ 128,845	$ 34,052	$ -	$ 67,380,802

4. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2025 is as follows:

	Beginning Balances	Increases	Decreases	Transfers In (Out)	Ending Balances
Capital assets not being depreciated					
Land	$ 120,000	$ -	$ -	$ -	$ 120,000
Construction in progress	156,292	1,771,015	-	(208,389)	1,718,918
Total capital assets not being depreciated	276,292	1,771,015	-	(208,389)	1,838,918
Capital assets being Depreciated and amortized					
Land improvements	13,755,042	56,000	-	-	13,811,042
Buildings and improvements	101,366,959	14,546	8,000	-	101,373,505
Furniture and equipment	14,806,936	925,234	510,884	208,389	15,429,675
Library books	1,818,517	-	-	-	1,818,517
Vehicles	896,574	110,196	21,443	-	985,327
Lease assets					
Vehicles	295,110	-	-	-	295,110
Equipment	27,516	-	-	-	27,516
Subscription assets	2,655,488	275,873	12,789	-	2,918,572
Capital assets being depreciated and amortized	135,622,142	1,381,849	553,116	208,389	136,659,264
Less accumulated depreciation and amortization for					
Land improvements	3,705,388	402,592	-	-	4,107,980
Buildings and improvements	49,146,823	3,278,125	8,000	-	52,416,948
Furniture and equipment	10,021,962	1,097,287	499,925	-	10,619,324
Library books	1,818,516	-	-	-	1,818,516
Vehicles	630,109	85,207	21,443	-	693,873
Lease assets					
Vehicles	118,044	59,022	-	-	177,066
Equipment	10,158	5,406	-	-	15,564
Subscription assets	840,209	535,482	12,789	-	1,362,902
Total accumulated depreciation/ amortization for capital assets	66,291,209	5,463,121	542,157	-	71,212,173
Total capital assets being depreciated and amortized, net	69,330,933	(4,081,272)	10,959	208,389	65,447,091
CAPITAL ASSETS, NET	$ 69,607,225	$(2,310,257)	$ 10,959	$ -	$ 67,286,009

5. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2026 is as follows:

	Balances July 1, 2025	Issuance	Repayment	Balances June 30, 2026	Current Portion
Accrued compensated absences*	$ 1,034,145	$ 78,177	$ -	$ 1,112,322	$ 166,848
Early retirement incentive	-	37,348	-	37,348	37,348
OPEB liability - CIP plan	4,185,882	157,570	-	4,343,452	129,166
OPEB liability - College plan	260,237	-	260,237	-	-
Lease payable	134,852	139,585	97,090	177,347	99,123
SBITA payable	1,557,327	-	521,848	1,035,479	556,036
General Obligation Bonds, Series 2014	215,000	-	165,000	50,000	50,000
General Obligation Bonds, Series 2020	37,945,000	-	2,650,000	35,295,000	2,775,000
General Obligation Bonds, Series 2022	8,230,000	-	725,000	7,505,000	890,000
Bond premiums/discount	10,163	-	6,419	3,744	3,744
TOTAL	$ 53,572,606	$ 412,680	$ 4,425,594	$ 49,559,692	$ 4,707,265

*The amount displayed as additions or reductions represents the net change in the liability.

Changes in long-term debt for the year ended June 30, 2025 is as follows:

	Balances July 1, 2024	Issuance	Repayment	Balances June 30, 2025	Current Portion
Accrued compensated absences*	$ 951,994	$ 82,151	$ -	$ 1,034,145	$ 155,122
OPEB liability - CIP plan	4,388,146	-	202,264	4,185,882	100,678
OPEB liability - College plan	314,053	-	53,816	260,237	208,030
Lease payable	199,217	-	64,365	134,852	65,905
SBITA payable	1,911,443	117,802	471,918	1,557,327	521,847
General Obligation Bonds, Series 2014	360,000	-	145,000	215,000	165,000
General Obligation Bonds, Series 2020	40,610,000	-	2,665,000	37,945,000	2,650,000
General Obligation Bonds, Series 2022	8,790,000	-	560,000	8,230,000	725,000
Bond premiums/discount	16,581	-	6,418	10,163	6,418
TOTAL	$ 57,541,434	$ 199,953	$ 4,168,781	$ 53,572,606	$ 4,598,000

*The amount displayed as additions or reductions represents the net change in the liability.

5. LONG-TERM DEBT (Continued)

General Obligation Bonds

The College issues general obligation bonds to finance various capital improvements. General Obligation Bonds at June 30, 2026 are comprised of the following:

$1,360,000 General Obligation Bonds, Series 2014, dated March 5, 2014. The bonds are payable in annual installments of $50,000 to $165,000 from February 1, 2016 to February 1, 2027. Interest is payable semiannually each February 1 and August 1 at rates from 2.00% to 4.25%.

$48,505,000 General Obligation Bonds, Series 2020, dated March 4, 2020. The bonds are payable in annual installments of $2,520,000 to $5,580,000 from February 1, 2022 to February 1, 2036. Interest is payable semiannually each February 1 and August 1 at rates from 1.83% to 3.02%.

$9,315,000 General Obligation Refunding Bonds, Series 2022, dated November 8, 2022. The bonds are payable in annual installments of $135,000 to $1,715,000 from February 1, 2023 to February 1, 2033. Interest is payable semiannually each February 1 and August 1 at rates of 2.70%.

Debt service to maturity on these issues is as follows:

Fiscal Year	General Obligation Bonds		
	Principal	Interest	Total
2027	$ 3,715,000	$ 1,159,846	$ 4,874,846
2028	3,900,000	1,070,892	4,970,892
2029	4,100,000	974,137	5,074,137
2030	4,300,000	870,559	5,170,559
2031	4,515,000	760,912	5,275,912
2032	4,740,000	641,923	5,381,923
2033	4,975,000	512,395	5,487,395
2034	5,315,000	373,277	5,688,277
2035	5,580,000	217,707	5,797,707
2036	1,710,000	51,591	1,761,591
TOTAL	$ 42,850,000	$ 6,633,239	$ 49,483,239

The College is subject to a debt limitation of 2.875% of its assessed valuation of $4,133,403,860. As of June 30, 2026, the College had $75,985,361 remaining legal debt margin.

5. LONG-TERM DEBT (Continued)

Leases

In accordance with GASB Statement No. 87, *Leases,* the College's lease activity is as follows:

The College entered into a lease for the right-to-use two vehicles. The lease is payable in monthly principal and interest installments of $5,220. The lease period is through June 30, 2027. The total intangible right-to-use asset acquired under this lease was $295,110. There were no variable payments being paid that are not part of the lease payable. During the fiscal year ended June 30, 2026, the College paid $60,400 in principal towards the lease and recognized amortization expense of $59,022. During the fiscal year ended June 30, 2025, the College paid $58,989 in principal towards the lease and recognized amortization expense of $59,022.

The College entered into a lease for the right-to-use equipment. The lease is payable in monthly principal and interest installments of $306. The lease period is through August 14, 2027. The total intangible right-to-use asset acquired under this lease was $17,294. There were no variable payments being paid that are not part of the lease payable. During the fiscal year ended June 30, 2026, the College paid $3,526 in principal towards the lease and recognized amortization expense of $3,459. During the fiscal year ended June 30, 2025, the College paid $3,443 in principal towards the lease and recognized amortization expense of $3,459.

The College entered into a lease for the right-to-use furniture and equipment. The lease is payable in monthly principal and interest installments of $173. The lease period is through November 14, 2027. The total intangible right-to-use asset acquired under this lease was $10,222. There were no variable payments being paid that are not part of the lease payable. During the fiscal year ended June 30, 2026, the College paid $1,979 in principal towards the lease and recognized amortization expense of $1,947. During the fiscal year ended June 30, 2025, the College paid $1,933 in principal towards the lease and recognized amortization expense of $1,947.

The College entered into a lease for the right-to-use equipment. The lease is payable in monthly principal and interest installments of $2,819. The lease period is through October 31, 2029. The total intangible right-to-use asset acquired under this lease was $139,585. There were no variable payments being paid that are not part of the lease payable. During the fiscal year ended June 30, 2026, the College paid $31,185 in principal towards the lease and recognized amortization expense of $32,212.

5. LONG-TERM DEBT (Continued)

Leases (Continued)

The following schedule reflects the College's future obligations under the lease payable:

Fiscal Year Ending June 30,	Leases	
	Principal	Interest
2027	$ 99,123	$ 3,089
2028	33,854	1,450
2029	33,149	680
2030	11,221	54
TOTAL	$ 177,347	$ 5,273

Subscription-Based Information Technology Arrangements

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA),* the College's SBITA activity is as follows:

The College entered into a SBITA for the right-to-use their enterprise resource planning software on October 1, 2022. The SBITA is payable in monthly principal and interest installments ranging from $32,698 to $37,906. The SBITA period is through June 30, 2028. The total intangible right-to-use asset acquired under this SBITA was $2,217,947. During the fiscal year ended June 30, 2026, the College paid $392,792 in principal towards the SBITA and recognized amortization expense of $385,730. During the fiscal year ended June 30, 2025, the College paid $367,675 in principal towards the SBITA and recognized amortization expense of $385,730.

The College entered into a SBITA for the right-to-use marketing software on July 1, 2022. The SBITA is payable in monthly principal and interest installments of $367. The SBITA period expired during the fiscal year ended June 30, 2025. There was no activity for this SBITA during the fiscal year ended June 30, 2026. During the fiscal year ended June 30, 2025, the College paid $4,348 in principal towards the SBITA and recognized amortization expense of $4,263.

The College entered into a SBITA for the right-to-use online instruction software on August 28, 2017, and then subsequently entered into a new contract with the same vendor that commenced on August 28, 2022. The SBITA is payable in monthly principal and interest installments ranging from $6,801 to $8,266. The SBITA period is through July 28, 2027. The total intangible right-to-use asset acquired under this SBITA was $424,752. During the fiscal year ended June 30, 2026, the College paid $90,410 in principal towards the SBITA and recognized amortization expense of $84,950.

5. LONG-TERM DEBT (Continued)

Subscription-Based Information Technology Arrangements (Continued)

During the fiscal year ended June 30, 2025, the College paid $83,874 in principal towards the SBITA and recognized amortization expense of $84,950.

The College entered into a SBITA for the right-to-use cyber security software on February 7, 2025. The SBITA is payable in monthly principal and interest installments of $3,386. The SBITA period is through February 6, 2028. The total intangible right-to-use asset acquired under this SBITA was $117,802. During the fiscal year ended June 30, 2026, the College paid $38,646 in principal towards the SBITA and recognized amortization expense of $15,660. During the fiscal year ended June 30, 2025, the College paid $16,021 in principal towards the SBITA and recognized amortization expense of $39,267.

The College entered into a SBITA for the right-to-use academic and event scheduling software on July 31, 2024, prepaying for three years of software as a service upfront. The SBITA period is through July 30, 2027. The total intangible right-to-use asset acquired under this SBITA was $137,551. During the fiscal year ended June 30, 2026, the College recognized amortization expense of $45,850. During the fiscal year ended June 30, 2025, the College recognized amortization expense of $42,029.

The College entered into a SBITA for the right-to-use online instruction software on February 1, 2025, prepaying for three years of software as a service upfront. The SBITA period is through January 31, 2028. The total intangible right-to-use asset acquired under this SBITA was $20,520. During the fiscal year ended June 30, 2026, the recognized amortization expense of $6,840. During the fiscal year ended June 30, 2025, the recognized amortization expense of $2,850.

The following schedule reflects the College's future obligations under the SBITA payable:

Fiscal Year Ending June 30,	SBITA	
	Principal	Interest
2027	$ 556,036	$ 25,022
2028	479,443	7,397
TOTAL	$ 1,035,479	$ 32,419

5. LONG-TERM DEBT (Continued)

Early Retirement Incentive

In 2026, the College began offering an early retirement incentive to certain employees opting to retire as part of the Kishwaukee College Voluntary Retirement Incentive Program that are intending to retire on or before June 30, 2030. Faculty members who intend to retire on or before June 30, 2030, and who voluntarily submit their written irrevocable notice of intent to retire to the Human Resources Office no later than August 30, 2026, shall receive a one-time non-SURS eligible retirement incentive bonus equal to 10% of their base salary, payable on the final payroll of September 2026, following submission of the required notice. As of June 30, 2026, the College had one employee exercise the option resulting in a $37,348 liability at the fiscal year end.

6. RETIREMENT COMMITMENTS

Plan Description

The College contributes to the SURS, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the state makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations and certain other state educational and scientific agencies and for survivors, dependents and other beneficiaries of such employees. SURS is considered a component unit of the state's 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 ILCS. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011 and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2025 can be found in SURS' annual comprehensive financial report notes to financial statements.

6. RETIREMENT COMMITMENTS (Continued)

Contributions

The state is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of SURS to reach 90% of the total actuarial accrued liability by the end of fiscal year 2045. Employer contributions from trust, federal and other funds are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal years 2026 and 2025 was 11.88% and 11.98%, respectively, of covered 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% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of affected annuitants or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

Funding Policy

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

Net Pension Liability

At June 30, 2025 and 2024, SURS reported a net pension liability of $30,189,465,491 and $30,230,907,727, respectively. The net pension liability was measured as of June 30, 2025 and 2024.

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

a. Pension Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the College is $0. The proportionate share of the state's net pension liability associated with the College is $90,159,329 or 0.2986% as of June 30, 2025 and $88,744,946 or 0.2936% as of June 30, 2024. This amount is not recognized in the financial statement due to the special funding situation. The net pension liability was measured as of June 30, 2025 and 2024 and the total pension used to calculate the net pension liability was determined based on the June 30, 2024 and 2023 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal years 2025 and 2024.

Pension Expense

At June 30, 2025 and 2024, SURS reported a collective net pension expense of $2,310,98,134 and $1,996,285,670, respectively.

