

# 2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

*For Fiscal Years Ended  
June 30, 2023 and June 30, 2022*



Illinois Community College District No. 523, Malta, IL



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

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

For the Years Ended  
June 30, 2023 and 2022

Prepared by  
Finance Department

**KISHWAUKEE COLLEGE  
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523  
MALTA, ILLINOIS  
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**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
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**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, 2023

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<u>Board Members</u>	<u>Position</u>	<u>Term Expires</u>
Robert Johnson	Chair	2029
Dr. Robert Hammon	Vice-Chair	2029
Kathleen Spears	Secretary	2025
Kathy Countryman	Trustee	2027
Geri-Dee Hayden	Trustee	2027
Tonda Bruch	Trustee	2029
Kathleen Watkins	Trustee	2025
Perla Gonzalez	Student Trustee	2024

OFFICERS OF THE COLLEGE

Dr. Laurie Borowicz	President
Dr. M. Joanne Kantner	Chief Academic Officer
Barbara Leach	Interim Vice-President of Instruction
Dr. Michelle Rothmeyer	Vice President Student Services
Jill Hansen	Chief Financial Officer

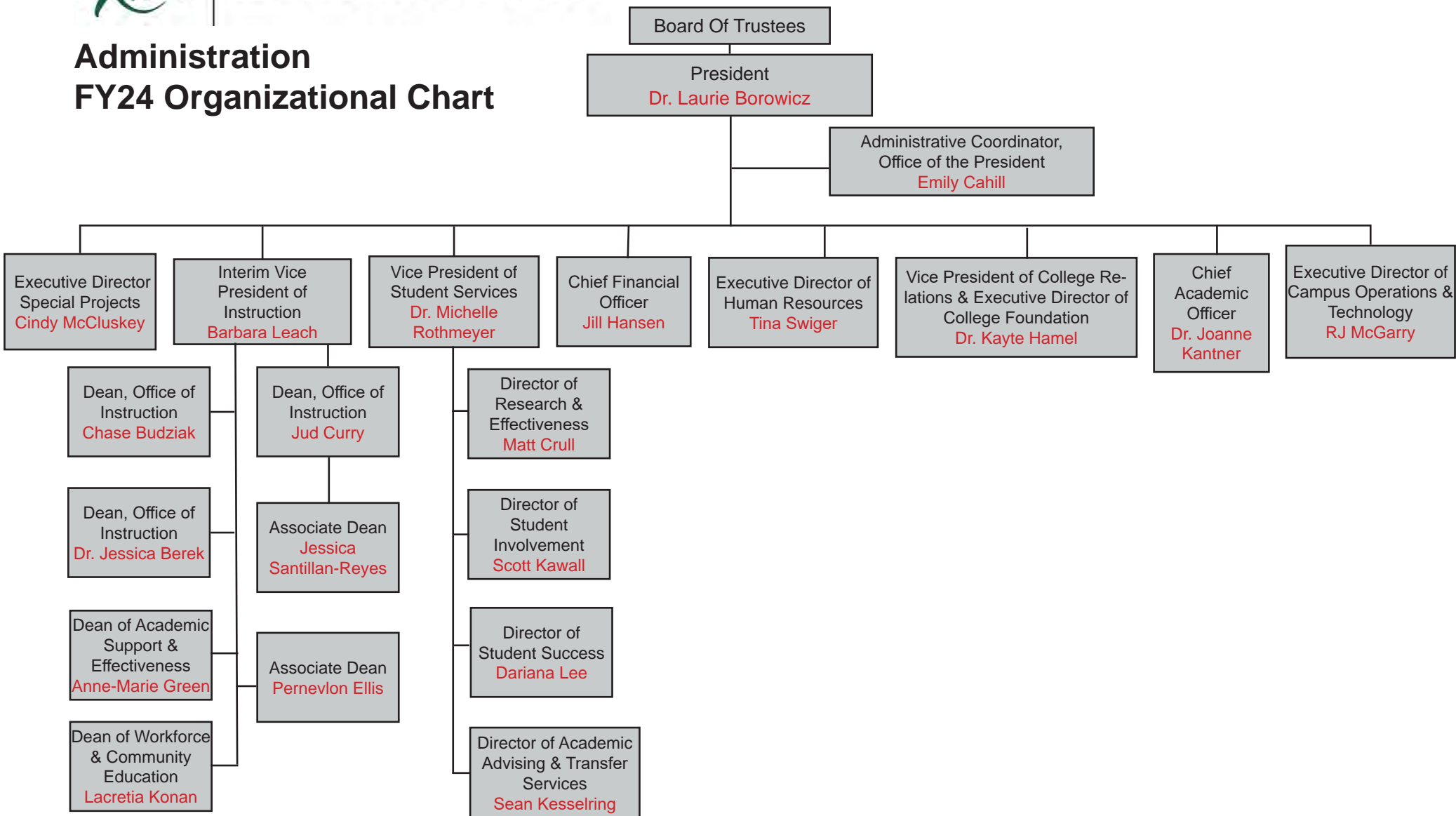
OFFICIALS ISSUING REPORT

Jill Hansen	Chief Financial Officer
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# KISHWAUKEE COLLEGE

## Administration FY24 Organizational Chart







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, 2022

Executive Director/CEO

**Transmittal Letter**

October 19, 2023

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, 2023 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 LLP has issued an unmodified (clean) opinion on Kishwaukee College District No. 523 basic financial statements for the year ended June 30, 2023. 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 new 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 five Strategic Initiatives identified in the existing plan provide the College with a focus and the framework for FY23 annual goal setting. FY24 annual goals will reflect our newly developed College Values, demonstrating a shared commitment of serving our students.

## **STRATEGIC INITIATIVES & FY24 COLLEGE GOALS**

### **Strategy 1: Student Success**

- Implement year 2 of the 3-year comprehensive guided pathways model.
- Explore converting the majority of courses to an 8-week format.
- Continue the work of the textbook affordability committee with an eventual goal of eliminating student textbook costs.
- Develop a quality assurance plan for online instruction.
- Pilot online learning success module.

### **Strategy 2: Valuing Employees**

- Increase the number of full-time Hispanic/LatinX employees from 5.5% to 9.7% of employees. (2% below the Racial Benchmark using Illinois Community College Board (ICCB) Population Report)
- Complete the Employee Handbook.
- Create college organizational development plan.
- Revise employee evaluation forms.
- Develop and implement employee engagement plan.

### **Strategy 3: External Partnerships**

- Demonstrate K-12/Community College/Business alignment on web.
- Implement High School Early College Program for FA24.
- Develop student programs and certifications to meet industry needs based on year one of the New Program Strategic Plan.

### **Strategy 4: Resource Management**

- Migrate student information system to SaaS (Software as a Service).
- Finalize plans for the A1400 wing by summer 2024.
- Implement records and retention plan.
- Implement new student payment plan system.
- Develop and seek approval for Higher Learning Commission (HLC) assurance project.
- Explore Solar Energy Opportunities at the College

## **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***

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

## ***MISSION***

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

## ***EQUITY STATEMENT***

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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***

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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.

Founded in 1966, under the State of Illinois Community College Act, the College opened in 1968 with an initial enrollment of 620. The College has continued to grow in its educational offerings, facilities, and equipment. The College is accredited by the Higher Learning Commission. Today, Kishwaukee College offers five transfer associate degrees, fifteen occupational degrees, one general studies degree and forty-eight certificates in today's most desirable career fields. District residents can complete their degrees or certificates conveniently with a multitude of flexible learning options. Online courses, blended courses which have online and on campus sessions, evening courses, compressed shorter sessions, and one-day, two-day, and four-day schedules are in place to provide flexibility for students. In addition, summer classes

are offered to support students. The College's dual credit program, a program where enrolled students earn both high school and college credit have experienced growth as new initiatives are realized with district high schools.

Kishwaukee College 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.

The College also offers Adult Education programming, which provides education to adults earning their high school equivalency, learning English, and transitioning into college. Nine short-term training programs leading to industry certifications, as well as a full schedule of continuing education life-long learning courses are available, as the college is recognized as an eligible provider of continuing professional education credits.

Responding to the changing needs of the communities it serves, the College adapts its courses and programs to meet those needs. Working with local and state agencies and other educational institutions, the College offers occupational education to area high school students as well as numerous cooperative occupational degrees and certificates with contiguous community college districts.

## ***FINANCIAL INFORMATION***

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### ***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. 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 provision 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 Community College district is an important business and agricultural region in northern Illinois, supported by a major state university, transportation, 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, Rochelle Foods and 3M Corporation. During Fiscal Year 2022, unemployment in DeKalb County decreased from 5.0% to 4.9%.

## ***Tax Base***

The College's tax base is quite diverse as even the largest ten taxpayers combined account for 6.48% of property tax revenue. Property taxes continue to be a significant source of revenue for Kishwaukee College. During fiscal year 2023, local property taxes accounted for 42.0% of total operating revenues. This is up from 41.0% in FY22.

Since 2015, Equalized Assessed Value (EAV) in the College's district has grown 48.9%. 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 2022 EAV of \$2,882,928,406 increased by 9.3% when compared with the 2021 EAV. However, over the last seven years, the College District's EAV has grown at an average annual rate of 7.0%.

## ***Debt Administration***

The College has general bonded debt of \$52,965,000 as of June 30, 2023 and \$55,815,000 as of June 30, 2022. The decrease of \$2,850,000 from 2023 to 2022 is the result of two factors: (1) bond refunding, and (2) bond principal payments.

The College was last reviewed by Standard & Poor's in January 2020 in the process of issuing 2020 taxable general obligation (GO) refunding bonds. S&P affirmed a AA-/Stable rating on the district's outstanding debt. The outlook reflects the district's: (1) participation the DeKalb area economy and access to the western suburbs of the Chicago metropolitan area, (2) inherent operational flexibility from its ability to raise tuition, and (3) moderate debt burden. Partially offsetting the above strengths, are the district's below-average, albeit adequate-to-good, income indicators.

## ***FY23 ACCOMPLISHMENTS AND INITIATIVES***

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

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

- Create a returning/working adult comprehensive guided pathway to earn a degree at Kishwaukee College.
- Completed guided pathways template and website and developed planners for two of eight pathways.
- Developed and implemented for FA22 an 8-week cohort in 19% of sections.