Employer Proportionate Share of Pension Expense

The College's proportionate share of collective net pension expense is recognized as both revenue and matching expense in the 2026 and 2025 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 years 2025 and 2024. As a result, the College recognized revenue and pension expense of $6,899,291 and $5,860,236 for the fiscal years ended June 30, 2026 and 2025, respectively.

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

Deferred outflows of resources are the consumption of net assets by the College that is applicable to future reporting periods. The College paid $85,917 in federal, trust or grant contributions for the fiscal year ended June 30, 2026 and $93,246 for the year ended June 30, 2025. These contributions were made subsequent to the pension liability measurement date of June 30, 2025 and 2024 and are recognized as deferred outflows of resources as of June 30, 2026 and 2025.

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs

Actuarial Assumptions

2025

Actuarial assumptions. The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period from June 30, 2020 through June 30, 2023. The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.15% to 15.00%, including inflation
Investment rate of return	6.50%

2024

Actuarial assumptions. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period from June 30, 2020 through June 30, 2023. The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.15% to 15.00%, including inflation
Investment rate of return	6.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

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, 2025 and 2024, these best estimates are summarized in the following table:

2025		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	35.00%	7.03%
Stabilized Growth		
Core Real Assets	8.00%	5.74%
Public Credit Fixed Income	4.00%	4.46%
Private Credit	5.00%	7.36%
Non-Traditional Growth		
Private Equity	11.00%	11.02%
Non-Core Real Assets	5.00%	9.69%
Inflation Sensitive		
U.S. TIPS	5.00%	2.52%
Principal Protection		
Core Fixed Income	10.00%	1.94%
Crisis Risk Offset		
Systematic Trend Following	10.00%	3.19%
Alternative Risk Premia	3.00%	3.32%
Long Duration	2.00%	3.64%
Long Volatility/Tail Risk	2.00%	(0.83)%
Total	100.00%	5.96%
Inflation		2.70%
EXPECTED ARITHMETIC RETURN		8.66%

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

2024		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	36.00%	7.13%
Stabilized Growth		
Core Real Assets	8.00%	5.06%
Public Credit Fixed Income	6.50%	4.10%
Private Credit	2.50%	7.36%
Non-Traditional Growth		
Private Equity	11.00%	10.92%
Non-Core Real Assets	4.00%	9.09%
Inflation Sensitive		
U.S. TIPS	5.00%	2.12%
Principal Protection		
Core Fixed Income	10.00%	1.34%
Crisis Risk Offset		
Systematic Trend Following	10.00%	2.90%
Alternative Risk Premia	3.00%	2.62%
Long Duration	2.00%	2.84%
Long Volatility/Tail Risk	2.00%	(1.22)%
Total	100.00%	5.63%
Inflation		2.80%
EXPECTED ARITHMETIC RETURN		8.43%

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

2026

Discount Rate

A single discount rate of 6.44% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 5.20% (based on the Fidelity 20-Year Municipal GO AA Index as of June 26, 2025). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of SURS' Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.44% for 2026, 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 (5.44%) or 1 percentage point higher (7.44%):

	1% Decrease (5.44%)	Current Single Discount Rate Assumption (6.44%)	1% Increase (7.44%)
Net pension liability	$ 36,671,124,346	$ 30,189,465,491	$ 24,780,916,510

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

2025

Discount Rate

A single discount rate of 6.35% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 3.97% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2024). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of SURS' Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.35% for 2025, 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 (5.35%) or 1 percentage point higher (7.35%):

	1% Decrease (5.35%)	Current Single Discount Rate Assumption (6.35%)	1% Increase (7.35%)
Net pension liability	$ 36,700,168,358	$ 30,230,907,727	$ 24,839,790,537

6. RETIREMENT COMMITMENTS (Continued)

Defined Contribution Pension Plan

2025

a. Plan Description

The College contributes to the Retirement Savings Plan (RSP) administered by the SURS, a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is governed by Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

b. Benefits Provided

A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2025, can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

c. Contributions

All employees who have elected to participate in the RSP are required to contribute 8% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.60% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.60% contribution for employee earnings paid from "trust, federal and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

6. RETIREMENT COMMITMENTS (Continued)

Defined Contribution Pension Plan (Continued)

2025 (Continued)

d. Forfeitures

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

e. Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense

For the year ended June 30, 2025, the State's contributions to the RSP on behalf of individual employers totaled $102,230,299. Of this amount, $95,404,445 was funded via an appropriation from the State and $6,825,854 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2025. The College's share of pensionable contributions was 0.1922%. As a result, the College recognized revenue and defined contribution pension expense of $196,536 from this special funding situation during the year ended June 30, 2026, of which $13,123 constituted forfeitures.

6. RETIREMENT COMMITMENTS (Continued)

Defined Contribution Pension Plan (Continued)

2024

a. Plan Description

The College contributes to the Retirement Savings Plan (RSP) administered by the SURS, a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is governed by Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

b. Benefits Provided

A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2024, can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

c. Contributions

All employees who have elected to participate in the RSP are required to contribute 8% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.60% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.60% contribution for employee earnings paid from "trust, federal and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

6. RETIREMENT COMMITMENTS (Continued)

Defined Contribution Pension Plan (Continued)

2024 (Continued)

d. Forfeitures

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

e. Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense

For the year ended June 30, 2024, the State's contributions to the RSP on behalf of individual employers totaled $96,741,887. Of this amount, $89,857,115 was funded via an appropriation from the State and $6,884,772 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2024. The College's share of pensionable contributions was 0.1731%. As a result, the College recognized revenue and defined contribution pension expense of $167,505 from this special funding situation during the year ended June 30, 2025, of which $11,921 constituted forfeitures.

7. RETIREE HEALTH PLAN

The table below is a summary for all Other Postemployment Benefit (OPEB) plans of the College as of and for the year ended June 30, 2026:

	College Health Insurance Program (CIP)	College Other Postemployment Benefit Program (OPEB)	Total
OPEB liability	$ 4,343,452	$ -	$ 4,343,452
Deferred outflows of resources	870,650	-	870,650
Deferred inflows of resources	3,577,094	-	3,577,094
OPEB expense (income)	(1,825,662)	(289,937)	(2,115,599)

Plan Description

In addition to the pension plan described previously, the College 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 0.50% of covered payroll and every community college district to contribute 0.50% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State to contribute 0.75% of estimated covered payroll directly to the plan.

The following disclosures are in accordance with GASB Statement No, 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* 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.

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

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

2026

At June 30, 2026, the College reported a liability of $4,343,452 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of $4,343,452 resulting in a total OPEB liability associated with the College of $8,686,904. The OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation performed as of June 30, 2024 rolled forward to June 30, 2025. The College's proportion of the OPEB liability was based on the College's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the state, statutorily determined. At June 30, 2025 and 2024, the College's proportions were 0.6548% and 0.6293%, respectively.

For the year ended June 30, 2026, the College recognized OPEB expense of $(1,825,662) and revenue of $(1,825,662) for support provided by the state. At June 30, 2026, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 329,720	$ 838,562
Changes in assumption	25,594	2,365,191
Changes in proportionate share and differences between college contributions and proportionate share of contributions	378,585	370,944
Contributions made after the measurement date	136,751	-
Net difference between projected and actual earnings on OPEB plan investments	-	2,397
TOTAL	$ 870,650	$ 3,577,094

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2026 (Continued)

The deferred outflows of resources related to OPEB resulting from the College's contribution subsequent to the measurement date, reported at $136,751, will be recognized as a reduction of the OPEB liability for the fiscal year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Year Ending June 30,	
2027	$ (473,865)
2028	(473,865)
2029	(473,865)
2030	(473,865)
2031	(473,865)
Thereafter	(473,870)
TOTAL	$ (2,843,195)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions	
Inflation	2.25%
Salary increases	3.15% to 15.00%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% trending to 4.25% for non-Medicare; actual premium insurances trending to 4.25% for MAPD
Asset valuation method	Fair value

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2026 (Continued)

Mortality rates for retirement and beneficiary annuitants were based on the Pub-2010 Healthy Retiree Mortality Table and PubT-2010 Healthy Retiree Mortality Table. For disabled annuitants, mortality rates were based on the Pub-2010 Disabled Retiree Mortality Table. Mortality rates for pre-retirement were based on the Pub-2010 Employee Mortality Table and PubT-2010 Employee Mortality Table were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2021. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period June 30, 2020 to June 30, 2023.

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 5.20% as of June 30, 2025 and 3.97% as of June 30, 2024.

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 College calculated using the discount rate of 5.20% as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.20%) or 1 percentage point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
OPEB liability	$ 4,726,575	$ 4,343,452	$ 4,013,920

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2026 (Continued)

Rate Sensitivity (Continued)

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2026 decreasing to an ultimate trend rate of 4.25% in 2042 for CCHP and MC coverage, and actual premium increases in 2026 decreasing to an ultimate trend rate of 4.25% in 2042 for MAPD coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	$ 3,932,572	$ 4,343,452	$ 4,835,871

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

2025

At June 30, 2025, the College reported a liability of $4,185,882 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of $4,185,882 resulting in a total OPEB liability associated with the College of $8,371,764. The OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to June 30, 2024. The College's proportion of the OPEB liability was based on the College's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the state, statutorily determined. At June 30, 2024 and 2023, the College's proportions were 0.6293% and 0.6213%, respectively.

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2025 (Continued)

For the year ended June 30, 2025, the College recognized OPEB expense of $(2,055,031) and revenue of $(2,055,031) for support provided by the state. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 53,067	$ 1,261,186
Changes in assumption	30,952	3,041,296
Changes in proportionate share and differences between college contributions and proportionate share of contributions	110,756	702,955
Contributions made after the measurement date	123,061	-
Net difference between projected and actual earnings on OPEB plan investments	-	2,075
TOTAL	$ 317,836	$ 5,007,512

The deferred outflows of resources related to OPEB resulting from the College's contribution subsequent to the measurement date, reported at $123,061, will be recognized as a reduction of the OPEB liability for the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Year Ending June 30,	
2026	$ (802,123)
2027	(802,123)
2028	(802,123)
2029	(802,123)
2030	(802,123)
Thereafter	(802,122)
TOTAL	$ (4,812,737)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2025 (Continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions	
Inflation	2.25%
Salary increases	3.00% to 12.75%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% trending to 4.25% for non-Medicare; 15.00% trending to 4.25% for MAPD
Asset valuation method	Fair value

Mortality rates for retirement and beneficiary annuitants were based on the Pub-2010 Healthy Retiree Mortality Table and PubT-2010 Healthy Retiree Mortality Table. For disabled annuitants, mortality rates were based on the Pub-2010 Disabled Retiree Mortality Table. Mortality rates for pre-retirement were based on the Pub-2010 Employee Mortality Table and PubT-2010 Employee Mortality Table were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2021.

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 3.97% as of June 30, 2024 and 3.86% as of June 30, 2023.

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2025 (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 College calculated using the discount rate of 3.97% as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.97%) or 1 percentage point higher (4.97%) than the current rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
OPEB liability	$ 4,571,132	$ 4,185,882	$ 3,852,653

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2025 decreasing to an ultimate trend rate of 4.25% in 2040 for CCHP and MC coverage, and 15.00% in 2025 decreasing to an ultimate trend rate of 4.25% in 2040 for MAPD coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	$ 3,759,345	$ 4,185,882	$ 4,698,542

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

8. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension plan described previously, the College provides OPEB for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the College and can be amended by the College through its personnel manual and employment contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the College's government-wide activities.

Benefits Provided

The College provides continued medical, prescription drug and dental coverage to certain eligible employees which creates an explicit subsidy to the College. The College paid $0 and $208,030 for the years ended June 30, 2026 and 2025, respectively.

2026

Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JULY 1, 2025	$ 260,237
Changes for the period	
Service cost	-
Interest	12,518
Difference between expected and actual experience	-
Changes in assumptions	-
Change of benefit terms	(272,755)
Benefit payments	-
Other changes	-
Net changes	(260,237)
BALANCES AT JUNE 30, 2026	$ -

There were benefit changes recognized in the total OPEB liability as of June 30, 2026 related to KCEA employees electing lump-sum payments at retirement. As a result, the plan no longer qualifies as other postemployment benefits (OPEB) in accordance with GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

2025

Membership

At June 30, 2025, membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	22
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	107
TOTAL	129

Total OPEB Liability

The College's total OPEB liability of $260,237 was measured as of June 30, 2025 and based upon an actuarial valuation performed as of the same date.

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2025, as determined by an actuarial valuation as of that date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Fair value
Inflation	3.00%
Salary increases	4.00%
Discount rate	4.81%
Healthcare cost trend rates	7.00% Initial 4.50% Ultimate

Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the S&P Municipal Bond 20 Year High-Grade Index as of June 30, 2025.

Mortality rates were based on the PubG.H-2010(B) Mortality Table - General with mortality improvement using MP-2020 for males and females.

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

2025 (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JULY 1, 2024	$ 314,053
Changes for the period	
Service cost	3,061
Interest	8,843
Difference between expected and actual experience	139,919
Changes in assumptions	2,391
Change of benefit terms	-
Benefit payments	(208,030)
Other changes	-
Net changes	(53,816)
BALANCES AT JUNE 30, 2025	$ 260,237

Changes in assumptions related to the discount rate, rates of retirement, rates of withdrawal and rates of disability were made since the previous measurement date.

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the College calculated using the discount rate of 4.81% as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.81%) or 1 percentage point higher (5.81%) than the current rate:

	1% Decrease (3.81%)	Current Discount Rate (4.81%)	1% Increase (5.81%)
Total OPEB liability	$ 264,666	$ 260,237	$ 256,077

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

2025 (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The table below presents the total OPEB liability of the College calculated using the healthcare rate of 4.50% to 7.00% as well as what the College's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 6.00%) or 1 percentage point higher (5.50% to 8.00%) than the current rate:

	1% Decrease (3.50% to 6.00%)	Current Healthcare Rate (4.50% to 7.00%)	1% Increase (5.50% to 8.00%)
Total OPEB liability	$ 255,773	$ 260,237	$ 265,159

For the year ended June 30, 2025, the College recognized OPEB expense (income) of $(83,883). At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 110,484	$ 10,714
Changes in assumptions	5,523	52,609
TOTAL	$ 116,007	$ 63,323

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30,	
2026	$ (29,700)
2027	29,887
2028	29,938
2029	22,559
2030	-
Thereafter	-
TOTAL	$ 52,684

9. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health insurance; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and employee health is insured through the Community College Health Care Consortium (Consortium). On January 1, 2022, the College joined the Consortium which provides employees insurance coverage for medical and prescription drugs. The College pays the Consortium a monthly premium based on the number of participants and the type of coverage that has been elected. The College currently allocates all expenses associated with the employee health plans to each of the College's individual departments.

Settlements have not exceeded coverage in any of the prior three years.

10. CONTINGENCIES AND COMMITMENTS

a. Grants Received and Receivable

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

b. Litigation

The College is a defendant and plaintiff in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the College's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the College.

11. NEW ACCOUNTING POLICY

GASB Statement No. 103, Financial Reporting Model Improvements

For the fiscal years ended June 30, 2026 and 2025, the College adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The Statement updates certain financial reporting model requirements, including provisions related to the presentation of unusual or infrequent items, proprietary fund operating and nonoperating revenues and expenses, and management's discussion and analysis. As a result of implementing the Statement, the presentation of the Statement of Revenues, Expenses, and Changes in Net Position and the management's discussion and analysis were modified to conform to the new reporting requirements.

12. DISCRETELY PRESENTED COMPONENT UNIT

The financial statements of the Kishwaukee College Foundation (the Foundation) are presented in accordance with accounting principles generally accepted in the United States of America as set forth by the Financial Accounting Standards Board (FASB), as applied to not-for-profit foundations (hereinafter referred to as generally accepted accounting principles (GAAP)). The Foundation is exempt from federal income taxes pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Service. The following is a summary of the significant accounting policies of the Foundation.

a. Basis of Presentation

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by actions of the Board of Directors or may otherwise be limited by contractual agreement with outside parties. Board designated assets as of June 30, 2026 and 2025 were $35,000 and $35,000 respectively, for the endowment.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of the Foundation pursuant to those restrictions or maintained in perpetuity by the Foundation.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

b. Cash and Cash Equivalents

All highly liquid investments with an original maturity of three months or less when purchased are deemed cash equivalents.

The Foundation maintains its cash and cash equivalents in financial institutions, which at times may exceed federally insured limits. At June 30, 2026 and 2025, the Foundation's accounts did not exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

c. Pledges Receivable

Pledges receivable are unconditional promises to give and are carried at the net present value of original pledged amounts less an estimate made for uncollectible pledges based on a review of all outstanding amounts on a monthly basis. The present value discounts on those amounts are computed using risk adjusted rates applicable to the years in which the promises were received. Management determines the allowance for uncollectible pledges by regularly evaluating individual receivables and considering a donor's financial condition and current economic conditions.

Pledges receivable are written off when deemed uncollectible. Recoveries of pledges receivable previously written off are recorded as revenue when received.

d. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value on the statement of financial position. The realized and unrealized gain or loss on investments is reflected on the statement of activities. Investment return is reported net external and direct internal investment expenses.

e. Revenue Recognition

Contributions

The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give - that is, those with a measure performance or other barrier and a right to return - are not recognized until the conditions on which they depend have been met.

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

e. Revenue Recognition (Continued)

Sponsorship and Fundraising Event Revenue

The portion of sponsorship revenue and ticket sales that relates to the commensurate value the sponsor and attendee receives in return is recognized when the related events are held, and performance obligations are met. Sponsorship revenue and ticket sales received in advance of the event are reported as deferred revenue on the statement of financial position.

f. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged when feasible. Costs that cannot be directly charged (salaries and wages) are allocated based on time and effort.

g. Income Taxes

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

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

i. Prior Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

REQUIRED SUPPLEMENTARY INFORMATION

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS

Last Ten Fiscal Years

MEASUREMENT DATE JUNE 30,	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
(a) Proportion percentage of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b) Proportion amount of the collective net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(c) Portion of non-employer contribution entities' total proportion of collective net pension liability associated with employer	95,671,732	87,349,231	93,728,944	96,212,238	97,484,435	90,600,167	88,411,532	87,302,761	88,744,946	90,159,329
Total (b) + (c)	$ 95,671,732	$ 87,349,231	$ 93,728,944	$ 96,212,238	$ 97,484,435	$ 90,600,167	$ 88,411,532	$ 87,302,761	$ 88,744,946	$ 90,159,329
Employer covered payroll	$ 13,350,191	$ 12,141,386	$ 12,221,263	$ 12,150,833	$ 11,841,075	$ 11,366,663	$ 11,340,239	$ 11,763,237	$ 12,883,617	$ 13,856,949
Proportion of collective net pension liability associated with employer as a percentage of covered payroll	716.63%	719.43%	766.93%	791.82%	823.27%	797.07%	779.63%	742.17%	688.82%	650.64%
SURS plan net position as a percentage of total pension liability	39.57%	42.04%	41.27%	40.71%	39.05%	45.45%	43.65%	44.06%	44.60%	44.60%

FISCAL YEAR ENDED JUNE 30,	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
KISHWAUKEE COLLEGE - DISTRICT NUMBER 523										
Federal, trust, grant and other contribution	$ 63,136	$ 85,086	$ 89,491	$ 120,259	$ 85,682	$ 89,267	$ 108,505	$ 87,953	$ 93,246	$ 85,917
Contribution in relation to required contribution	63,136	85,086	89,491	120,259	85,682	89,267	108,505	87,953	93,246	85,917
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer covered payroll	$ 12,141,386	$ 12,221,263	$ 12,150,833	$ 11,841,075	$ 11,366,663	$ 11,340,239	$ 11,763,237	$ 12,883,617	$ 13,856,949	$ 14,353,483
Contributions as a percentage of covered payroll	0.52%	0.70%	0.74%	1.02%	0.75%	0.79%	0.92%	0.68%	0.67%	0.60%

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY AND SCHEDULE OF CONTRIBUTIONS
COLLEGE INSURANCE PLAN

Last Nine Fiscal Years

MEASUREMENT DATE JUNE 30,	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
College's proportion of the net OPEB liability	0.7106%	0.7219%	0.7147%	0.6773%	0.6454%	0.6356%	0.6213%	0.6239%	0.6548%
College's proportionate share of the net OPEB liability	$ 12,959,662	$ 13,610,359	$ 13,497,316	$ 12,346,250	$ 11,200,835	$ 4,351,172	$ 4,388,146	$ 4,185,882	$ 4,343,452
Portion of the state's total proportion of net OPEB liability associated with the College	12,959,662	13,610,359	13,497,316	12,346,250	11,200,835	4,351,172	4,388,146	4,185,882	4,343,452
TOTAL	$ 25,919,324	$ 27,220,718	$ 26,994,632	$ 24,692,500	$ 22,401,670	$ 8,702,344	$ 8,776,292	$ 8,371,764	$ 8,686,904
College covered payroll	$ 12,141,386	$ 12,221,263	$ 12,150,833	$ 11,841,075	$ 11,366,663	$ 11,340,239	$ 11,763,237	$ 12,883,617	$ 13,856,949
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	213.48%	222.73%	222.16%	208.53%	197.08%	76.74%	74.61%	64.98%	62.69%
CIP plan net position as a percentage of total OPEB liability	(2.87%)	(3.54%)	(4.13%)	(5.07%)	(6.38%)	(22.03%)	(17.87%)	(18.45%)	(17.63%)

FISCAL YEAR ENDED JUNE 30,	2018	2019	2020	2021	2022	2023	2024	2024	2025
Statutorily required contribution	$ 62,567	$ 63,651	$ 62,602	$ 59,460	$ 59,981	$ 60,978	$ 100,050	$ 123,061	$ 136,751
Contribution in relation to the statutorily required contribution	62,567	63,651	62,602	59,460	59,981	60,978	100,050	123,061	136,751
CONTRIBUTION EXCESS (Deficiency)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 12,221,263	$ 12,150,833	$ 11,841,075	$ 11,366,663	$ 11,340,239	$ 11,763,237	$ 12,883,617	$ 13,856,949	$ 14,353,483
Contributions as a percentage of covered payroll	0.51%	0.52%	0.53%	0.52%	0.53%	0.52%	0.78%	0.89%	0.95%

The College implemented GASB No. 75 in fiscal year 2018. Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

Notes to Required Supplementary Information

Changes of benefit terms - There were benefit changes recognized in the total OPEB liability as of June 30, 2025 related to Public Act 103-0548 allows members, including part-time employees, to accrue a month of service if the member made any contribution to SURS during the month.

Changes in assumptions -
2017: The discount rate changed from 2.85% at June 30, 2016 to 3.56% at June 30, 2017.
2018: The discount rate changed from 3.56% at June 30, 2017 to 3.62% at June 30, 2018.
2019: The discount rate changed from 3.62% at June 30, 2018 to 3.13% at June 30, 2019.
2020: The discount rate changed from 3.13% at June 30, 2019 to 2.45% at June 30, 2020.
2021: The discount rate changed from 2.45% at June 30, 2020 to 1.92% at June 30, 2021.
2022: The discount rate changed from 1.92% at June 30, 2021 to 3.69% at June 30, 2022.
2023: The discount rate changed from 3.69% at June 30, 2022 to 3.86% at June 30, 2023. Additionally, there were changes in the healthcare trend assumption and per capita claim costs.
2024: The discount rate changed from 3.86% at June 30, 2023 to 3.97% at June 30, 2024. Additionally, there were changes in the per capita claim costs, healthcare trend assumption and participation rates.
2025: The discount rate changed from 3.97% at June 30, 2024 to 5.20% at June 30, 2025. Additionally, there were changes in the following assumptions: per capita claim costs, healthcare trends, salary scale, rates of retirement, rates of termination, rates of disability, and mortality tables.

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Nine Fiscal Years

MEASUREMENT DATE JUNE 30,	2018	2019	2020	2021	2022	2023	2024	2025	2026
TOTAL OPEB LIABILITY									
Service cost	$ 10,829	$ 12,201	$ 13,305	$ 5,531	$ 6,358	$ 2,217	$ 2,945	$ 3,061	$ -
Interest	90,773	91,714	70,291	59,109	29,944	41,406	16,113	8,843	12,518
Changes of benefit terms	-	-	-	(225,818)	-	-	-	-	(272,755)
Difference between expected and actual experience	-	9,998	-	(87,324)	-	(75,007)	-	139,919	-
Changes in assumptions	(44,375)	162,882	46,152	(157,432)	(30,705)	(334,598)	(416)	2,391	-
Benefit payments	(426,604)	(496,757)	(381,204)	(474,682)	(410,564)	(323,011)	(189,478)	(208,030)	-
Other changes	70,737	7,698	947	-	-	-	-	-	-
Net change in total OPEB liability	(298,640)	(212,264)	(250,509)	(880,616)	(404,967)	(688,993)	(170,836)	(53,816)	(260,237)
Total OPEB liability - beginning	3,220,878	2,922,238	2,709,974	2,459,465	1,578,849	1,173,882	484,889	314,053	260,237
TOTAL OPEB LIABILITY - ENDING	$ 2,922,238	$ 2,709,974	$ 2,459,465	$ 1,578,849	$ 1,173,882	$ 484,889	$ 314,053	$ 260,237	$ -

MEASUREMENT DATE JUNE 30,	2018	2019	2020	2021	2022	2023	2024	2025	2026
Covered-employee payroll	$ 10,735,898	$ 11,332,631	$ 10,792,676	$ 11,748,151	$ 12,215,213	$ 5,823,527	$ 6,051,118	$ 6,768,914	$ -
Employer's total OPEB liability as a percentage of covered-employee payroll	27.22%	23.91%	22.79%	13.44%	9.61%	8.33%	5.19%	3.84%	0.00%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

Notes to Required Supplementary Information

Changes of benefit terms - There were benefit changes recognized in the total OPEB liability as of June 30, 2026 related to KCEA employees electing lump-sum payments at retirement.

Changes in assumptions -
2018: The discount rate changed from 2.96% at June 30, 2017 to 3.43% at June 30, 2018.
2019: The discount rate changed from 3.43% at June 30, 2018 to 2.79% at June 30, 2019.
2020: The discount rate changed from 2.79% at June 30, 2019 to 2.66% at June 30, 2020.
2021: The discount rate changed from 2.66% at June 30, 2020 to 2.18% at June 30, 2021.
2022: The discount rate changed from 2.18% at June 30, 2021 to 4.09% at June 30, 2022.
2023: The discount rate changed from 4.09% at June 30, 2022 to 4.13% at June 30, 2023. There were also changes to the health care rates and mortality rates.
2024: The discount rate changed from 4.13% at June 30, 2023 to 4.21% at June 30, 2024.
2025: The discount rate changed from 4.21% at June 30, 2024 to 4.81% at June 30, 2025. There were also changes to rates of withdrawal and rates of disability.