- Built appliance repair short term training as a cooperative model for shared resources with coursework on Kish campus and hands-on work at Knodle's Appliance Services Company.
- The Civility Statement was approved by the Board of Trustees and signed by union leadership on March 14, 2023.
- Successfully negotiated KCSS contract. It was approved by the Board of Trustees on May 9, 2023.
- Updated College's Strategic Plan.
- Implemented two-factor authentication, an IT security initiative.
- Created Grants Council to review new grant opportunities and provide input on best practices for grants management.

## **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, 2022. 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 11 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 LLP. 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.



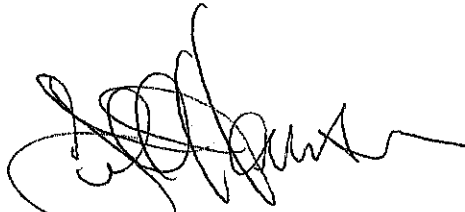
## Acknowledgments

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 LLP, for their contributions and assistance in preparing this report.

Respectfully submitted,



Dr. Laurie Borowicz  
President



Jill Hansen  
CFO

## **FINANCIAL SECTION**

## **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, 2023 and 2022, 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, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Change in Accounting Principle**

The College adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended June 30, 2023 and 2022. The implementation of this guidance resulted in changes to the reporting of right-to-use intangible subscription assets, subscription liability, and the related notes to the financial statements (see Notes 7 and 13 for additional information). Our opinion is not modified with respect to this matter.

#### **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.

### **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 19, 2023 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
October 19, 2023

1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

**SIKICH.COM**

**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, 2023, and the related notes to financial statements, which collectively comprise College's basic financial statements, and have issued our report thereon dated October 19, 2023. 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 LLP*

Naperville, Illinois  
October 19, 2023



# KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523

## MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended June 30, 2023

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### Using This Annual Report

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, 2023, 2022 and 2021.

The Management Discussion and Analysis (MD&A) provides an overview of the College's financial position at June 30, 2023, 2022 and 2021 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 or non-operating. Annual state appropriations are considered non-operating revenues 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.

**KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

For the year ended June 30, 2023

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**Using This Annual Report (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 Highlights**

Operating revenues were \$8,238 thousand, up \$346 thousand from the prior year. These revenues are generally exchange transactions, such as tuition and fees and auxiliary enterprise revenue. Operating expenses were \$43,319 thousand, which was a \$2,060 thousand decrease from the prior year. These expenses are incurred for the general purpose of providing education and operational activities of the College. Operating loss (operating revenues less operating expenses) was \$35,081 thousand, down \$2,406 thousand from the prior year.

Non-operating revenues were \$41,572 thousand, down \$2,104 thousand from the prior year. These revenues are non-exchange transactions such as State grants, Federal grants and property taxes. Federal non-operating revenue was \$4,804 thousand lower than last year.

Non-operating expenses were \$1,538 thousand, down \$136 thousand from the prior year.

Total net position (assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources) was \$38,156 thousand as of June 30, 2023. Of this amount, \$31,776 thousand is the net investment in capital assets. Net position increased by \$4,953 thousand from the prior year.

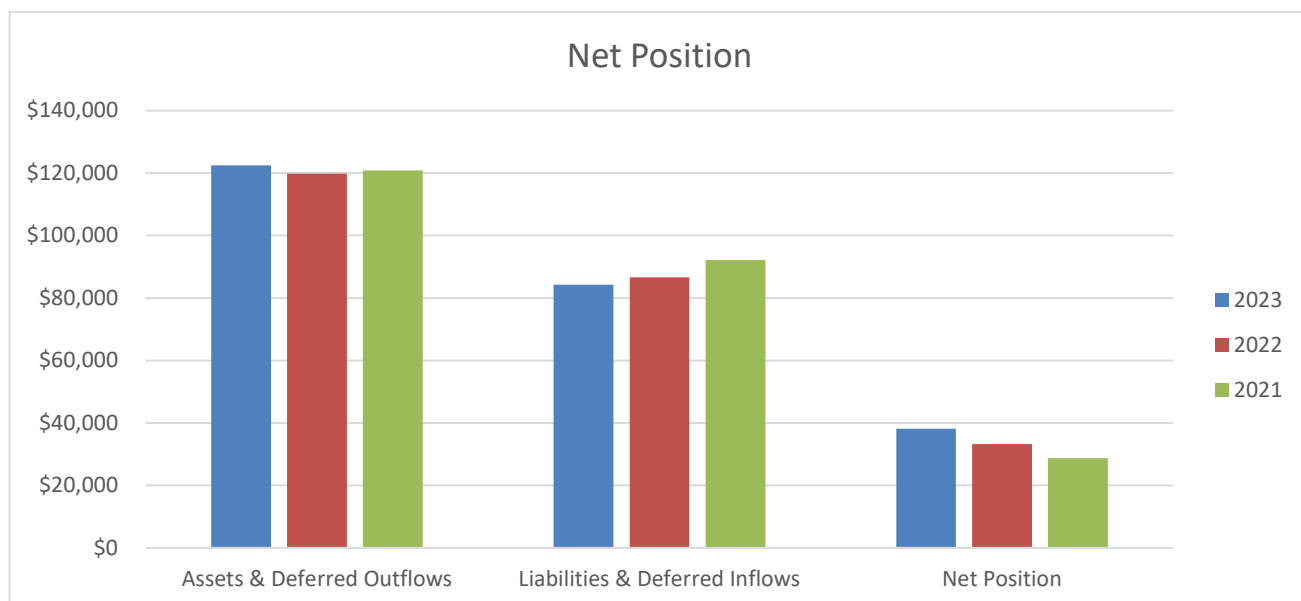
**KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

For the year ended June 30, 2023

**Financial Analysis of the College as a Whole**

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

	2023	2022	Increase (Decrease)	2021	Increase (Decrease)
Assets:					
Current assets	\$48,691	\$46,194	\$2,498	\$43,804	\$2,390
Non-current assets -					
Capital (fixed) assets	\$73,301	\$73,285	\$15	\$76,485	(\$3,200)
Total assets	\$121,992	\$119,479	\$2,513	\$120,289	(\$810)
Deferred Outflows	\$466	\$346	\$120	\$516	(\$170)
Liabilities:					
Current liabilities	\$9,868	\$8,836	\$1,031	\$9,335	(\$499)
Non-current liabilities	\$56,552	\$64,920	(\$8,368)	\$70,914	(\$5,994)
Total liabilities	\$66,420	\$73,756	(\$7,338)	\$80,250	(\$6,494)
Deferred Inflows	\$17,882	\$12,866	\$5,017	\$11,866	\$1,000
Net position:					
Net investment in capital assets	\$31,776	\$31,898	(\$122)	\$31,810	\$88
Restricted	\$10,577	\$10,333	\$244	\$9,228	\$1,105
Unrestricted	(\$4,197)	(\$9,028)	\$4,830	(\$12,349)	\$3,321
Total net position	\$38,156	\$33,203	\$4,953	\$28,689	\$4,514



**KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523  
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

For the year ended June 30, 2023

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This schedule is prepared from the College's Statement of Net Position, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

**Fiscal Year 2023 Compared to 2022**

Current assets increased \$2,498 thousand, of which \$1,088 thousand is in cash, cash equivalents and investments. The non-current assets increased \$15 thousand, where new investments in capital assets (net of write-offs) of \$4,729 thousand exceeded the increase in accumulated depreciation of \$4,713 thousand. Note that intangible assets of contracts for lease and SBITA software (Subscription Based IT Arrangement) greater than a year are now included in capital assets

Current liabilities increased \$1,031 thousand, due to the \$441 thousand increase in the current portion of lease and SBITA liabilities and the \$431 thousand increase in unearned tuition and fees. Non-current liabilities decreased by \$8,368 thousand. This was due to a \$3,052 thousand decrease in bonds payable resulting from principal payments made on the College's outstanding bonds and a \$7,460 thousand combined decrease in the CIP and College OPEB liability.

As a result of all of the factors described in this section, total net position at June 30, 2023 increased by \$4,953 thousand from last year.

**Fiscal Year 2022 Compared to 2021**

Current assets increased \$2,390 thousand, of which \$4,204 thousand is in cash, cash equivalents and investments. The non-current assets decreased \$3,260 thousand, where the increase in accumulated depreciation of \$4,626 thousand exceeded new investments in capital assets (net of write-offs) of \$1,366 thousand.

Current liabilities decreased \$554 thousand, due to the \$335 thousand decrease in accounts payable and the \$336 thousand decrease in health claims payable. Non-current liabilities decreased by \$5,994 thousand. This was due to a \$4,505 thousand decrease in bonds payable resulting from principal payments made on the College's outstanding bonds and a \$1,499 thousand combined decrease in the CIP and College OPEB liability.

As a result of all of the factors described in this section, total net position at June 30, 2022 increased by \$4,508 thousand from last year.

**KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

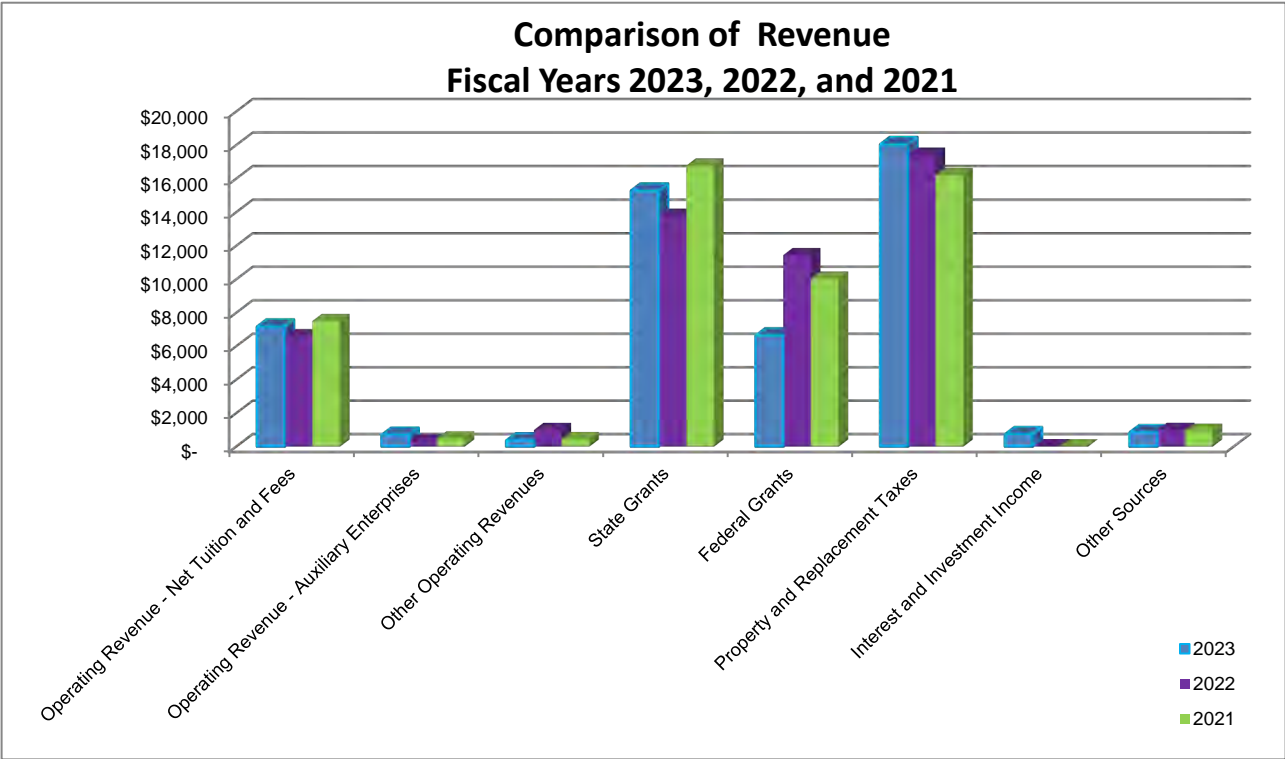
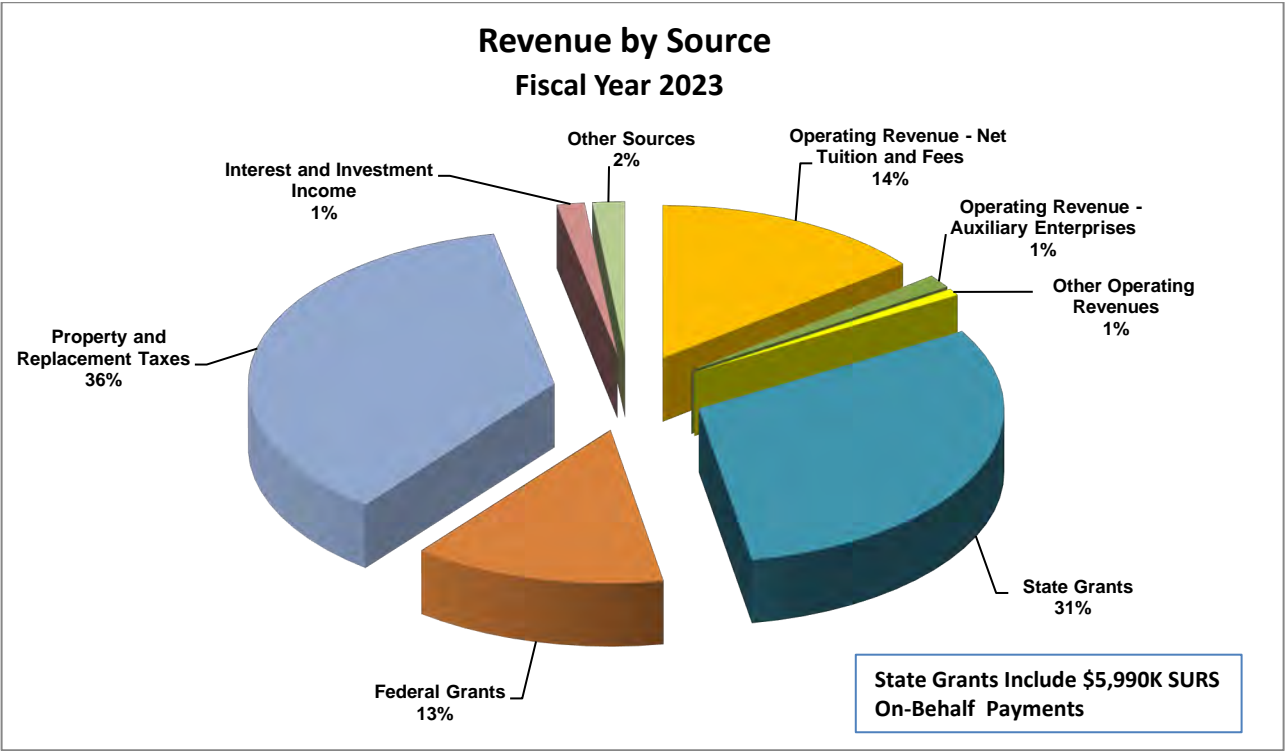
For the year ended June 30, 2023

**Operating Results for Years Ended June 30, (in thousands)**

	2023	2022	Increase (Decrease)	2021	Increase (Decrease)
Operating Revenues					
Net Tuition and Fees	\$7,174	\$6,598	\$576	\$7,505	(\$907)
Chargeback revenue	\$0	\$0	\$0	\$0	\$0
Auxiliary enterprise revenue	\$699	\$307	\$391	\$485	(\$178)
Other revenues	\$365	\$987	(\$622)	\$448	\$539
Total Operating Revenues	\$8,238	\$7,892	\$346	\$8,438	(\$546)
Less Operating Expenses	\$43,319	\$45,379	(\$2,060)	\$43,872	\$1,507
Operating Income (loss)	(\$35,081)	(\$37,487)	\$2,406	(\$35,434)	(\$2,053)
Non-Operating Revenues					
State grants	\$15,289	\$13,787	\$1,502	\$16,779	(\$2,991)
Federal grants	\$6,642	\$11,446	(\$4,804)	\$10,047	\$1,400
Property and replacement taxes	\$18,057	\$17,426	\$630	\$16,218	\$1,209
Interest and investment income	\$733	\$23	\$710	\$12	\$11
Other sources	\$851	\$992	(\$142)	\$941	\$52
Total non-operating revenues	\$41,572	\$43,675	(\$2,104)	\$43,996	(\$320)
Non-Operating Expense					
Gain (loss) on disposal of capital assets	\$97	\$0	\$96	\$185	(\$185)
Interest Expense	\$1,442	\$1,674	(\$232)	\$2,484	(\$810)
Total non-operating expenses	\$1,538	\$1,674	(\$136)	\$2,669	(\$995)
Change in net position	\$4,953	\$4,514	\$439	\$5,893	(\$1,379)
Beginning of year	\$33,203	\$28,689	\$4,514	\$22,797	\$5,893
Net Position, end of year	\$38,156	\$33,203	\$4,953	\$28,689	\$4,514

**KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**  
 For the year ended June 30, 2023

The following is a graphic illustration of revenues by source for the year ended June 30, 2023



**KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523  
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

For the year ended June 30, 2023

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**Fiscal Year 2023 Compared to 2022**

Operating revenue increased \$346 thousand due to an increase in tuition and fees of \$576 thousand. Other revenues decreased by \$622 thousand due to the discontinuation of last year's free textbooks for students which had resulted in an increase in internal revenue.

Operating expenses decreased \$2,060 thousand. This is due to the absence of federal pandemic HEERF funds in FY23 compared to FY22. There was also a \$1,597 decrease in SURS on-behalf payments. This decrease resulted in a reduction of instruction expenses by \$694 thousand.

Non-operating revenue decreased \$2,104 thousand. This is a blend of State and Federal revenue effects. The largest effect is a decrease in Federal revenue of \$4,804 thousand due to the absence of federal pandemic HEERF funds in FY23 compared to FY22. There was an increase in State revenue of \$1,502 thousand due to multiple state grants.

**Fiscal Year 2022 Compared to 2021**

Operating revenue decreased \$546 thousand due to a decrease in tuition and fees of \$907 thousand. Other revenues increased by \$539 thousand due to free textbooks for students which resulted in an increase in internal revenue.

Operating expenses increased \$1,512 thousand. This is due to awarding \$2,052 thousand more in federal pandemic HEERF funds to students in FY22 than in FY21. There was also a \$3,124 decrease in SURS on-behalf payments. This decrease resulted in a reduction of instruction expenses by \$1,475 thousand. Without this effect, instruction expenses would have been up by \$86 thousand.