SUPPLEMENTARY INFORMATION

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

COMBINING SCHEDULE OF NET POSITION ACCOUNTS -
BY SUBGROUP

June 30, 2026

	Governmental Subgroup	Auxiliary Subgroup	Total
CURRENT ASSETS			
Cash	$ 36,458,528	$ 712,251	$ 37,170,779
Investments	672,867	-	672,867
Receivables, net of allowance for uncollectibles			
Taxes	10,040,880	-	10,040,880
Accounts	-	10,436	10,436
Other	1,155,600	28,929	1,184,529
Tuition	3,523,800	-	3,523,800
Prepaid expenses	381,670	200	381,870
Inventories	-	255,959	255,959
Total current assets	52,233,345	1,007,775	53,241,120
NONCURRENT ASSETS			
Capital assets, tangible and intangible	142,397,000	1,127,026	143,524,026
Less accumulated depreciation and amortization	(75,579,955)	(563,269)	(76,143,224)
Net capital assets	66,817,045	563,757	67,380,802
Total noncurrent assets	66,817,045	563,757	67,380,802
Total assets	119,050,390	1,571,532	120,621,922
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding	134,187	-	134,187
OPEB items	870,650	-	870,650
SURS pension contribution	85,917	-	85,917
Total deferred outflows of resources	1,090,754	-	1,090,754
Total assets and deferred outflows of resources	120,141,144	1,571,532	121,712,676
CURRENT LIABILITIES			
Accounts payable	1,049,934	1,114	1,051,048
Accrued salaries and payroll deductions payable	843,719	18,545	862,264
Unearned tuition and fees	3,333,697	-	3,333,697
Unearned revenue	130,178	190,861	321,039
OPEB liability - CIP plan	129,166	-	129,166
Early retirement incentive payable	37,348	-	37,348
Accrued compensated absences, current	160,555	6,293	166,848
Lease liability, current	99,123	-	99,123
SBITA liability, current	556,036	-	556,036
Bonds payable, current	3,718,744	-	3,718,744
Interest payable	480,047	-	480,047
Other current liabilities	-	21,050	21,050
Total current liabilities	10,538,547	237,863	10,776,410

(This schedule is continued on the following page.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

COMBINING SCHEDULE OF NET POSITION ACCOUNTS -
BY SUBGROUP (Continued)

June 30, 2026

	Governmental Subgroup	Auxiliary Subgroup	Total
NONCURRENT LIABILITIES			
OPEB liability - CIP plan	$ 4,214,286	$ -	$ 4,214,286
Accrued compensated absences	909,814	35,660	945,474
Lease liability	78,224	-	78,224
SBITA liability	479,443	-	479,443
Bonds payable	39,135,000	-	39,135,000
Total noncurrent liabilities	44,816,767	35,660	44,852,427
Total liabilities	55,355,314	273,523	55,628,837
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	11,359,084	-	11,359,084
Pension/OPEB items	3,577,094	-	3,577,094
Total deferred inflows of resources	14,936,178	-	14,936,178
Total liabilities and deferred inflows of resources	70,291,492	273,523	70,565,015
NET POSITION			
Net investment in capital assets	32,239,766	563,757	32,803,523
Restricted for			
Capital outlay	1,466,758	-	1,466,758
Debt service	2,646,419	-	2,646,419
Tort liability	2,663,866	-	2,663,866
Specific purposes	526,798	-	526,798
Working cash	2,625,000	-	2,625,000
Pension contributions	85,917	-	85,917
Unrestricted	7,595,128	734,252	8,329,380
TOTAL NET POSITION	$ 49,849,652	$ 1,298,009	$ 51,147,661

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY SUBGROUP

For the Year Ended June 30, 2026

	Governmental Subgroup	Auxiliary Subgroup	Eliminations	Total
OPERATING REVENUES				
Tuition and fees	$ 7,072,423	$ 491,197	$ -	$ 7,563,620
Federal grants and contracts - Pell grant program	5,310,259	-	-	5,310,259
Auxiliary enterprises revenue	-	447,283	(32,557)	414,726
Other operating revenue	166,975	93,173	-	260,148
Total operating revenues	12,549,657	1,031,653	(32,557)	13,548,753
OPERATING EXPENSES				
Instruction	10,104,074	-	-	10,104,074
Academic support	3,134,152	-	-	3,134,152
Student services	3,441,619	-	-	3,441,619
Public services	935,403	-	-	935,403
Auxiliary services	653,781	1,579,247	-	2,233,028
Operation and maintenance of plant	4,826,568	-	-	4,826,568
Institutional support	7,522,573	-	-	7,522,573
Scholarships, student grants, waivers	8,234,912	-	(32,557)	8,202,355
Amortization	659,278	-	-	659,278
Depreciation	4,812,781	92,771	-	4,905,552
Total operating expenses	44,325,141	1,672,018	(32,557)	45,964,602
OPERATING INCOME (LOSS)	(31,775,484)	(640,365)	-	(32,415,849)
NONCAPITAL SUBSIDIES				
Property taxes	21,920,893	-	-	21,920,893
Personal property replacement tax	377,578	-	-	377,578
State grants and contracts	12,707,556	115,297	-	12,822,853
Federal grants and contracts	2,824,232	16,931	-	2,841,163
Contributions and gifts	775,597	142,000	-	917,597
Transfers in	-	50,000	(50,000)	-
Transfers (out)	(50,000)	-	50,000	-
Total noncapital subsidies	38,555,856	324,228	-	38,880,084
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	6,780,372	(316,137)	-	6,464,235
NON-OPERATING REVENUES (EXPENSES)				
Investment income	760,123	-	-	760,123
Interest expense	(1,270,013)	-	-	(1,270,013)
Gain (loss) on disposal of capital assets	(34,052)	-	-	(34,052)
Capital contributions	529,896	-	-	529,896
Total non-operating revenues (expenses)	(14,046)	-	-	(14,046)
CHANGE IN NET POSITION	6,766,326	(316,137)	-	6,450,189
NET POSITION, JULY 1	43,083,326	1,614,146	-	44,697,472
NET POSITION, JUNE 30	$ 49,849,652	$ 1,298,009	$ -	$ 51,147,661

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

COMBINING SCHEDULE OF NET POSITION ACCOUNTS - BY GOVERNMENTAL GROUP

June 30, 2026

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account
CURRENT ASSETS					
Cash	$ 9,099,401	$ 199,170	$ 287,534	$ 91,241	$ 2,749,297
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles					
Taxes	5,009,744	1,369,711	-	48,646	529,250
Other	44,677	-	297,620	-	374
Tuition	3,523,800	-	-	-	-
Prepaid expenses	280,152	37,973	10,192	-	53,353
Total current assets	17,957,774	1,606,854	595,346	139,887	3,332,274
NONCURRENT ASSETS					
Capital assets, tangible and intangible	-	-	-	-	-
Less accumulated depreciation and amortization	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Total assets	17,957,774	1,606,854	595,346	139,887	3,332,274
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding	-	-	-	-	-
OPEB items	-	-	-	-	-
SURS pension contribution	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	17,957,774	1,606,854	595,346	139,887	3,332,274
CURRENT LIABILITIES					
Accounts payable	850,718	-	562	-	63,772
Accrued salaries and payroll deductions payable	758,420	56,827	22,683	-	5,789
Unearned tuition	3,333,697	-	-	-	-
Unearned revenue	-	-	130,178	-	-
OPEB liability - CIP plan	-	-	-	-	-
Early retirement incentive payable	37,348	-	-	-	-
Accrued compensated absences, current	-	-	-	-	-
Lease liability, current	-	-	-	-	-
SBITA liability, current	-	-	-	-	-
Bonds payable, current	-	-	-	-	-
Interest payable	-	-	-	-	-
Total current liabilities	4,980,183	56,827	153,423	-	69,561
NONCURRENT LIABILITIES					
OPEB liability - CIP plan	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Lease liability	-	-	-	-	-
SBITA liability	-	-	-	-	-
Bonds payable	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	4,980,183	56,827	153,423	-	69,561

Bond and Interest Account	Operations and Maintenance Restricted Account	Health Benefit Plan Account	Working Cash Account	Long-Term Obligations	Capital Assets	Eliminations	Total
$ 2,929,492	$ 4,700,086	$ 13,777,307	$ 2,625,000	$ -	$ -	$ -	$ 36,458,528
-	672,867	-	-	-	-	-	672,867
2,170,392	913,137	-	-	-	-	-	10,040,880
-	-	812,929	-	-	-	-	1,155,600
-	-	-	-	-	-	-	3,523,800
-	-	-	-	-	-	-	381,670
5,099,884	6,286,090	14,590,236	2,625,000	-	-	-	52,233,345
-	-	-	-	-	142,397,000	-	142,397,000
-	-	-	-	-	(75,579,955)	-	(75,579,955)
-	-	-	-	-	66,817,045	-	66,817,045
5,099,884	6,286,090	14,590,236	2,625,000	-	66,817,045	-	119,050,390
-	-	-	-	134,187	-	-	134,187
-	-	-	-	870,650	-	-	870,650
-	-	-	-	85,917	-	-	85,917
-	-	-	-	1,090,754	-	-	1,090,754
5,099,884	6,286,090	14,590,236	2,625,000	1,090,754	66,817,045	-	120,141,144
-	120,332	14,550	-	-	-	-	1,049,934
-	-	-	-	-	-	-	843,719
-	-	-	-	-	-	-	3,333,697
-	-	-	-	-	-	-	130,178
-	-	-	-	129,166	-	-	129,166
-	-	-	-	-	-	-	37,348
-	-	-	-	160,555	-	-	160,555
-	-	-	-	99,123	-	-	99,123
-	-	-	-	556,036	-	-	556,036
-	-	-	-	3,718,744	-	-	3,718,744
-	-	-	-	480,047	-	-	480,047
-	120,332	14,550	-	5,143,671	-	-	10,538,547
-	-	-	-	4,214,286	-	-	4,214,286
-	-	-	-	909,814	-	-	909,814
-	-	-	-	78,224	-	-	78,224
-	-	-	-	479,443	-	-	479,443
-	-	-	-	39,135,000	-	-	39,135,000
-	-	-	-	44,816,767	-	-	44,816,767
-	120,332	14,550	-	49,960,438	-	-	55,355,314

(This schedule is continued on the following pages.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

COMBINING SCHEDULE OF NET POSITION ACCOUNTS - BY GOVERNMENTAL GROUP (Continued)

June 30, 2026

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	$ 5,668,382	$ 1,550,027	$ -	$ 55,012	$ 598,847
Pension/OPEB items	-	-	-	-	-
Total deferred inflows of resources	5,668,382	1,550,027	-	55,012	598,847
Total liabilities and deferred inflows of resources	10,648,565	1,606,854	153,423	55,012	668,408
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted for					
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Tort liability	-	-	-	-	2,663,866
Specific purposes	-	-	441,923	84,875	-
Working cash	-	-	-	-	-
Pension contributions	-	-	-	-	-
Unrestricted (deficit)	7,309,209	-	-	-	-
TOTAL NET POSITION (DEFICIT)	$ 7,309,209	$ -	$ 441,923	$ 84,875	$ 2,663,866

Bond and Interest Account	Operations and Maintenance Restricted Account	Health Benefit Plan Account	Working Cash Account	Long-Term Obligations	Capital Assets	Eliminations	Total
$ 2,453,465	$ 1,033,351	$ -	$ -	$ -	$ -	$ -	$ 11,359,084
-	-	-	-	3,577,094	-	-	3,577,094
2,453,465	1,033,351	-	-	3,577,094	-	-	14,936,178
2,453,465	1,153,683	14,550	-	53,537,532	-	-	70,291,492
-	-	-	-	(34,577,279)	66,817,045	-	32,239,766
-	1,466,758	-	-	-	-	-	1,466,758
2,646,419	-	-	-	-	-	-	2,646,419
-	-	-	-	-	-	-	2,663,866
-	-	-	-	-	-	-	526,798
-	-	-	2,625,000	-	-	-	2,625,000
-	-	-	-	85,917	-	-	85,917
-	3,665,649	14,575,686	-	(17,955,416)	-	-	7,595,128
$ 2,646,419	$ 5,132,407	$ 14,575,686	$ 2,625,000	$ (52,446,778)	$ 66,817,045	$ -	$ 49,849,652

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY GOVERNMENTAL GROUP

For the Year Ended June 30, 2026

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account
OPERATING REVENUES					
Tuition and fees	$ 8,339,580	$ 665,949	$ -	$ -	$ -
Federal grants and contracts - Pell grant program	-	-	5,310,259	-	-
Other operating revenue	160,550	6,425	-	-	-
Total operating revenues	8,500,130	672,374	5,310,259	-	-
OPERATING EXPENSES					
Instruction	10,494,525	-	1,425,805	-	-
Academic support	3,629,973	-	166,809	-	-
Student services	2,880,496	-	1,040,888	-	-
Public services	890,566	-	199,205	-	-
Auxiliary services	883,043	-	-	-	-
Operation and maintenance of plant	565,451	3,074,210	440	-	781,009
Institutional support	7,882,117	-	680,509	99,283	552,155
Scholarships, student grants, waivers	1,546,432	-	8,621,586	-	-
Amortization	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	28,772,603	3,074,210	12,135,242	99,283	1,333,164
OPERATING INCOME (LOSS)	(20,272,473)	(2,401,836)	(6,824,983)	(99,283)	(1,333,164)
NONCAPITAL SUBSIDIES					
Property taxes	10,826,139	2,949,979	-	110,217	1,200,887
Personal property replacement tax	296,663	80,915	-	-	-
State grants and contracts	11,718,043	-	2,814,875	-	-
Federal grants and contracts	6,905	-	2,817,327	-	-
Contributions and gifts	75,000	-	700,597	-	-
Transfers (out)	(50,000)	-	-	-	-
Total noncapital subsidies	22,872,750	3,030,894	6,332,799	110,217	1,200,887
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	2,600,277	629,058	(492,184)	10,934	(132,277)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	544,742	20,942	-	-	-
Interest expense	(46,765)	-	-	-	-
Principal retirement	(618,937)	-	-	-	-
Issuance of lease	139,585	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-
Capital contributions	-	-	529,896	-	-
Transfers in - restricted for capital assets	-	-	-	-	-
Transfers (out) - restricted for capital assets	(2,171,774)	(650,000)	-	-	-
Total non-operating revenues (expenses)	(2,153,149)	(629,058)	529,896	-	-
CHANGE IN NET POSITION	447,128	-	37,712	10,934	(132,277)
NET POSITION (DEFICIT), JULY 1	6,862,081	-	404,211	73,941	2,796,143
NET POSITION (DEFICIT), JUNE 30	$ 7,309,209	$ -	$ 441,923	$ 84,875	$ 2,663,866

Bond and Interest Account	Operations and Maintenance Restricted Account	Health Benefit Plan Account	Working Cash Account	Long-Term Obligations	Capital Assets	Eliminations	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ (1,933,106)	$ 7,072,423
-	-	-	-	-	-	-	5,310,259
-	-	-	-	-	-	-	166,975
-	-	-	-	-	-	(1,933,106)	12,549,657
-	-	(183,040)	-	(1,451,628)	(181,588)	-	10,104,074
-	-	(58,933)	-	(464,274)	(139,423)	-	3,134,152
-	-	(54,384)	-	(425,381)	-	-	3,441,619
-	-	(14,902)	-	(106,393)	(33,073)	-	935,403
-	-	(26,079)	-	(203,183)	-	-	653,781
-	5,191,496	(38,563)	-	(307,915)	(4,439,560)	-	4,826,568
1,825	-	(107,946)	-	(817,072)	(768,298)	-	7,522,573
-	-	-	-	-	-	(1,933,106)	8,234,912
-	-	-	-	-	659,278	-	659,278
-	-	-	-	-	4,812,781	-	4,812,781
1,825	5,191,496	(483,847)	-	(3,775,846)	(89,883)	(1,933,106)	44,325,141
(1,825)	(5,191,496)	483,847	-	3,775,846	89,883	-	(31,775,484)
4,866,995	1,966,676	-	-	-	-	-	21,920,893
-	-	-	-	-	-	-	377,578
-	-	-	-	(1,825,362)	-	-	12,707,556
-	-	-	-	-	-	-	2,824,232
-	-	-	-	-	-	-	775,597
-	-	-	-	-	-	-	(50,000)
4,866,995	1,966,676	-	-	(1,825,362)	-	-	38,555,856
4,865,170	(3,224,820)	483,847	-	1,950,484	89,883	-	6,780,372
67,762	126,677	-	-	-	-	-	760,123
(1,243,753)	-	-	-	20,505	-	-	(1,270,013)
(3,540,000)	-	-	-	4,158,937	-	-	-
-	-	-	-	(139,585)	-	-	-
-	-	-	-	-	(34,052)	-	(34,052)
-	-	-	-	-	-	-	529,896
-	2,821,774	-	-	-	-	(2,821,774)	-
-	-	-	-	-	-	2,821,774	-
(4,715,991)	2,948,451	-	-	4,039,857	(34,052)	-	(14,046)
149,179	(276,369)	483,847	-	5,990,341	55,831	-	6,766,326
2,497,240	5,408,776	14,091,839	2,625,000	(58,437,119)	66,761,214	-	43,083,326
$ 2,646,419	$ 5,132,407	$ 14,575,686	$ 2,625,000	$ (52,446,778)	$ 66,817,045	$ -	$ 49,849,652

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

COMBINING SCHEDULE OF NET POSITION - BY AUXILIARY ENTERPRISE GROUP

June 30, 2026

	Wellness Account	Early Childhood Center Account	Bookstore Account
CURRENT ASSETS			
Cash	$ (168,236)	$ (341,778)	$ 2,078,149
Receivables, net of allowance for uncollectibles			
Accounts	-	-	10,436
Other	-	27,169	-
Prepaid expenses	-	-	200
Inventories	-	-	255,959
Total current assets	(168,236)	(314,609)	2,344,744
NONCURRENT ASSETS			
Capital assets	-	463,648	32,397
Less accumulated depreciation	-	(150,562)	(27,140)
Total noncurrent assets	-	313,086	5,257
Total assets	(168,236)	(1,523)	2,350,001
CURRENT LIABILITIES			
Accounts payable	-	-	1,114
Accrued salaries and payroll deductions payable	-	10,040	8,505
Accrued compensated absences	-	2,333	3,960
Unearned revenue	-	11,614	179,247
Other current liabilities	-	-	21,050
Total current liabilities	-	23,987	213,876
NONCURRENT LIABILITIES			
Accrued compensated absences	-	13,220	22,440
Total noncurrent liabilities	-	13,220	22,440
Total liabilities	-	37,207	236,316
NET POSITION			
Net investment in capital assets	-	313,086	5,257
Unrestricted (deficit)	(168,236)	(351,816)	2,108,428
TOTAL NET POSITION (DEFICIT)	$ (168,236)	$ (38,730)	$ 2,113,685

Cafeteria Account	Transportation Account	Conference Center Account	Total
$ (693,021)	$ 14,004	$ (176,867)	$ 712,251
-	-	-	10,436
1,760	-	-	28,929
-	-	-	200
-	-	-	255,959
(691,261)	14,004	(176,867)	1,007,775
-	630,981	-	1,127,026
-	(385,567)	-	(563,269)
-	245,414	-	563,757
(691,261)	259,418	(176,867)	1,571,532
-	-	-	1,114
-	-	-	18,545
-	-	-	6,293
-	-	-	190,861
-	-	-	21,050
-	-	-	237,863
-	-	-	35,660
-	-	-	35,660
-	-	-	273,523
-	245,414	-	563,757
(691,261)	14,004	(176,867)	734,252
$ (691,261)	$ 259,418	$ (176,867)	$ 1,298,009

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY AUXILIARY ENTERPRISE GROUP

For the Year Ended June 30, 2026

	Wellness Account	Early Childhood Center Account	Bookstore Account
OPERATING REVENUES			
Student tuition and fees	$ 4,320	$ -	$ 466,381
Sales and service fees	-	186,956	260,327
Other	-	-	79,757
Total operating revenues	4,320	186,956	806,465
OPERATING EXPENSES			
Salaries	8,613	266,769	160,075
Employee benefits	-	104,639	35,666
Contractual services	390	2,428	72,284
General materials and supplies	852	33,565	842,566
Conferences and meetings	-	289	1,147
Depreciation	-	32,700	530
Other	-	49,959	1
Total operating expenses	9,855	490,349	1,112,269
OPERATING INCOME (LOSS)	(5,535)	(303,393)	(305,804)
NONCAPITAL SUBSIDIES			
State grants and contracts	-	115,297	-
Federal grants and contracts	-	16,931	-
Contributions and gifts	-	-	142,000
Transfers in	-	50,000	-
Total noncapital subsidies	-	182,228	142,000
CHANGE IN NET POSITION	(5,535)	(121,165)	(163,804)
NET POSITION (DEFICIT), JULY 1	(162,701)	82,435	2,277,489
NET POSITION (DEFICIT), JUNE 30	$ (168,236)	$ (38,730)	$ 2,113,685

Cafeteria Account	Transportation Account	Conference Center Account	Eliminations	Total
$ -	$ 20,496	$ -	$ -	$ 491,197
-	-	-	-	447,283
10,216	-	3,200	-	93,173
10,216	20,496	3,200	-	1,031,653
-	-	-	-	435,457
-	-	-	-	140,305
-	-	-	-	75,102
-	-	-	-	876,983
-	-	-	-	1,436
-	59,541	-	-	92,771
4	-	-	-	49,964
4	59,541	-	-	1,672,018
10,212	(39,045)	3,200	-	(640,365)
-	-	-	-	115,297
-	-	-	-	16,931
-	-	-	-	142,000
-	-	-	-	50,000
-	-	-	-	324,228
10,212	(39,045)	3,200	-	(316,137)
(701,473)	298,463	(180,067)	-	1,614,146
$ (691,261)	$ 259,418	$ (176,867)	$ -	$ 1,298,009

(See independent auditor's report.)

STATISTICAL SECTION

STATISTICAL SECTION

This part of Kishwaukee College - Illinois Community College District No. 523's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the College's overall financial health.

Contents	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the College's financial performance and well-being have been changed over time.	76-79
Revenue Capacity These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	80-83
Debt Capacity These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.	84-89
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	90-91
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.	92-94

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

NET POSITION BY COMPONENT
(in thousands)

Last Ten Fiscal Years

Fiscal Year	2017	2018	2019	2020
NET POSITION				
Net investment in capital assets	$ 30,891	$ 30,994	$ 31,627	$ 31,209
Restricted	7,628	7,919	7,696	8,849
Unrestricted (deficit)	(4,231)	(18,438)	(17,434)	(17,261)
TOTAL NET POSITION	$ 34,288	$ 20,475	$ 21,889	$ 22,797

The College implemented GASB Statement No. 75 for the year ended June 30, 2018.

Data Source

Audited Financial Statements

2021	2022	2023	2024	2025	2026
$ 31,810	$ 31,898	$ 31,776	$ 29,915	$ 29,428	$ 32,804
9,228	10,333	10,577	10,954	10,930	10,015
(12,349)	(9,028)	(4,197)	628	4,339	8,329
$ 28,689	$ 33,203	$ 38,156	$ 41,497	$ 44,697	$ 51,148

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

CHANGES IN NET POSITION

For the Last Ten Fiscal Years

	2017	2018	2019	2020
OPERATING REVENUES				
Tuition and fees	$ 7,861,864	$ 8,478,927	$ 8,180,893	$ 7,892,967
Federal grants and contracts - Pell grant program	-	-	-	-
Auxiliary enterprises revenue	1,148,035	1,105,727	1,033,960	923,950
Other operating revenue	430,214	349,369	389,636	358,281
Total operating revenues	9,440,113	9,934,023	9,604,489	9,175,198
OPERATING EXPENSES				
Instruction	12,780,791	13,670,242	14,479,732	13,793,245
Academic support	3,535,087	3,089,744	2,583,079	2,621,603
Student services	8,343,595	3,944,188	3,437,942	3,627,766
Public services	962,343	1,115,650	898,276	973,032
Auxiliary services	2,341,173	2,365,911	2,082,278	1,946,655
Operation and maintenance of plant	4,465,615	4,735,555	5,886,216	5,102,015
Institutional support	7,063,443	7,761,084	6,665,843	8,653,919
Scholarships, student grants and waivers	-	5,813,728	4,583,535	5,539,231
Amortization	-	-	-	-
Depreciation	3,903,483	4,026,185	4,101,924	4,278,064
Total operating expenses	43,395,530	46,522,287	44,718,825	46,535,530
OPERATING INCOME (LOSS)	(33,955,417)	(36,588,264)	(35,114,336)	(37,360,332)
NONCAPITAL SUBSIDIES				
Property taxes	-	-	-	-
Personal property replacement tax	-	-	-	-
State grants and contracts	-	-	-	-
Federal grants and contracts	-	-	-	-
Contributions and gifts	-	-	-	-
Total noncapital subsidies	-	-	-	-
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	(33,955,417)	(36,588,264)	(35,114,336)	(37,360,332)
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	13,662,018	14,153,519	15,038,663	15,384,575
Personal property replacement tax	318,133	238,830	258,371	282,819
State grants and contracts	16,481,112	15,328,033	15,667,022	16,617,589
Federal grants and contracts	9,842,419	9,436,253	8,279,693	8,568,604
Investment income	78,065	150,690	315,984	244,639
Capital contributions	-	-	-	-
Other non-operating revenue (expense)	966,139	437,028	400,182	730,358
Gain (loss) on disposal of capital assets	(66,605)	(21,605)	(2,317)	-
Interest expense and fiscal charges	(3,329,541)	(3,392,347)	(3,429,485)	(3,712,378)
Total non-operating revenues (expenses)	37,951,740	36,330,401	36,528,113	38,116,206
CHANGE IN NET POSITION	$ 3,996,323	$ (257,863)	$ 1,413,777	$ 755,874

*The College implemented GASB Statement No. 103, Financial Reporting Model Improvements, during the fiscal years ended June 30, 2026 and 2025, prospectively impacting the presentation of the Changes in Net Position table above.