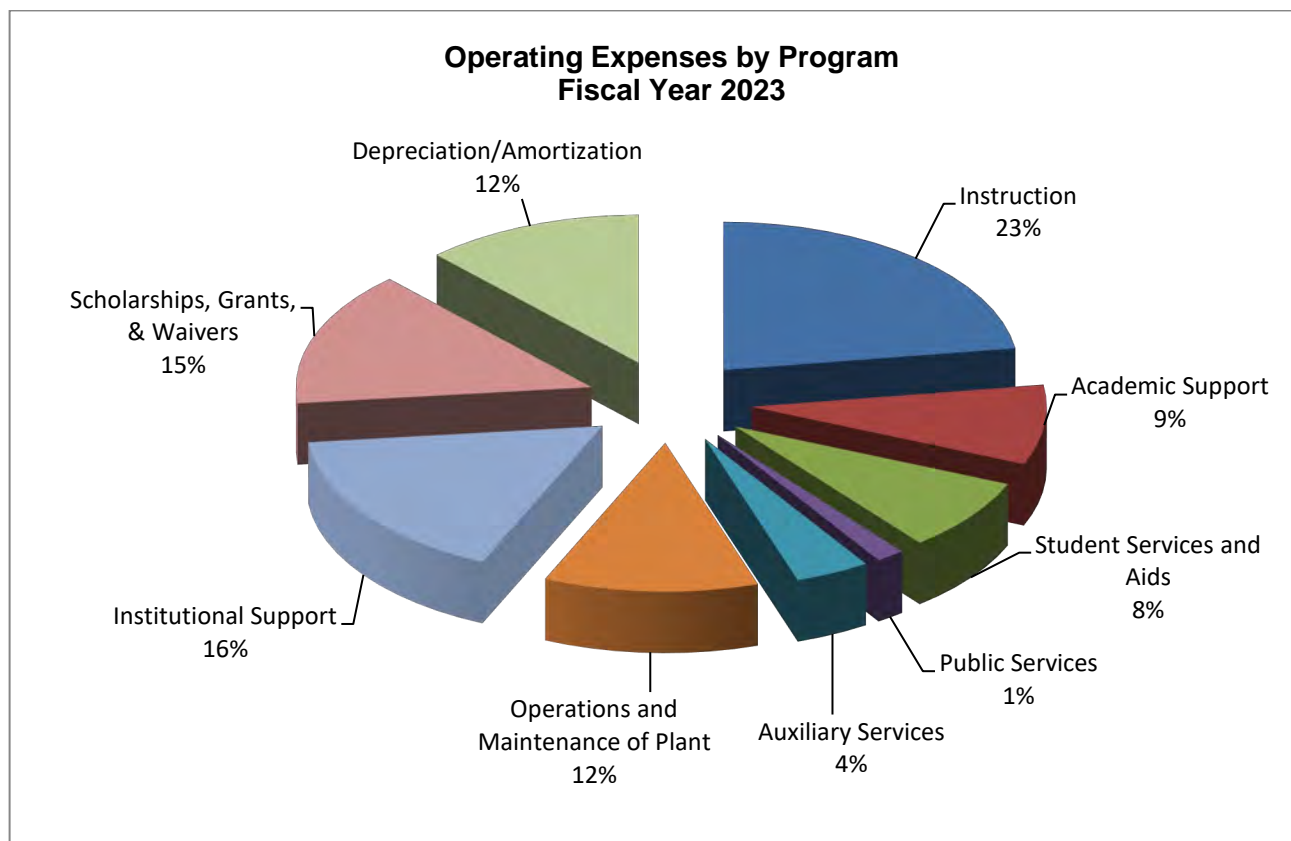
Non-operating revenue decreased \$320 thousand. This is a blend of State, Federal, and Property Tax revenue effects. The largest effect is a decrease in State revenue of \$3,124 thousand in SURS on-behalf payments, making the total SURS on-behalf payment for the year \$7,587 thousand. Both Federal and Property Tax revenues were higher.

**KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**  
For the year ended June 30, 2023

**Operating Expenses For the Year Ended June 30, (in thousands)**

	2023	2022	Increase (Decrease)	2021	Increase (Decrease)
Instruction	\$9,808	\$11,022	(\$1,214)	\$12,410	(\$1,389)
Academic Support	\$3,761	\$3,554	\$207	\$2,897	\$657
Student Services and Aids	\$3,451	\$3,336	\$115	\$3,680	(\$344)
Public Services	\$678	\$672	\$6	\$698	(\$26)
Auxiliary Services	\$1,768	\$1,743	\$26	\$1,431	\$312
Operations and Maintenance of Plant	\$5,069	\$4,814	\$255	\$5,085	(\$271)
Institutional Support	\$7,201	\$6,934	\$267	\$7,478	(\$543)
Scholarships, Grants, & Waivers	\$6,389	\$8,458	(\$2,069)	\$5,859	\$2,600
Depreciation/Amortization	\$5,194	\$4,846	\$348	\$4,334	\$512
<b>Total operating expenses</b>	<b>\$43,319</b>	<b>\$45,379</b>	<b>(\$2,060)</b>	<b>\$43,872</b>	<b>\$1,507</b>

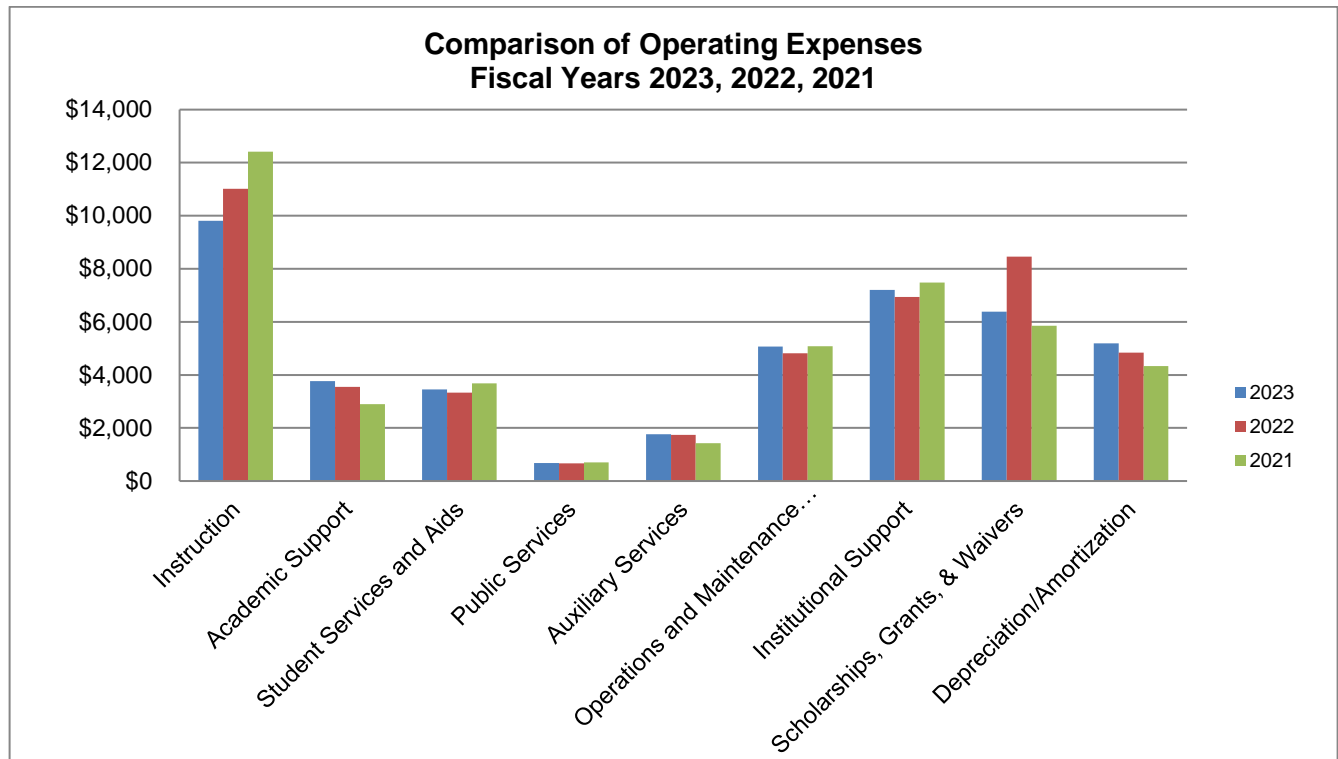
The following is a graphic illustration of operating expenses for the year ended June 30, 2023





**KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

For the year ended June 30, 2023

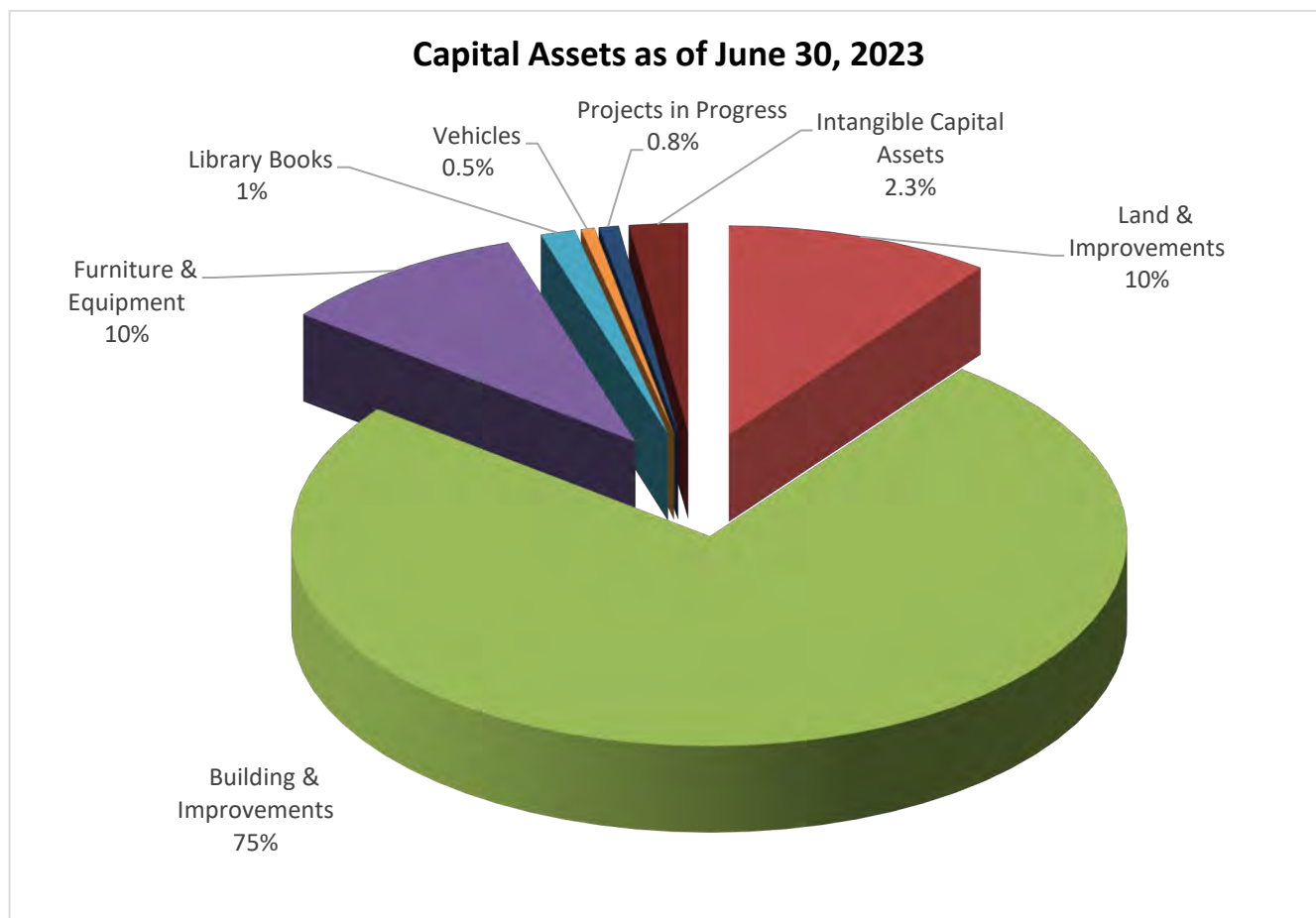


**Capital Assets, Net as of June 30, 2023**  
**(in thousands)**

	2023	2022	Increase (Decrease)	2021	Increase (Decrease)
<b>Tangible Capital Assets</b>					
Land & Improvements	\$13,875	\$13,284	\$591	\$12,771	\$513
Building & Improvements	\$101,318	\$100,865	\$453	\$100,683	\$183
Furniture & Equipment	\$13,058	\$12,603	\$455	\$12,245	\$357
Library Books	\$1,819	\$1,819	\$0	\$1,819	\$0
Vehicles	\$710	\$737	(\$27)	\$737	\$0
Projects in Progress	\$1,046	\$671	\$375	\$358	\$313
<b>Intangible Capital Assets</b>	\$3,066	\$184	\$2,882	\$0	\$184
<b>Total</b>	<b>\$134,891</b>	<b>\$130,162</b>	<b>\$4,729</b>	<b>\$128,613</b>	<b>\$1,550</b>
 Less Accum Deprec and Amort	 \$61,590	 \$56,877	 \$4,713	 \$52,127	 \$4,749
 <b>Net Capital Assets</b>	 <b>\$73,301</b>	 <b>\$73,285</b>	 <b>\$15</b>	 <b>\$76,485</b>	 <b>(\$3,200)</b>

**KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**  
For the year ended June 30, 2023

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**Fiscal Year 2023 Compared to 2022**

At June 30, 2023, the College has recorded \$134,891 thousand invested in land, buildings, land improvements, equipment, and the addition this year of intangible assets of contracts for leases and SBITA software (Subscription Based IT Arrangement). Of this amount, \$61,590 thousand in depreciation and amortization has accumulated over the years. The College's net book value of capital assets on June 30, 2023 is \$73,301 thousand. For more detailed information on capital asset activity, refer to Note (4) – Capital Assets, in the Notes to Financial Statements.

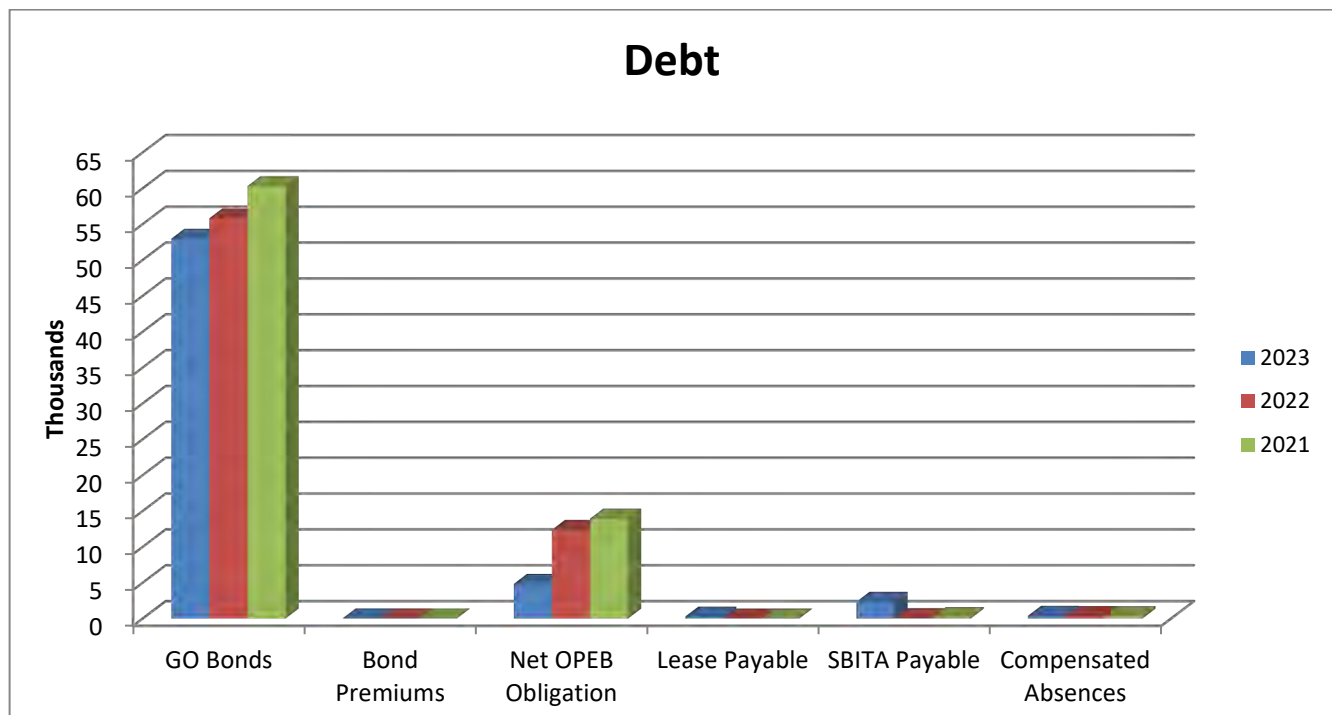
**Fiscal Year 2022 Compared to 2021**

At June 30, 2022, the College has recorded \$129,978 thousand invested in land, buildings, land improvements, and equipment. Of this amount, \$56,753 thousand in depreciation has accumulated over the years. The College's net book value of capital assets at June 30, 2022 is \$73,225 thousand. For more detailed information on capital asset activity, refer to Note (4) – Capital Assets, in the Notes to Financial Statements.

**KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**  
For the year ended June 30, 2023

**Debt as of June 30, 2023**  
**(in thousands)**

	2023	2022	Increase (Decrease)	2021	Increase (Decrease)
GO Bonds	\$52,965	\$55,815	(\$2,850)	\$60,295	(\$4,480)
Bond Premiums	\$23	\$19	\$4	\$24	(\$5)
Net OPEB Obligation	\$4,836	\$12,375	(\$7,539)	\$13,925	(\$1,550)
Lease Payable	\$262	\$0	\$262	\$0	\$0
SBITA Payable	\$2,344	\$55	\$2,289	\$184	(\$129)
Compensated Absences	\$385	\$346	\$39	\$335	\$11
<b>Total</b>	<b>\$60,815</b>	<b>\$68,609</b>	<b>(\$7,794)</b>	<b>\$74,763</b>	<b>(\$6,154)</b>



**Fiscal Year 2023 Compared to 2022**

As of June 30, 2023, the College's long-term debt was \$60,815 thousand. This balance decreased by \$7,794 thousand as compared with the prior year, due to principal payments on bonds outstanding and a reduction in the net OPEB obligation. For more detailed information on debt activity, refer to Note (5) – Long-Term Debt, in the Notes to Financial Statements.

**KISHWAUKEE COLLEGE - ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523  
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**

For the year ended June 30, 2023

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**Fiscal Year 2022 Compared to 2021**

As of June 30, 2022, the College's long-term debt was \$68,555 thousand. This balance decreased by \$6,024 thousand as compared with the prior year, due to principal payments on bonds outstanding and a reduction in the net OPEB obligation. For more detailed information on debt activity, refer to Note (5) – Long-Term Debt, in the Notes to Financial Statements.

**District Demographics**

Kishwaukee is one of 39 community college districts in the State of Illinois. It is located in the northern part of the state and the communities it serves are predominantly DeKalb, Sycamore, Rochelle, and Genoa.

The College district encompasses 831 square miles and includes portions of 7 counties: Boone, DeKalb, Kane, LaSalle, Lee, Ogle, and Winnebago.

**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 Hansen, CFO  
Kishwaukee College  
21193 Malta Road  
Malta, Illinois 60150-9699  
Phone number (815) 825-9517

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

STATEMENTS OF NET POSITION

June 30, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 4,434,421	\$ 11,148,583
Investments	30,196,359	22,394,610
Receivables (net of allowances for uncollectibles)		
Taxes	8,327,666	8,279,991
Accounts	12,027	43,905
Other	1,333,939	757,287
Tuition	3,470,454	3,032,538
Prepaid expenses	721,641	326,395
Inventories	194,656	210,306
	<hr/>	<hr/>
Total current assets	48,691,163	46,193,615
<b>NONCURRENT ASSETS</b>		
Capital assets, tangible and intangible	134,890,708	130,162,116
Less accumulated depreciation and amortization	(61,589,946)	(56,876,823)
	<hr/>	<hr/>
Net capital assets	73,300,762	73,285,293
	<hr/>	<hr/>
Total noncurrent assets	73,300,762	73,285,293
	<hr/>	<hr/>
Total assets	121,991,925	119,478,908
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Loss on refunding	196,119	-
Pension/OPEB items	269,786	346,310
	<hr/>	<hr/>
Total deferred outflows of resources	465,905	346,310
	<hr/>	<hr/>
Total assets and deferred outflows of resources	122,457,830	119,825,218
<b>CURRENT LIABILITIES</b>		
Accounts payable	563,545	566,886
Accrued salaries and payroll deductions payable	865,717	868,652
Health claims payable	-	934
Unearned tuition and fees	3,411,929	2,981,333
Unearned revenue	161,147	65,642
OPEB liability - CIP plan	175,608	166,683
OPEB liability - College plan	323,011	410,564
Accrued compensated absences, current	57,793	51,917
Lease liability, current	62,861	-
SBITA liability, current	432,465	54,785
Bonds payable, current	3,211,418	3,005,414
Interest payable	574,461	659,116
Other current liabilities	27,688	4,359
	<hr/>	<hr/>
Total current liabilities	9,867,643	8,836,285