Data Source

Audited Financial Statements

2021	2022	2023	2024	2025	2026*
$ 7,504,814	$ 6,597,748	$ 7,174,206	$ 7,968,986	$ 7,000,616	$ 7,563,620
-	-	-	-	5,434,862	5,310,259
485,349	307,320	698,671	747,420	860,270	414,726
448,219	986,953	365,421	363,170	263,502	260,148
8,438,382	7,892,021	8,238,298	9,079,576	13,559,250	13,548,753
12,410,373	11,021,772	7,995,532	8,758,699	9,823,427	10,104,074
2,897,355	3,553,936	3,144,554	3,103,803	3,496,647	3,134,152
3,679,939	3,336,068	2,969,451	2,977,387	3,230,926	3,441,619
698,402	672,444	576,516	539,651	893,958	935,403
1,430,821	1,742,522	1,535,781	1,713,027	2,069,218	2,233,028
5,084,988	4,814,117	4,675,260	5,349,788	4,768,429	4,826,568
7,477,590	7,063,302	6,236,334	6,682,208	7,457,170	7,522,573
5,858,563	8,458,139	6,388,839	8,537,756	8,320,882	8,202,355
-	-	482,461	546,117	599,910	659,278
4,334,133	4,722,311	4,711,152	4,868,681	4,863,211	4,905,552
43,872,164	45,384,611	38,715,880	43,077,117	45,523,778	45,964,602
(35,433,782)	(37,492,590)	(30,477,582)	(33,997,541)	(31,964,528)	(32,415,849)
-	-	-	-	19,981,604	21,920,893
-	-	-	-	386,015	377,578
-	-	-	-	11,174,960	12,822,853
-	-	-	-	3,235,784	2,841,163
-	-	-	-	799,514	917,597
-	-	-	-	35,577,877	38,880,084
(35,433,782)	(37,492,590)	(30,477,582)	(33,997,541)	3,613,349	6,464,235
15,858,995	16,644,475	17,172,969	18,188,745	-	-
358,727	781,933	883,815	582,146	-	-
16,778,720	13,787,297	10,685,993	10,704,688	-	-
10,046,711	11,446,231	6,641,738	7,898,305	-	-
11,689	22,986	733,184	1,081,690	958,859	760,123
-	-	-	-	-	529,896
940,838	992,361	850,841	863,943	-	-
(184,859)	-	(96,832)	(41,068)	(10,959)	(34,052)
(2,484,424)	(1,674,270)	(1,441,590)	(1,448,163)	(1,361,010)	(1,270,013)
41,326,397	42,001,013	35,430,118	37,830,286	(413,110)	(14,046)
$ 5,892,615	$ 4,508,423	$ 4,952,536	$ 3,832,745	$ 3,200,239	$ 6,450,189

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railroad Property	Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2016	$ 1,144,908,178	$ 344,490,876	$ 174,940,088	$ 316,022,545	$ 36,907,007	$ 28,871,363	$ 2,046,140,057	$ 0.6700	$ 6,138,420,171	33.333%
2017	1,197,838,775	364,447,234	199,532,314	332,685,929	37,425,314	27,982,867	2,159,912,433	0.6669	6,479,737,299	33.333%
2018	1,252,403,790	382,147,861	183,055,680	350,737,162	39,319,492	24,317,847	2,231,981,832	0.6684	6,695,945,496	33.333%
2019	1,313,363,093	407,909,007	215,367,142	366,060,010	42,312,054	29,931,790	2,374,943,096	0.6528	7,124,829,288	33.333%
2020	1,367,810,398	420,062,435	216,496,794	386,612,253	45,679,197	30,946,209	2,467,607,286	0.6528	7,402,821,858	33.333%
2021	1,452,087,852	459,451,733	238,377,928	407,191,696	49,770,133	29,625,916	2,636,505,258	0.6432	7,909,515,774	33.333%
2022	1,568,989,431	499,713,888	296,159,091	432,951,928	53,193,617	31,920,451	2,882,928,406	0.6087	8,648,785,218	33.333%
2023	1,715,573,163	535,884,278	417,970,799	460,225,433	55,870,468	34,254,428	3,219,778,569	0.5843	9,659,335,707	33.333%
2024	1,939,383,678	594,094,028	709,935,523	500,339,444	53,471,149	46,506,712	3,843,730,534	0.5476	11,531,191,602	33.333%
2025	2,135,497,029	647,019,588	713,666,391	537,919,383	52,382,838	46,918,631	4,133,403,860	0.5496	12,400,211,580	33.333%

Note: Property in the College is reassessed every four years. Property is assessed at 33% of actual value.

Lee and Boone County are categorized under "other property" - breakdown unavailable.

Data Source

County Clerk's Office

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
COLLEGE DIRECT RATES										
Education	0.2750	0.2750	0.2750	0.27246	0.27500	0.27500	0.26401	0.26434	0.26701	0.27500
Operations and maintenance	0.0741	0.0750	0.0750	0.07431	0.07500	0.07500	0.07201	0.07183	0.07282	0.07500
Audit	0.0041	0.0039	0.0038	0.00351	0.00338	0.00333	0.00320	0.00326	0.00287	0.00266
Bond and interest	0.2057	0.1947	0.1943	0.18740	0.18361	0.17599	0.16107	0.14677	0.12482	0.11794
Social Security	0.0128	0.0122	0.0125	0.01176	0.01131	0.01116	0.01072	0.00932	0.00783	0.00724
Health and safety	0.0391	0.0500	0.0500	0.04954	0.05000	0.05000	0.04801	0.04068	0.04855	0.05000
Liability, protection and settlement	0.0592	0.0561	0.0575	0.05379	0.05248	0.05179	0.04972	0.04813	0.02349	0.02173
Prior year adjustment	0.0000	0.0000	0.0003	0.00000	0.00200	0.00092	0.00000	0.00000	0.00022	0.00000
Total direct rate	0.67000	0.66690	0.66840	0.65277	0.65278	0.64319	0.60874	0.58433	0.54761	0.54957
OVERLAPPING RATES										
School district	7.8132	7.7209	7.3854	7.18383	7.06491	6.80841	6.09342	5.67524	4.83192	4.83123
County	1.1429	1.1201	1.0951	1.07520	1.06293	1.03149	0.96766	0.89986	0.78751	0.72864
Forest preserve	0.0799	0.0783	0.0766	0.07481	0.07396	0.07355	0.06915	0.06404	0.05760	0.05331
City	1.2021	1.2268	1.1883	1.15493	1.06868	0.98612	0.89599	0.81096	0.62286	0.63133
Park district	0.7559	0.7451	0.7366	0.72045	0.70975	0.69631	0.67796	0.64887	0.49147	0.49955
Township	0.1723	0.1709	0.1683	0.16318	0.16002	0.14864	0.14107	0.12575	0.10860	0.09918
Road and bridge	0.2020	0.2006	0.1961	0.18671	0.18485	0.17298	0.16780	0.15307	0.13697	0.12636
Library	0.4562	0.3872	0.2081	0.38683	0.38772	0.38546	0.37454	0.35573	0.30541	0.30957
Sanitary	0.1425	0.1389	0.1375	0.13596	0.13367	0.11998	0.10937	0.09512	0.07567	0.07045
TOTAL RATES	12.6370	12.4557	11.8604	11.7347	11.4993	11.0661	10.1057	9.4130	7.9656	7.8992

Note: The tax rate shown is for DeKalb Township Tax Code 12, which comprises nearly 20% of the College's equalized assessed valuation.

Data Source

DeKalb County Clerk

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Levy Year and Nine Years Ago

Levy Year 2025				Levy Year 2016			
Taxpayer/County	**Taxable Assessed Value**	**Rank**	**Percentage of Total College Taxable Assessed Valuation**	**Taxpayer/County**	**Taxable Assessed Value**	**Rank**	**Percentage of Total College Taxable Assessed Valuation**
Ventus Tech Services LLC DeKalb County	$ 847,712,935	1	20.51%	Americold Logistics LLC Ogle County	$ 12,829,974	1	0.63%
Americold Real Estate LP Ogle County	34,764,000	2	0.84%	Exelon Generation Co LLC Ogle County	12,232,976	2	0.60%
DeKalb Distribution Associates LLC DeKalb County	29,706,456	3	0.72%	Target Corporation DeKalb County	9,468,189	3	0.46%
Griffin Essential Asset REIT II LLC DeKalb County	21,211,006	4	0.51%	Exeter 1800 Steward LLC Ogle County	9,386,961	4	0.46%
Target Corporation DeKalb County	17,873,998	5	0.43%	Nippon Sharyo Mnufacturing, LLC Ogle County	8,994,924	5	0.44%
Amazon.Com Services LLC DeKalb County	17,748,080	6	0.43%	Sara Lee Corporation Ogle County	8,749,330	6	0.43%
Dekalb County-ICM-Knowledge DeKalb County	15,461,623	7	0.37%	Illinois River Energy LLC Ogle County	7,555,493	7	0.37%
DeKalb Area Retirement Center DeKalb County	15,121,998	8	0.37%	Amerian Reality Capital LLC DeKalb County	6,876,174	8	0.34%
Pool 1 Industrial IL LLC Ogle County	14,400,000	9	0.35%	Mason Properties Delaware LLC DeKalb County	6,466,347	9	0.32%
Ferrara Candy Company DeKalb County	13,647,562	10	0.33%	Panduit Corp DeKalb County	6,279,302	10	0.31%
	$ 1,027,647,658		24.86%		$ 88,839,670		4.36%

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data Sources

DeKalb and Ogle County Clerks' Offices

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	$ 13,681,641	$ 7,009,369	51.23%	$ 6,654,941	$ 13,664,310	99.87%
2017	14,397,855	7,394,678	51.36%	6,931,912	14,326,590	99.51%
2018	14,903,956	7,338,573	49.24%	7,469,898	14,808,471	99.36%
2019	15,515,079	6,961,597	44.87%	8,450,960	15,412,557	99.34%
2020	16,068,989	8,143,859	50.68%	7,888,552	16,032,411	99.77%
2021	16,945,175	8,665,184	51.14%	8,201,912	16,867,096	99.54%
2022	17,539,231	9,211,565	52.52%	8,326,748	17,538,313	99.99%
2023	18,837,115	10,006,953	53.12%	8,807,203	18,814,156	99.88%
2024	20,968,519	10,928,202	52.12%	10,147,549	21,075,751	100.51%
2025	22,718,167	12,677,287	55.80%	-	12,677,287	55.80%

Note: Property in the College is reassessed each year. Property is assessed at 33% of actual value.

Data Sources

College Records and Annual Comprehensive Financial Report

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Business-Type Activities				Total Primary Government	Assessed Valuation of District	As a Percentage of Taxable Property	District Population Estimate	Debt Per Capita	As a Percentage of Personal Income
	General Obligation Bonds	Alternate Revenue Bonds	Lease Payable	SBITA Payable						
2017	$ 59,271,506	$ 6,204,497	$ -	$ -	$ 65,476,003	$ 2,046,140,057	3.20%	112,368	$ 582.69	2.61%
2018	58,311,446	6,012,080	-	-	64,323,526	2,159,912,433	2.98%	112,588	571.32	2.44%
2019	57,368,649	5,809,664	-	-	63,178,313	2,231,981,832	2.83%	111,954	564.32	2.29%
2020	60,790,595	1,760,000	-	-	62,550,595	2,374,943,096	2.63%	112,764	554.70	2.12%
2021	58,694,204	1,625,000	-	-	60,319,204	2,467,607,286	2.44%	112,252	537.36	1.96%
2022	53,833,790	-	-	54,785	53,888,575	2,636,505,258	2.04%	107,952	499.19	1.80%
2023	52,987,999	-	262,078	2,343,908	55,593,985	2,882,928,406	1.93%	107,749	515.96	1.75%
2024	49,776,581	-	199,217	1,911,443	51,887,241	3,219,778,569	1.61%	107,810	481.28	1.50%
2025	46,400,163	-	134,852	1,557,327	48,092,342	3,843,730,534	1.25%	108,935	441.48	1.35%
2026	42,853,744	-	177,347	1,035,479	44,066,570	4,133,403,860	1.07%	109,473	402.53	1.19%

Note: Details of the College's outstanding debt can be found in the notes to financial statements.

See the schedule of Demographic and Economic Information for personal income and population data.

Data Sources

College Records and Annual Comprehensive Financial Report

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Restricted in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2017	$ 65,476,003	$ 1,966,145	$ 63,509,858	3.01%	$ 564.53
2018	64,323,526	1,985,031	62,338,495	3.22%	554.12
2019	63,178,313	2,027,363	61,150,950	2.83%	543.14
2020	62,550,595	2,133,259	60,417,336	2.71%	539.66
2021	60,319,204	2,150,766	58,168,438	2.45%	515.84
2022	53,833,790	2,191,003	51,642,787	2.10%	460.55
2023	52,987,999	2,248,863	50,739,136	2.02%	494.16
2024	49,776,581	2,401,800	47,374,781	1.72%	459.27
2025	46,400,163	2,497,240	43,902,923	1.14%	403.02
2026	42,853,744	2,646,419	40,207,325	0.97%	367.28

Note: Details of the College's outstanding debt can be found in the notes to financial statements.

See the schedule of Assessed Value and Actual Value of Taxable Property for property value data.

Data Source

College Records

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

DIRECT AND OVERLAPPING DEBT

June 30, 2026

Governmental Unit	Gross Debt	Percentage Debt Applicable to the College (1)	College's Share of Debt (1)
Kishwaukee College	$ 42,853,744	100.0000%	$ 42,853,744
Boone County	-	0.594%	-
Boone County Conservation District	-	0.590%	-
DeKalb County	-	85.324%	-
Kane County	-	0.061%	-
Kane County Forest Preserve District	100,480,000	0.059%	59,703
LaSalle County	7,400,000	0.001%	59
Ogle County	-	28.601%	-
Winnebago County	-	0.014%	-
Winnebago County Forest Preserve District	2,830,000	0.014%	389
Greater Rockford Airport Authority	-	0.015%	-
Byron Forest Preserve District	2,290,000	1.705%	39,042
Village of Burlington	-	0.175%	-
City of DeKalb	12,750,000	100.000%	12,750,000
City of Genoa	-	100.000%	-
City of Oregon	-	1.283%	-
City of Rochelle	170,000	100.000%	170,000
Cherry Valley Fire Protection District	1,185,000	0.166%	1,970
Franklin Grove Fire Protection District	1,415,000	1.733%	24,518
Hampshire Fire Protection District	3,970,000	1.071%	42,526
Creston-Dement Public Library District	2,063,000	100.000%	2,063,000
DeKalb Park District	825,000	100.000%	825,000
Flagg Rochelle Community Park District	5,892,000	100.000%	5,892,000
Genoa Township Park District	501,590	99.685%	500,008
Oregon Park District	3,058,000	9.522%	291,170
Sycamore Park District	738,410	100.000%	738,410
Creston Comm. Consolidated School District 161	246,310	100.000%	246,310
Rochelle Comm. Consolidated School District 231	13,560,000	100.000%	13,560,000
Mendota Comm. Consolidated School District 289	6,050,000	0.054%	3,242
Oregon Community Unit School District 220	13,435,000	22.213%	2,984,313
Paw Paw Community Unit School District 271	3,065,000	99.469%	3,048,737
Burlington Community Unit School District 301	15,160,000	0.297%	45,075
Genoa-Kingston Comm. Unit School District 424	10,530,000	100.000%	10,530,000
Indian Creek Comm. Unit School District 425	1,040,000	100.000%	1,040,000
Hiawatha Community Unit School District 426	2,025,000	100.000%	2,025,000
Sycamore Community Unit School District 427	64,069,155	99.806%	63,944,573
DeKalb Community Unit School District 428	67,535,000	100.000%	67,535,000
Rochelle Township High School District 212	1,445,000	100.000%	1,445,000
Total overlapping debt	343,728,465		189,805,045
TOTAL PRIMARY AND OVERLAPPING DEBT	$ 386,582,209		$ 232,658,789

(1) Percentages based on 2025 EAVs

Note: The above schedule excludes outstanding principal amounts of General Obligation (Alternate Revenue Source) Bonds that are anticipated to be paid by sources other than general taxation and self-supporting debt.

Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the College predict whether any of such taxes will be extended in the future. Does not include the following alternate revenue bonds:

Boone County	$ 7,610,000
Boone County Conservation District	366,000
DeKalb County	46,715,000
Kane County	10,615,000
Kane County Forest Preserve District	1,165,000
Ogle County	5,352,000
Winnebago County	55,600,000
Greater Rockford Airport Authority	39,670,000
Village of Burlington	187,000
City of Genoa	1,610,000
City of Oregon	1,955,000
City of Rochelle	19,755,000
DeKalb Park District	9,020,000
Flagg Rochelle Community Park District	7,735,000
Genoa Township Park District	610,000
Sycamore Park District	9,860,000

Data Sources

County Clerk's records
Raymond James & Associates, Inc.

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Legal debt limit	$ 58,826,527	$ 62,097,482	$ 64,169,478	$ 68,279,614	$ 70,943,709	$ 75,799,526	$ 82,884,192	$ 92,568,634	$ 110,507,253	$ 118,835,361
Total net debt applicable to limit	47,261,583	44,391,106	41,862,234	59,905,977	58,670,000	55,815,000	52,965,000	49,760,000	46,390,000	42,850,000
LEGAL DEBT MARGIN	$ 11,564,944	$ 17,706,376	$ 22,307,244	$ 8,373,637	$ 12,273,709	$ 19,984,526	$ 29,919,192	$ 42,808,634	$ 64,117,253	$ 75,985,361
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	80.34%	71.49%	65.24%	87.74%	82.70%	73.64%	63.90%	53.75%	41.98%	36.06%

Legal Debt Margin Calculation for Fiscal 2026

Assessed Value	$ 4,133,403,860
Legal debt margin	2.875%
Debt limit	118,835,361
Debt applicable to limit General obligation bonds	42,850,000
LEGAL DEBT MARGIN	$ 75,985,361

Note: Details of the College's outstanding debt can be found in the notes to financial statements.

Data Sources

College Records and Annual Comprehensive Financial Report

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

PLEDGED-REVENUE COVERAGE - ALTERNATE REVENUE BONDS

Last Ten Fiscal Years

	Allowable Funding Sources					
			GO Bonds (Alternate Revenue Source) Series 2012*			
Fiscal Year	Unrestricted Tuition Revenue	Funds Available	Principal	Interest	Total Debt Service	Coverage
2017	$ 8,605,491	$ 8,605,491	$ 160,000	$ 232,925	$ 392,925	21.90
2018	10,072,390	10,072,390	175,000	227,325	402,325	25.04
2019	9,238,444	9,238,444	185,000	222,950	407,950	22.65
2020	8,296,236	8,296,236	190,000	218,325	408,325	20.32
2021	8,045,864	8,045,864	135,000	66,988	201,988	39.83
2022	7,307,072	7,307,072	1,625,000	80,365	1,705,365	4.28
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-

Note: Details of the College's outstanding debt can be found in the notes to financial statements.

*GO Bonds (Alternate Revenue Source) Series 2012 were paid off during the fiscal year ended June 30, 2022.

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	District Counties Served	Size of District (square miles)	District Population	DeKalb County Population	DeKalb County Total Personal Income	DeKalb County Per Capita Personal Income	DeKalb County Unemployment Rate
2017	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	112,368	104,528	$ 2,511,285,000	$ 24,025	4.70%
2018	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	112,588	104,733	2,636,339,076	25,172	4.30%
2019	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	111,954	104,143	2,760,935,073	26,511	3.80%
2020	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	112,764	104,897	2,944,773,481	28,073	12.20%
2021	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	112,252	104,420	3,073,080,600	29,430	6.20%
2022	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	107,952	100,420	2,990,507,600	29,780	5.00%
2023	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	107,749	100,232	3,172,843,960	31,655	4.90%
2024	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	107,810	100,288	3,463,245,504	34,533	5.80%
2025	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	108,935	101,335	3,552,197,090	35,054	4.50%
2026	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	109,473	101,835	3,696,406,830	36,298	3.70%

Data Sources

DeKalb County Economic Development
Illinois Department of Employment Security
District #523 Population calculated at 107.5% of DeKalb County

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

2026				2016			
Employer	**Rank**	**Employees**	**% of District Population**	**Employer**	**Rank**	**Employees**	**% of District Population**
Northern Illinois University	1	3,072	2.81%	Northern Illinois University	1	9,094	8.08%
Target Distribution Center	2	1,600	1.46%	KishHealth System	2	1,666	1.48%
KishHealth System-part of Northwestern Medicine	3	1,600	1.46%	DeKalb School District #428	3	860	0.76%
DeKalb School District #428	4	1,301	1.19%	Rochelle Foods	4	780	0.69%
Amazon	5	1,000	0.91%	Kishwaukee College	5	575	0.51%
Rochelle Foods	6	850	0.78%	DeKalb County Government	6	540	0.48%
3M Company	7	800	0.73%	Sycamore C.U.S.D. #427	7	522	0.46%
DeKalb County Government	8	700	0.64%	Sonoco-Alloyd	8	500	0.44%
Sycamore C.U.S.D. #427	9	514	0.47%	3M Corporation	9	480	0.43%
Ferrara Candy / Ryder Logistics	10	500	0.46%	Walmart Supercenter	10	360	0.32%

Data Sources

City of Rochelle
City of Genoa
DeKalb County Economic Development Corporation

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Faculty										
Full-time	70	73	69	65	61	58	54	58	58	55
Part-time	159	122	106	120	103	112	108	109	117	108
Total faculty	229	195	175	185	164	170	162	167	175	163
Staff										
Administrative	21	22	23	17	18	20	18	18	16	15
Professional	49	46	52	45	48	56	56	73	67	72
Support	101	113	120	121	94	116	89	113	108	97
Total staff	171	181	195	183	160	192	163	204	191	184

Data Sources

ICCB C1 & C2 Reports and College Records

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Fiscal Year	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Student headcount*	5,405	5,116	4,736	4,508	3,842	3,500	3,591	3,872	4,239	4,245
In-district tuition per hour	$ 129.00	$ 139.00	$ 144.00	$ 144.00	$ 147.00	$ 147.00	$ 147.00	$ 147.00	$ 152.00	$ 160.00
Universal fee rate per hour	12.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	-	-
In-district tuition and fee rate per hour	$ 141.00	$ 156.00	$ 161.00	$ 161.00	$ 164.00	$ 164.00	$ 164.00	$ 164.00	$ 152.00	$ 160.00
Out of state tuition rate per hour	$ 399.00	$ 426.00	$ 432.00	$ 432.00	$ 492.00	$ 492.00	$ 492.00	$ 492.00	$ 456.00	$ 480.00
Credit hours generated										
Baccalaureate	42,894	39,618	37,056	35,379	30,014	25,396	27,007	30,752	33,236	34,183
Business occupational	3,350	2,747	3,049	2,963	2,596	2,473	2,512	2,985	3,704	3,607
Technical occupational	8,254	7,333	6,362	4,992	3,773	4,612	4,522	4,893	4,960	4,851
Health occupational	5,443	4,966	5,146	4,660	5,019	4,447	4,313	4,425	5,015	5,758
Remedial development	5,545	5,050	3,508	2,760	1,976	1,618	2,082	1,304	1,162	1,077
Adult basic educations/ adult secondary education	1,723	1,481	1,730	2,110	1,435	2,114	2,940	3,233	3,811	3,486
TOTAL	67,209	61,195	56,851	52,864	44,813	40,660	43,376	47,592	51,888	52,962
Tuition and fee revenue										
Education purposes and operations and maintenance purposes fund	$ 10,447,839	$ 11,006,785	$ 11,693,774	$ 9,828,361	$ 8,779,953	$ 7,968,063	$ 8,519,864	$ 9,372,931	$ 8,810,716	$ 9,005,529

*Adult education students not included.

Data Sources

Kishwaukee College Records and ICCB S3 Summary Report

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Facility Information	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Instruction										
Building - acres	34	34	34	34	34	34	34	34	34	34
Classroom - sq. ft.	75,742	75,742	75,742	75,742	75,742	75,742	75,742	75,742	75,742	75,742
Lab - sq. ft.	109,523	109,523	109,523	109,523	109,523	109,523	109,523	109,523	109,523	109,523
Academic support										
Support - sq. ft.	47,435	47,435	47,435	47,435	47,435	47,435	47,435	47,435	47,435	47,435
Study - sq. ft.	25,035	25,035	25,035	25,035	25,035	25,035	25,035	25,035	25,035	25,035
Student services										
PE and athletic fields - acres	7	7	7	7	7	7	7	7	7	7
PE and athletic - sq. ft.	14,891	14,891	14,891	14,891	14,891	14,891	14,891	14,891	14,891	14,891
General administration										
Office - sq. ft.	71,730	71,730	71,730	71,730	71,730	71,730	71,730	71,730	71,730	71,730
Institutional support										
Landscaped grounds - acres	29	29	29	29	29	29	29	29	29	29
Parking lots - acres	17	17	17	17	17	17	17	17	17	17
Roadways - acres	3	3	3	3	3	3	3	3	3	3

Data Sources

Acres - ICCB Table C1.3
Sq. Ft ICCB R3

SPECIAL REPORTS SECTION

SUPPLEMENTAL FINANCIAL INFORMATION

KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523

FISCAL YEAR 2027 CERTIFICATION OF PER CAPITA COST

FOR THE FISCAL YEAR ENDED JUNE 30, 2026

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

CERTIFICATION OF PER CAPITA COST FOR FISCAL YEAR 2026

	ALL FISCAL YEAR 2026 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:		
1	Education Fund	$ 21,582,866	
2	Operation and Maintenance Fund	3,074,210	
3	Operation and Maintenance Fund (Restricted)	-	
4	Bond and Interest Fund	1,825	
5	Public Building Commission Rental Fund	-	
6	Restricted Purposes Fund	11,775,808	
7	Audit Fund	99,283	
8	Liability, Protection, and Settlement Fund	1,333,164	
9	Auxiliary Enterprises Fund (subsidy only)	50,000	
10	**TOTAL NONCAPITAL EXPENDITURES** (sum of lines 1-9)		$ 37,917,156
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	4,581,155	
12	**TOTAL COSTS INCLUDED** (line 10 plus line 11)		$ 42,498,311
13	TOTAL CERTIFIED SEMESTER CREDIT HOURS FOR FY 2026	52,961	
14	**PER CAPITA COST** (line 12 divided by line 13)		$ 802.45

(See independent auditor's report.)

UNIFORM FINANCIAL STATEMENTS

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
FISCAL YEAR ENDED JUNE 30, 2026

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection Settlement Fund	Total
FUND BALANCES, JULY 1, 2025	$ 6,862,081	$ -	$ 5,408,776	$ 2,497,240	$ 15,705,985	$ 404,211	$ 2,625,000	$ 73,941	$ 2,796,143	$ 36,373,377
REVENUES										
Local tax revenue	$ 10,826,139	$ 2,949,979	$ 1,966,676	$ 4,866,995	$ -	$ -	$ -	$ 110,217	$ 1,200,887	$ 21,920,893
All other local revenue	296,663	80,915	-	-	-	-	-	-	-	377,578
ICCB grants	4,622,216	-	-	-	115,297	226,423	-	-	-	4,963,936
All other state revenue	-	-	-	-	-	7,858,917	-	-	-	7,858,917
Federal revenue	6,905	-	-	-	16,931	8,127,586	-	-	-	8,151,422
Student tuition and fees	8,339,580	665,949	-	-	491,197	-	-	-	-	9,496,726
All other revenue	919,877	27,367	126,677	67,762	5,228,691	1,230,493	-	-	-	7,600,867
Total revenues	25,011,380	3,724,210	2,093,353	4,934,757	5,852,116	17,443,419	-	110,217	1,200,887	60,370,339
EXPENDITURES										
Instruction	7,872,003	-	-	-	-	3,420,225	-	-	-	11,292,228
Academic support	2,859,861	-	-	-	-	808,705	-	-	-	3,668,566
Student services	2,083,229	-	-	-	-	1,633,062	-	-	-	3,716,291
Public service/continuing education	672,240	-	-	-	-	361,367	-	-	-	1,033,607
Auxiliary services	883,043	-	-	-	1,672,018	284,181	-	-	-	2,839,242
Operations and maintenance	-	3,074,210	5,191,496	-	-	420,432	-	-	781,009	9,467,147
Institutional support	6,808,273	-	-	4,785,578	4,062,388	1,856,149	-	99,283	552,155	18,163,826
Scholarships, student grants, waivers	1,163,829	-	-	-	-	8,621,586	-	-	-	9,785,415
Total expenditures	22,342,478	3,074,210	5,191,496	4,785,578	5,734,406	17,405,707	-	99,283	1,333,164	59,966,322
NET TRANSFERS	(2,221,774)	(650,000)	2,821,774	-	50,000	-	-	-	-	-
FUND BALANCES, JUNE 30, 2026	$ 7,309,209	$ -	$ 5,132,407	$ 2,646,419	$ 15,873,695	$ 441,923	$ 2,625,000	$ 84,875	$ 2,663,866	$ 36,777,394

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

SUMMARY OF CAPITAL ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2
FISCAL YEAR ENDED JUNE 30, 2026