(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, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>NONCURRENT LIABILITIES</b>		
OPEB liability - CIP plan	\$ 4,175,564	\$ 11,034,152
OPEB liability - College plan	161,878	763,318
Accrued compensated absences	327,496	294,198
Lease liability	199,217	-
SBITA liability	1,911,443	-
Bonds payable	49,776,581	52,828,376
	<hr/>	<hr/>
Total noncurrent liabilities	56,552,179	64,920,044
	<hr/>	<hr/>
Total liabilities	66,419,822	73,756,329
	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred revenue - property taxes	8,769,614	8,472,586
Pension/OPEB items	9,112,805	4,393,250
	<hr/>	<hr/>
Total deferred inflows of resources	17,882,419	12,865,836
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	84,302,241	86,622,165
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<b>NET POSITION</b>		
Net investment in capital assets	31,776,133	31,898,378
Restricted for		
Capital outlay	2,551,092	2,563,369
Debt service	2,248,863	2,191,003
Tort liability	2,270,575	1,847,613
Specific purposes	761,206	1,002,835
Working cash	2,625,000	2,625,000
Pension contributions	120,207	102,685
Unrestricted (deficit)	(4,197,487)	(9,027,830)
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<u>\$ 38,155,589</u>	<u>\$ 33,203,053</u>

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, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 7,174,206	\$ 6,597,748
Auxiliary enterprises revenue	698,671	307,320
Other operating revenue	365,421	986,953
Total operating revenues	8,238,298	7,892,021
<b>OPERATING EXPENSES</b>		
Instruction	9,808,050	11,021,772
Academic support	3,760,528	3,553,936
Student services	3,450,637	3,336,068
Public services	678,434	672,444
Auxiliary services	1,768,293	1,742,522
Operation and maintenance of plant	5,069,494	4,814,117
Institutional support	7,201,216	6,934,397
Scholarships, student grants, waivers	6,388,839	8,458,139
Amortization	482,461	123,523
Depreciation	4,711,152	4,722,311
Total operating expenses	43,319,104	45,379,229
OPERATING INCOME (LOSS)	(35,080,806)	(37,487,208)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Property taxes	17,172,969	16,644,475
Personal property replacement tax	883,815	781,933
State grants and contracts	15,289,217	13,787,297
Federal grants and contracts	6,641,738	11,446,231
Investment income	733,184	22,986
Interest expense and fiscal charges	(1,441,590)	(1,674,270)
Other non-operating revenue (expense)	850,841	992,361
Gain (loss) on disposal of capital assets	(96,832)	-
Total non-operating revenues (expenses)	40,033,342	42,001,013
CHANGE IN NET POSITION	4,952,536	4,513,805
NET POSITION, JULY 1, RESTATED	33,203,053	28,689,248
<b>NET POSITION, JUNE 30</b>	<b>\$ 38,155,589</b>	<b>\$ 33,203,053</b>

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, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 7,294,269	\$ 6,504,985
Payments to suppliers	(14,870,419)	(17,655,675)
Payments to employees	(18,013,786)	(16,387,586)
Auxiliary enterprise charges	698,671	307,320
Other	1,216,262	1,979,314
	<hr/>	<hr/>
Net cash from operating activities	(23,675,003)	(25,251,642)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Local property taxes	17,422,322	16,727,704
Corporate personal property replacement tax	883,815	781,933
State grants and contracts	6,752,376	8,534,731
Federal grants and contracts	6,310,368	11,114,861
	<hr/>	<hr/>
Net cash from noncapital financing activities	31,368,881	37,159,229
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of tangible and intangible capital assets	(2,344,407)	(1,388,224)
Principal paid on bonds, leases and SBITAs	(3,561,913)	(4,608,905)
Interest paid on bonds, leases and SBITAs	(1,430,484)	(1,728,952)
	<hr/>	<hr/>
Net cash from capital and related financing activities	(7,336,804)	(7,726,081)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	730,513	542,770
Purchases of investments	(7,801,749)	(8,528,364)
	<hr/>	<hr/>
Net cash from investing activities	(7,071,236)	(7,985,594)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(6,714,162)	(3,804,088)
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<hr/> 11,148,583	<hr/> 14,952,671
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<hr/> <hr/> \$ 4,434,421	<hr/> <hr/> \$ 11,148,583

(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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS)</b>		
<b>TO NET CASH FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (35,080,806)	\$ (37,487,208)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation and amortization	5,193,613	4,845,834
State proportionate share payments/pension expense	8,291,559	8,077,684
Other operating sources	850,841	992,361
Accounts receivable	(406,038)	(226,604)
Inventories	15,650	(65,943)
Prepaid expenses	(395,246)	(31,767)
Pension/OPEB items - deferred outflows	76,524	170,040
Accounts payable	36,595	(408,768)
Accrued salaries	(2,935)	62,146
Health claims payable	(934)	(335,831)
Accrued compensated absences	39,174	11,193
Pension/OPEB items - deferred inflows	4,719,555	561,762
Unearned revenue	526,101	133,841
OPEB liability	(7,538,656)	(1,550,382)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ (23,675,003)</u></u>	<u><u>\$ (25,251,642)</u></u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Capital asset purchases included in accounts payable	\$ 57,535	\$ 74,142
Lease issuance	322,626	-
SBITA issuance	2,655,488	-
State proportionate share pension expense	5,989,947	7,586,858
Issuance of refunding bonds	9,315,000	-
Issuance costs on refunding bonds	(89,175)	-
Refunding escrow payments	(9,225,816)	-
State proportionate share OPEB expense	2,301,612	490,826
<b>TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	<u><u>\$ 11,327,217</u></u>	<u><u>\$ 8,151,826</u></u>

See accompanying notes to financial statements.

**DISCRETELY PRESENTED COMPONENT UNIT**

**KISHWAUKEE COLLEGE FOUNDATION  
MALTA, ILLINOIS**

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 80,381	\$ 148,149
Pledges receivable	10,887	-
Prepaid expenses	1,562	994
Investments	8,825,661	8,216,745
<b>TOTAL ASSETS</b>	<b>\$ 8,918,491</b>	<b>\$ 8,365,888</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Due to Kishwaukee College	\$ 3,275	\$ 1,643
Deferred revenue	-	10,000
Accrued salaries	504	2,268
Total liabilities	3,779	13,911
<b>NET ASSETS</b>		
Without donor restrictions	1,225,814	1,159,777
With donor restrictions	7,688,898	7,192,200
Total net assets	8,914,712	8,351,977
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 8,918,491</b>	<b>\$ 8,365,888</b>

See accompanying notes to financial statements.

**DISCRETELY PRESENTED COMPONENT UNIT**

**KISHWAUKEE COLLEGE FOUNDATION  
MALTA, ILLINOIS**

**STATEMENTS OF ACTIVITIES**

For the Years Ended June 30, 2023 and June 30, 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>						
Contributions	\$ 134,899	\$ 453,607	\$ 588,506	\$ 87,329	\$ 442,772	\$ 530,101
Special events and other	35,453	-	35,453	6,904	-	6,904
In-kind donations - materials and supplies	41,953	-	41,953	29,654	-	29,654
Interest and dividends	41,502	158,869	200,371	32,124	120,680	152,804
Net realized gain on investments	191,519	743,613	935,132	113,168	423,702	536,870
Net unrealized gain (loss) on investments	(61,750)	(225,136)	(286,886)	(369,778)	(1,415,611)	(1,785,389)
Other income	126,701	-	126,701	135,307	-	135,307
Net assets released from restrictions	634,255	(634,255)	-	657,591	(657,591)	-
Total revenues	1,144,532	496,698	1,641,230	692,299	(1,086,048)	(393,749)
<b>EXPENSES</b>						
Program services						
Scholarships granted	453,670	-	453,670	470,874	-	470,874
Program enhancements	197,105	-	197,105	223,772	-	223,772
Return of donor requested funds	65,771	-	65,771	-	-	-
Contributed goods	39,023	-	39,023	29,654	-	29,654
Contributed wages and benefits	32,773	-	32,773	30,703	-	30,703
Wages and benefits	76,258	-	76,258	62,402	-	62,402
Total program services	864,600	-	864,600	817,405	-	817,405
Management and general						
Wages and benefits	47,943	-	47,943	47,670	-	47,670
Contributed wages and benefits	46,532	-	46,532	47,092	-	47,092
Administrative gift fee	126,701	-	126,701	135,307	-	135,307
Professional services	65,797	-	65,797	78,224	-	78,224
Supplies	12,898	-	12,898	9,965	-	9,965
Total management and general	299,871	-	299,871	318,258	-	318,258
Direct donor benefits - meals and entertainment	16,884	-	16,884	28	-	28
Fundraising						
Wages and benefits	28,249	-	28,249	29,987	-	29,987
Contributed wages and benefits	49,684	-	49,684	45,847	-	45,847
Other	10,585	-	10,585	2,049	-	2,049
Total fundraising	88,518	-	88,518	77,883	-	77,883
Total supporting services	405,273	-	405,273	396,169	-	396,169
Total expenses	1,269,873	-	1,269,873	1,213,574	-	1,213,574
Transfer from affiliate - Kishwaukee College						
Wages and benefits	128,989	-	128,989	123,642	-	123,642
Return of unused funds	62,389	-	62,389	-	-	-
Total transfer from affiliate	191,378	-	191,378	123,642	-	123,642
CHANGE IN NET ASSETS	66,037	496,698	562,735	(397,633)	(1,086,048)	(1,483,681)
NET ASSETS, BEGINNING OF YEAR	1,159,777	7,192,200	8,351,977	1,557,410	8,278,248	9,835,658
NET ASSETS, END OF YEAR	\$ 1,225,814	\$ 7,688,898	\$ 8,914,712	\$ 1,159,777	\$ 7,192,200	\$ 8,351,977

See accompanying notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2023 and 2022

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**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

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**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.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**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, 2023 and 2022 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. Prepays

Payments for goods and services that benefit future periods are recorded as prepaid items.

- 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

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g. Capital Assets (Continued)

date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Gains and losses realized upon retirement or disposition of capital assets are recognized in 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

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).

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.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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. 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. Non-operating expenses are expenses incidental to operations.



**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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, 2022 and 2021, the College has reported its proportionate share of the collective pension expense and revenue for the state's contribution. 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, 2023 and 2022, 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.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**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, 2023 and 2022, the College had no deposits that were uninsured and uncollateralized.

**b. Investments**

As of June 30, 2023 and 2022, the College did not hold any investments subject to interest rate risk.

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, 2023 and 2022, there were no investments subject to the fair value measurements requirements of GASB Statement No. 72.