	Capital Asset/Debt Account Groups July 1, 2025	Additions	Deletions	Transfers	Capital Asset/Debt Account Groups June 30, 2026
CAPITAL ASSETS					
Sites and improvements	$ 13,931,042	$ 5,390	$ -	$ -	$ 13,936,432
Buildings, additions and improvements	101,373,505	546,422	-	3,554,489	105,474,416
Equipment (Tangible and Intangible)	16,415,002	828,716	(667,831)	120,220	16,696,107
Projects in process	1,718,918	4,173,562	-	(3,674,709)	2,217,771
Other fixed assets	1,818,517	-	-	-	1,818,517
Intangible right-to-use assets	3,241,198	139,585	-	-	3,380,783
Total tangible and intangible capital assets	138,498,182	5,693,675	(667,831)	-	143,524,026
Less accumulated depreciation & amortization	(71,212,173)	(5,564,830)	633,779	-	(76,143,224)
NET CAPITAL ASSETS	$ 67,286,009	$ 128,845	$ (34,052)	$ -	$ 67,380,802
FIXED DEBT					
Bonds payable	$ 46,400,163	$ -	$ (3,546,419)	$ -	$ 42,853,744
Lease payable	134,852	139,585	(97,090)	-	177,347
SBITA payable	1,557,327	-	(521,848)	-	1,035,479
Other fixed liabilities	4,446,119	157,570	(260,237)	-	4,343,452
TOTAL FIXED DEBT	$ 52,538,461	$ 297,155	$ (4,425,594)	$ -	$ 48,410,022

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2026

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local Government			
Local Taxes	$ 10,826,139	$ 2,949,979	$ 13,776,118
CPPRT	296,663	80,915	377,578
Total Local Government	11,122,802	3,030,894	14,153,696
State Government			
ICCB Base Operating Grant	2,141,329	-	2,141,329
ICCB Equalization Grant	2,258,870	-	2,258,870
ICCB Career and Technical Education	189,055	-	189,055
ICCB Performance	8,035	-	8,035
Other State not listed above	24,927	-	24,927
Total State Government	4,622,216	-	4,622,216
Federal Government			
Other	6,905	-	6,905
Total Federal Government	6,905	-	6,905
Student Tuition and Fees			
Tuition	8,011,322	665,949	8,677,271
Fees	328,258	-	328,258
Total Tuition and Fees	8,339,580	665,949	9,005,529
Other Sources			
Sales and Service Fees	119,700	-	119,700
Investment Revenue	544,742	20,942	565,684
Other	255,435	6,425	261,860
Total Other Sources	919,877	27,367	947,244
Adjustments			
Transfers	-	-	-
Adjusted Revenues	25,011,380	3,724,210	28,735,590

(This statement is continued on the following page.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3 (Continued)
FISCAL YEAR ENDED JUNE 30, 2026

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	$ 7,872,003	$ -	$ 7,872,003
Academic Support	2,859,861	-	2,859,861
Student Services	2,083,229	-	2,083,229
Public Service/Continuing Education	672,240	-	672,240
Auxiliary Services	883,043	-	883,043
Operations and Maintenance	-	3,074,210	3,074,210
Institutional Support	6,808,273	-	6,808,273
Scholarships, Student Grants, Waivers	1,163,829	-	1,163,829
Total Expenditures	22,342,478	3,074,210	25,416,688
Adjustments			
Transfers	2,221,774	650,000	2,871,774
ADJUSTED EXPENDITURES	$ 24,564,252	$ 3,724,210	$ 28,288,462
BY OBJECT			
Salaries	$ 14,308,008	$ 1,252,277	$ 15,560,285
Employee Benefits	3,050,973	257,093	3,308,066
Contractual Services	1,444,452	462,071	1,906,523
General Materials and Supplies	831,834	321,233	1,153,067
Conference and Meeting Expenses	224,246	1,820	226,066
Fixed Charges	597,319	-	597,319
Utilities	116,684	779,716	896,400
Capital Outlay	140,675	-	140,675
Student Grants and Scholarships	1,237,047	-	1,237,047
Other	391,240	-	391,240
Total Expenditures	22,342,478	3,074,210	25,416,688
Adjustments			
Transfers	2,221,774	650,000	2,871,774
ADJUSTED EXPENDITURES	$ 24,564,252	$ 3,724,210	$ 28,288,462

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

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
FISCAL YEAR ENDED JUNE 30, 2026

REVENUES BY SOURCE	
State Government	
ICCB - Adult Education	$ 226,423
Other	7,858,917
Total State Government	8,085,340
Federal Government	
Department of Education	7,606,494
Department of Labor	514,404
Other	6,688
Total Federal Government	8,127,586
Other Sources	
Other	1,230,493
Total Other Sources	1,230,493
NET TRANSFERS	-
TOTAL RESTRICTED PURPOSES FUND REVENUES	$ 17,443,419

(This statement is continued on the following page.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4 (Continued)
FISCAL YEAR ENDED JUNE 30, 2026

EXPENDITURES BY PROGRAM	
Instruction	$ 3,420,225
Academic Support	808,705
Student Services	1,633,062
Public Service/Continuing Education	361,367
Auxiliary Services	284,181
Operations and maintenance	420,432
Institutional Support	1,856,149
Scholarships, Grants, Waivers	8,621,586
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	$ 17,405,707
EXPENDITURES BY OBJECT	
Salaries	$ 1,042,091
Employee Benefits	5,523,792
Contractual Services	280,074
Student Financial Aid	8,621,586
General Materials and Supplies	389,921
Travel & Conference/Meeting Expenses	212,210
Fixed Charges	61,012
Capital Outlay	359,434
Other	915,587
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	$ 17,405,707

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

CURRENT FUNDS - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
FISCAL YEAR ENDED JUNE 30, 2026

INSTRUCTION	
Instructional Programs	$ 9,297,809
Other	1,994,419
Total Instruction	11,292,228
ACADEMIC SUPPORT	
Library Center	438,292
Instructional Materials Center	238,982
Educational Media Services	154,550
Academic Computing Support	49,974
Academic Administration and Planning	1,701,418
Other	1,085,350
Total Academic Support	3,668,566
STUDENT SERVICES SUPPORT	
Admissions and Records	710,647
Counseling and Career Services	1,257,257
Financial Aid Administration	353,196
Other	1,395,191
Total Student Services Support	3,716,291
PUBLIC SERVICE/CONTINUING EDUCATION	
Community Education	250,036
Customized Training (Instructional)	360,611
Professional Development Cost, Faculty	-
Other	422,960
Total Public Service/Continuing Education	1,033,607
AUXILIARY SERVICES	2,839,242

(This statement is continued on the following page.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

CURRENT FUNDS - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5 (Continued)
FISCAL YEAR ENDED JUNE 30, 2026

OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	$ 1,175,833
Custodial Services	695,069
Grounds	227,494
Campus Security	754,966
Utilities	779,716
Administration	159,762
Other	482,811
Total Operations and Maintenance of Plant	4,275,651
INSTITUTIONAL SUPPORT	
Executive Management	1,427,524
Fiscal Operations	791,211
Community Relations	690,177
Administrative Support Services	1,394,935
General Institutional	1,430,940
Institutional Research	186,677
Administrative Data Processing	2,126,593
Other	1,267,803
Total Institutional Support	9,315,860
SCHOLARSHIPS, STUDENTS GRANTS, & WAIVERS	9,785,415
TOTAL CURRENT FUNDS EXPENDITURES	$ 45,926,860

Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprise; Restricted Purposes; Audit; Liability, Protection, and Settlement

ICCB STATE GRANTS COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Kishwaukee College
Illinois Community College
District No. 523
Malta, Illinois

Opinions

We have audited the accompanying balance sheet of the Kishwaukee College - Illinois Community College District No. 523, Malta, Illinois (the College) State Adult Education and Family Literacy Grant Programs as of June 30, 2026, and the related statement of revenues, expenditures and changes in program balances - state grant programs.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Kishwaukee College - Illinois Community College District No. 523's State Adult Education and Family Literacy Grant Programs of Kishwaukee College District No. 523 as of June 30, 2026, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards,* and the guidelines of the Illinois Community College Board *Fiscal Management Manual*. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We also reviewed the compliance with the provisions of the agreement between the College 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 opinions.

Emphasis of Matter

The accompanying balance sheet and statement of revenues, expenditures and changes in program balances were prepared for the purpose of complying with the terms of the ICCB Grants and are not intended to be a complete presentation of the College's revenue and expenditures in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, the standards applicable to financial audits contained in *Government Auditing Standards* and the guidelines of the Illinois Community College Board *Fiscal Management Manual*, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2026, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
October 28, 2026

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS
BALANCE SHEET

June 30, 2026

	State Basic	State Performance	Total
ASSETS			
None	$ -	$ -	$ -
TOTAL ASSETS	$ -	$ -	$ -
LIABILITIES AND PROGRAM BALANCES			
LIABILITIES			
None	$ -	$ -	$ -
Total liabilities	-	-	-
PROGRAM BALANCES			
None	-	-	-
Total program balances	-	-	-
TOTAL LIABILITIES AND PROGRAM BALANCES	$ -	$ -	$ -

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN PROGRAM BALANCES

For the Year Ended June 30, 2026

	State Basic	State Performance	Total
REVENUES			
State sources	$ 171,267	$ 55,156	$ 226,423
Total revenues	171,267	55,156	226,423
EXPENDITURES			
Academic support			
Salaries	71,291	38,232	109,523
Benefits	12,429	7,040	19,469
Total academic support	83,720	45,272	128,992
Program support			
Training/PD	2,423	462	2,885
Offices supplies	-	101	101
Printing	-	-	-
Travel	2,207	985	3,192
Rent	1,869	-	1,869
Misc - one stop	-	-	-
Total program support	6,499	1,548	8,047
Direct instruction			
Salaries	74,200	4,490	78,690
Instructional supplies	6,848	3,846	10,694
Total direct instruction	81,048	8,336	89,384
Total expenditures	171,267	55,156	226,423
CHANGES IN PROGRAM BALANCES	-	-	-
PROGRAM BALANCES, JULY 1, 2025	-	-	-
PROGRAM BALANCES, JUNE 30, 2026	$ -	$ -	$ -

(See independent auditor's report.)

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS - STATE GRANT PROGRAMS

June 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Kishwaukee College - Illinois Community College District No. 523 (the College) conform to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board. The following is a summary of the more significant accounting policies:

a. General

The accompanying statements include transactions resulting from the Illinois Community College Board (ICCB) State Adult Education and Family Literacy Restricted Grant Program. These transactions have been accounted for in the Restricted Purposes Funds of the governmental subgroup.

b. Basis of Accounting

The statements have been prepared on the accrual basis of accounting and the current financial resources measurement focus. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2026. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, if any, are recorded as restricted fund balances.

c. Capital Assets

Capital asset purchases are recorded as expenditures - capital outlay.

2. PAYMENTS OF PRIOR YEAR'S ENCUMBRANCES

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

3. BACKGROUND INFORMATION ON STATE GRANT ACTIVITY

Restricted Adult Education Grants/State

State Basic

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

Performance

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

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INDEPENDENT ACCOUNTANT'S REPORT ON THE SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED AND SUPPORTING RECONCILIATION OF SEMESTER CREDIT HOURS

Board of Trustees
Kishwaukee College
Illinois Community College
District No. 523
Malta, Illinois

We have examined management of Kishwaukee College - Illinois Community College District No. 523's (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of the College during the period July 1, 2025 through June 30, 2026. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirements based on our examination.

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

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, management's assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of Kishwaukee College is fairly stated, in all material respects.

Sikich CPA LLC

Naperville, Illinois
October 28, 2026

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

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

For the Year Ended June 30, 2026

	Total Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted
CATEGORIES								
Baccalaureate	-	4,082.0	-	16,069.0	-	14,032.0	-	34,183.0
Business occupational	-	168.0	-	1,520.0	-	1,919.0	-	3,607.0
Technical occupational	-	136.0	-	2,509.0	-	2,206.0	-	4,851.0
Health occupational	-	502.5	-	2,381.5	-	2,873.5	-	5,757.5
Remedial developmental	-	190.0	-	546.0	-	341.0	-	1,077.0
Adult basic education/adult secondary education	159.5	-	1,726.5	-	1,599.5	-	3,485.5	-
TOTAL CREDIT HOURS VERIFIED	159.5	5,078.5	1,726.5	23,025.5	1,599.5	21,371.5	3,485.5	49,475.5

	In-District	Chargeback/ Contractual Agreement	Total
Reimbursable credit hours (unrestricted)	42,888.5	784.5	43,673.0

	In-District		Total
Reimbursable credit hours (restricted)	3,463.0	-	3,463.0

	Dual Credit	Dual Enrollment	Total
Reimbursable credit hours (unrestricted)	7,362.0	91.0	7,453.0

A student's legal residence is used to determine the student's residency for both tuition calculation and submission of reports for state funding purposes.
According to ICCB guidelines, a student must reside within the district for at least 30 days prior to the start of the semester in order to meet in-district residency requirements.
The College records the residency classification at the time of a student's registration. If there is a question about a student's residency, the student must submit one of the following documents which reflect the student's in-district address.

1) Valid Illinois driver's license or motor vehicle registration
2) Voter's registration card
3) Real estate tax bill showing liability to the College
4) Apartment lease
5) Contract of sale for a new home
6) Utility bill
7) Rent receipt

Each case is treated individually and documentation tailored to the student's specific situation.

COLLEGE'S 2025 EQUALIZED ASSESSED VALUATION	$ 4,133,403,860

KISHWAUKEE COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523
MALTA, ILLINOIS

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS

For the Year Ended June 30, 2026

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	34,183.0	34,183.0	-	-	-	-
Business occupational	3,607.0	3,607.0	-	-	-	-
Technical occupational	4,851.0	4,851.0	-	-	-	-
Health occupational	5,757.5	5,757.5	-	-	-	-
Remedial developmental	1,077.0	1,077.0	-	-	-	-
Adult basic education/adult secondary education	-	-	-	3,485.5	3,485.5	-
TOTAL	49,475.5	49,475.5	-	3,485.5	3,485.5	-