The College also has investments in non-negotiable certificates of deposit and 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, 2023 and 2022 was \$30,196,360 and \$22,394,610, 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.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**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. As of June 30, 2023 and 2022, 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 2022 was passed on November 8, 2022 and the annual tax levy ordinance of 2021 was passed on November 9, 2021;
- 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 2023 and 2022.

Property taxes are recognized as revenue in the year intended to finance, regardless of when collected. The second half of the 2021 levy and the first half of the 2022 levy are recognized as revenue in the 2023 fiscal year. The second half of the 2022 levy is intended to finance the 2023 fiscal year and, accordingly, is reported as deferred revenue. The 2023 tax levy, which attached as an enforceable lien on property as of January 1, 2023, has not been recorded as a receivable as of June 30, 2023 as the tax has not yet been levied and will not be levied until November 2023 and, therefore, the levy is not measurable at June 30, 2023.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 is as follows:

	Beginning Balances	Increases	Decreases	Transfers In (Out)	Ending Balances
Tangible capital assets not being depreciated					
Land	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000
Construction in progress	671,299	831,853	-	(457,324)	1,045,828
Total tangible capital assets not being depreciated	791,299	831,853	-	(457,324)	1,165,828
Tangible capital assets being depreciated					
Land improvements	13,163,733	486,356	-	104,953	13,755,042
Buildings and improvements	100,865,099	363,074	162,029	251,704	101,317,848
Furniture and equipment	12,602,707	646,517	291,894	100,667	13,057,997
Library books	1,818,517	-	-	-	1,818,517
Vehicles	737,071	-	27,399	-	709,672
Total tangible capital assets being depreciated	129,187,127	1,495,947	481,322	457,324	130,659,076
Intangible capital assets being amortized					
Vehicles	-	295,110	-	-	295,110
Equipment	-	27,516	-	-	27,516
Software	183,690	2,655,488	96,000	-	2,743,178
Total intangible capital assets being amortized	183,690	2,978,114	96,000	-	3,065,804
Less accumulated depreciation for tangible capital assets					
Land improvements	2,907,614	396,208	-	-	3,303,822
Buildings and improvements	42,690,801	3,322,485	86,903	-	45,926,383
Furniture and equipment	8,678,051	964,828	270,188	-	9,372,691
Library books	1,818,516	-	-	-	1,818,516
Vehicles	658,318	27,631	27,399	-	658,550
Total accumulated depreciation for tangible capital assets	56,753,300	4,711,152	384,490	-	61,079,962
Less accumulated amortization for in tangible capital assets					
Vehicles	-	59,022	-	-	59,022
Equipment	-	4,752	-	-	4,752
Software	123,523	418,687	96,000	-	446,210
Total accumulated amortization for intangible capital assets	123,523	482,461	96,000	-	509,984
Total tangible and intangible capital assets being depreciated and amortized, net	72,493,994	(719,552)	96,832	457,324	72,134,934
CAPITAL ASSETS, NET	\$ 73,285,293	\$ 112,301	\$ 96,832	\$ -	\$ 73,300,762

**KISHWAUKEE COLLEGE**  
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**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**4. CAPITAL ASSETS (Continued)**

Capital asset activity for the year ended June 30, 2022 is as follows:

	Beginning Balances, Restated*	Increases	Decreases	Transfers In (Out)	Ending Balances
Tangible capital assets not being depreciated					
Land	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000
Construction in progress	358,154	671,299	-	(358,154)	671,299
Total capital assets not being depreciated	478,154	671,299	-	(358,154)	791,299
Tangible capital assets being depreciated					
Land improvements	12,650,843	154,736	-	358,154	13,163,733
Buildings and improvements	100,682,518	224,582	42,001	-	100,865,099
Furniture and equipment	12,245,430	411,749	54,472	-	12,602,707
Library books	1,818,517	-	-	-	1,818,517
Vehicles	737,071	-	-	-	737,071
Total capital assets being depreciated	128,134,379	791,067	96,473	358,154	129,187,127
Intangible capital assets being amortized					
Software	183,690	-	-	-	183,690
Total intangible capital assets being amortized	183,690	-	-	-	183,690
Less accumulated depreciation for					
Land improvements	2,553,727	353,887	-	-	2,907,614
Buildings and improvements	39,322,722	3,410,080	42,001	-	42,690,801
Furniture and equipment	7,812,742	919,781	54,472	-	8,678,051
Library books	1,818,516	-	-	-	1,818,516
Vehicles	619,755	38,563	-	-	658,318
Total accumulated depreciation	52,127,462	4,722,311	96,473	-	56,753,300
Less accumulated amortization for intangible capital assets					
Software	-	123,523	-	-	123,523
Total accumulate amortization for intangible capital assets	-	123,523	-	-	123,523
Total tangible and intangible capital assets being depreciated and amortized, net	76,190,607	(4,054,767)	-	358,154	72,493,994
CAPITAL ASSETS, NET	\$ 76,668,761	\$ (3,383,468)	\$ -	\$ -	\$ 73,285,293

\*Beginning balances restated as part of the College's implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. See Notes 7 and 13 for additional information.

**KISHWAUKEE COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

**5. LONG-TERM DEBT**

Changes in long-term debt for the year ended June 30, 2023 is as follows:

	Balances July 1, 2022	Issuance	Repayment/ Refunding	Balances June 30, 2023	Current Portion
Accrued compensated absences	\$ 346,115	\$ 385,289	\$ 346,115	\$ 385,289	\$ 57,793
OPEB liability - CIP plan	11,200,835	-	6,849,663	4,351,172	175,608
OPEB liability - College plan	1,173,882	-	688,993	484,889	323,011
Lease payable	-	322,626	60,548	262,078	62,861
SBITA payable	54,785	2,655,488	366,365	2,343,908	432,465
General Obligation Bonds, Series 2013	9,200,000	-	9,200,000	-	-
General Obligation Bonds, Series 2014	630,000	-	130,000	500,000	140,000
General Obligation Bonds, Series 2020	45,985,000	-	2,700,000	43,285,000	2,675,000
General Obligation Bonds, Series 2022	-	9,315,000	135,000	9,180,000	390,000
Bond premiums/discount	18,790	-	(4,209)	22,999	6,418
<b>TOTAL</b>	<b>\$ 68,609,407</b>	<b>\$ 12,678,403</b>	<b>\$ 20,472,475</b>	<b>\$ 60,815,335</b>	<b>\$ 4,263,156</b>

Changes in long-term debt for the year ended June 30, 2022 is as follows:

	Balances July 1, 2021, Restated	Issuance	Repayment	Balances June 30, 2022	Current Portion
Accrued compensated absences	\$ 334,922	\$ 346,115	\$ 334,922	\$ 346,115	\$ 51,917
OPEB liability - CIP plan	12,346,250	-	1,145,415	11,200,835	166,683
OPEB liability - College plan	1,578,849	-	404,967	1,173,882	410,564
SBITA payable	183,690	-	128,905	54,785	54,785
General Obligation Bonds (Alternate Revenue Source), Series 2012	1,625,000	-	1,625,000	-	-
General Obligation Bonds, Series 2013	9,420,000	-	220,000	9,200,000	170,000
General Obligation Bonds, Series 2014	745,000	-	115,000	630,000	130,000
General Obligation Bonds, Series 2020	48,505,000	-	2,520,000	45,985,000	2,700,000
Bond premiums/discount	24,204	-	5,414	18,790	5,414
<b>TOTAL</b>	<b>\$ 74,762,915</b>	<b>\$ 346,115</b>	<b>\$ 6,499,623</b>	<b>\$ 68,609,407</b>	<b>\$ 3,689,363</b>

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**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, 2023 are comprised of the following:

\$12,360,000 General Obligation Bonds, Series 2013, dated June 27, 2013. The bonds are payable in annual installments of \$165,000 to \$1,395,000 from February 1, 2013 to February 1, 2031. Interest is payable semiannually each February 1 and August 1 at rates from 2% to 5%. These bonds were refunded during the fiscal year ending June 30, 2023.

\$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%.



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NOTES TO FINANCIAL STATEMENTS (Continued)

**5. LONG-TERM DEBT (Continued)**

General Obligation Bonds (Continued)

Debt service to maturity on these issues is as follows:

Fiscal Year	General Obligation Bonds		
	Principal	Interest	Total
2024	\$ 3,205,000	\$ 1,387,961	\$ 4,592,961
2025	3,370,000	1,319,401	4,689,401
2026	3,540,000	1,243,753	4,783,753
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
<b>TOTAL</b>	<b>\$ 52,965,000</b>	<b>\$ 10,584,354</b>	<b>\$ 63,549,354</b>

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$2,882,928,406. As of June 30, 2023, the College had \$29,919,192 remaining legal debt margin.

2022 Refunding

The College issued \$9,315,000 General Obligation Refunding Bonds, Series 2022, dated November 8, 2022. The bonds were issued to refund \$9,030,000 of the 2013 General Obligation Bonds. Through the refunding transaction, the College achieved cash flow savings of \$761,582 and an economic gain of \$762,092 on the Series 2022 bonds.

**6. LEASES**

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, 2023, the College paid \$56,265 in principal towards the lease and recognized amortization expense of \$59,022.

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**6. LEASES (Continued)**

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, 2023, the College paid \$2,743 in principal towards the lease and recognized amortization expense of \$3,040.

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, 2023, the College paid \$1,540 in principal towards the lease and recognized amortization expense of \$1,712.

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

Fiscal Year Ending June 30,	Leases	
	Principal	Interest
2024	\$ 62,861	\$ 5,522
2025	64,365	4,018
2026	65,905	2,478
2027	67,480	903
2028	1,467	8
<b>TOTAL</b>	<b>\$ 262,078</b>	<b>\$ 12,929</b>

**7. 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, 2023, the College paid \$247,835 in principal towards the SBITA and recognized amortization expense of \$289,297.

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS**  
**(Continued)**

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 is through June 30, 2025. The total intangible right-to-use asset acquired under this SBITA was \$12,789. During the fiscal year ended June 30, 2023, the College paid \$4,186 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, 2023, the College paid \$73,819 in principal towards the SBITA and recognized amortization expense of \$84,654. During the fiscal year ended June 30, 2022, the College paid \$88,510 in principal towards the SBITA and recognized amortization expense of \$83,051.

The College entered into a SBITA for the right to use Microsoft 365 software on September 1, 2020. The SBITA is payable in monthly principal and interest installments of \$3,387. The SBITA period is through August 31, 2023. The total intangible right-to-use asset acquired under this SBITA was \$87,690. During the fiscal year ended June 30, 2023, the College paid \$40,526 in principal towards the SBITA and recognized amortization expense of \$40,472. During the fiscal year ended June 30, 2022, the College paid \$40,395 in principal towards the SBITA and recognized amortization expense of \$40,472.

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

Fiscal Year Ending June 30,	SBITA	
	Principal	Interest
2024	\$ 432,465	\$ 60,204
2025	455,898	54,389
2026	483,202	39,654
2027	516,467	23,956
2028	455,874	7,262
TOTAL	<u>\$ 2,343,906</u>	<u>\$ 185,465</u>

## **8. 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](http://www.SURS.org).

### **Benefits Provided**

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

### **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 2023 and 2022 was 12.83% and 12.32%, respectively, of covered payroll.

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**8. RETIREMENT COMMITMENTS (Continued)**

Contributions (Continued)

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, 2022 and 2021, SURS reported a net pension liability of \$29,078,053,857 and \$28,528,477,079, respectively. The net pension liability was measured as of June 30, 2022 and 2021.

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 \$88,411,532 or 0.3040% as of June 30, 2022 and \$90,600,167 or 0.3176% as of June 30, 2021. 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, 2022 and 2021 and the total pension used to calculate the net pension liability was determined based on the June 30, 2021 and 2020 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 2022 and 2021.

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**8. RETIREMENT COMMITMENTS (Continued)**

Funding Policy (Continued)

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

Pension Expense

At June 30, 2022 and 2021, SURS reported a collective net pension expense of \$1,903,314,699 and \$2,342,460,058, 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 2023 and 2022 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 2022 and 2021. As a result, the College recognized revenue and pension expense of \$5,787,009 and \$7,439,138 for the fiscal years ended June 30, 2023 and 2022, 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 \$120,207 in federal, trust or grant contributions for the fiscal year ended June 30, 2023 and \$102,685 for the year ended June 30, 2022. These contributions were made subsequent to the pension liability measurement date of June 30, 2022 and 2021 and are recognized as deferred outflows of resources as of June 30, 2023 and 2022.

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**8. RETIREMENT COMMITMENTS (Continued)**

Funding Policy (Continued)

b. Assumptions and Other Inputs

Actuarial Assumptions

2022

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

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

2021

Actuarial assumptions. The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from June 30, 2017, through June 30, 2020. The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% to 12.75%, including inflation
Investment rate of return	6.50% beginning with the actuarial valuation as of June 30, 2021

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

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NOTES TO FINANCIAL STATEMENTS (Continued)

**8. 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, 2022 and 2021, these best estimates are summarized in the following table:

	2022	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	38.00%	7.62%
Stabilized Growth		
Public Credit Fixed Income	9.00%	4.20%
Credit Real Assets	4.50%	4.98%
Options Strategies	2.50%	4.91%
Private Credit	1.00%	7.45%
Non-Traditional Growth		
Private Equity	10.50%	11.91%
Non-Core Real Assets	2.50%	9.43%
Inflation Sensitive		
U.S. TIPS	5.00%	1.23%
Principal Protection		
Core Fixed Income	8.00%	1.79%
Crisis Risk Offset		
Systematic Trend Following	10.00%	4.33%
Alternative Risk Premia	5.00%	3.59%
Long Duration	4.00%	2.16%
Total	100.00%	6.08%
Inflation		2.25%
EXPECTED ARITHMETIC RETURN		8.33%



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NOTES TO FINANCIAL STATEMENTS (Continued)

**8. RETIREMENT COMMITMENTS (Continued)**

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

	2022	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	41.00%	6.30%
Stabilized Growth		
Credit Fixed Income	14.00%	1.82%
Core Real Assets	5.00%	3.92%
Options Strategies	6.00%	4.20%
Non-Traditional Growth		
Private Equity	7.50%	10.45%
Non-Core Real Assets	2.50%	8.83%
Inflation Sensitive		
U.S. TIPS	6.00%	(0.22)%
Principal Protection		
Core Fixed Income	8.00%	(0.81)%
Crisis Risk Offset		
Systematic Trend Following	3.50%	3.45%
Alternative Risk Premia	3.00%	2.30%
Long Duration	3.50%	0.91%
Total	100.00%	4.43%
Inflation		2.25%
EXPECTED ARITHMETIC RETURN		6.68%

**KISHWAUKEE COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. RETIREMENT COMMITMENTS (Continued)**

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

2023

Discount Rate

A single discount rate of 6.39% 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 3.69% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of 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 6.39% for 2023, 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 (5.39%) or 1 percentage point higher (7.39%):

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

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. RETIREMENT COMMITMENTS (Continued)**

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

2022

Discount Rate

A single discount rate of 6.12% 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 1.92% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under 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 6.12% for 2022, 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 (5.12%) or 1 percentage point higher (7.12%):

	1% Decrease (5.12%)	Current Single Discount Rate Assumption (6.12%)	1% Increase (7.12%)
Net pension liability	\$ 35,000,704,353	\$ 28,528,477,079	\$ 23,155,085,730

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**8. RETIREMENT COMMITMENTS (Continued)**

Defined Contribution Pension Plan

2023

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](http://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, 2023, 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.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**8. RETIREMENT COMMITMENTS (Continued)**

Defined Contribution Pension Plan (Continued)

2023 (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, 2022, the State's contributions to the RSP on behalf of individual employers totaled \$89,770,940. Of this amount, \$80,902,699 was funded via an appropriation from the State and \$8,868,241 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense:

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2022. The College's share of pensionable contributions was 0.2261%. As a result, the College recognized revenue and defined contribution pension expense of \$202,938 from this special funding situation during the year ended June 30, 2023, of which \$20,048 constituted forfeitures.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
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**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**8. RETIREMENT COMMITMENTS (Continued)**

Defined Contribution Pension Plan

2022

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](http://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, 2022, 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.

**KISHWAUKEE COLLEGE**  
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**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**8. RETIREMENT COMMITMENTS (Continued)**

Defined Contribution Pension Plan (Continued)

2022 (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, 2021, the State's contributions to the RSP on behalf of individual employers totaled \$76,280,832. Of this amount, \$70,403,460 was funded via an appropriation from the State and \$5,877,372 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 2021. The College' share of pensionable contributions was 0.1937%. As a result, the College recognized revenue and defined contribution pension expense of \$147,720 from this special funding situation during the year ended June 30, 2022, of which \$11,382 constituted forfeitures.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. RETIREE HEALTH PLAN**

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 0.50% 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.

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.

2023

At June 30, 2023, the College reported a liability of \$4,351,172 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of \$4,351,172 resulting in a total OPEB liability associated with the College of \$8,702,344. The OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation performed as of June 30, 2021 rolled forward to June 30, 2022. 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, 2022 and 2021, the College's proportions were 0.635616% and 0.645383%, respectively.



**KISHWAUKEE COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

**9. RETIREE HEALTH PLAN (Continued)**

Plan Description (Continued)

2023 (Continued)

For the year ended June 30, 2023, the College recognized OPEB expense of \$2,301,612 and revenue of \$2,301,612 for support provided by the state. At June 30, 2023, 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	\$ 34,374	\$ 1,812,398
Changes in assumption	-	5,865,245
Changes in proportionate share and differences between college contributions and proportionate share of contributions	45,219	1,085,711
Contributions made after the measurement date	61,447	-
Net difference between projected and actual earnings on OPEB plan investments	-	225
TOTAL	\$ 141,040	\$ 8,763,579

The deferred outflows of resources related to OPEB resulting from the College's contribution subsequent to the measurement date, reported at \$61,447, will be recognized as a reduction of the OPEB liability for the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2024	\$ (1,447,331)
2025	(1,447,331)
2026	(1,447,331)
2027	(1,447,331)
2028	(1,447,331)
Thereafter	(1,447,331)
TOTAL	\$ (8,683,986)

**KISHWAUKEE COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. RETIREE HEALTH PLAN (Continued)**

Plan Description (Continued)

2023 (Continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions	
Inflation	2.25%
Salary increases	3.50% to 12.75%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% trending to 4.25% for non-Medicare; 19.42% 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, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2020.

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 3.69% as of June 30, 2022 and 1.92% as of June 30, 2021.

**KISHWAUKEE COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. RETIREE HEALTH PLAN (Continued)**

Plan Description (Continued)

2023 (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 3.69% 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 (2.69%) or 1 percentage point higher (4.69%) than the current rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
OPEB liability	\$ 4,763,133	\$ 4,351,172	\$ 3,998,887

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 9.18% in 2023 increasing to an ultimate trend rate of 4.25% in 2039 for CCHP and MC coverage, and 2.98% in 2023 increasing to an ultimate trend rate of 4.25% in 2039 for MAPD coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	\$ 3,888,439	\$ 4,351,172	\$ 4,916,593

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

2022

At June 30, 2022, the College reported a liability of \$11,200,835 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of \$11,200,835 resulting in a total OPEB liability associated with the College of \$22,401,670. The OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to June 30, 2021. 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, 2021 and 2020, the College's proportions were 0.645383% and 0.677337%, respectively.

**KISHWAUKEE COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

**9. RETIREE HEALTH PLAN (Continued)**

Plan Description (Continued)

2022 (Continued)

For the year ended June 30, 2022, the College recognized OPEB expense of \$490,826 and revenue of \$490,826 for support provided by the state. At June 30, 2022, 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	\$ 70,883	\$ 818,648
Changes in assumption	-	2,139,714
Changes in proportionate share and differences between college contributions and proportionate share of contributions	84,512	1,331,140
Contributions made after the measurement date	59,942	-
Net difference between projected and actual earnings on OPEB plan investments	-	323
TOTAL	\$ 215,337	\$ 4,289,825

The deferred outflows of resources related to OPEB resulting from the College's contribution subsequent to the measurement date, reported at \$59,942, will be recognized as a reduction of the OPEB liability for the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2023	\$ (689,071)
2024	(689,071)
2025	(689,072)
2026	(689,072)
2027	(689,072)
Thereafter	(689,072)
TOTAL	\$ (4,134,430)

**KISHWAUKEE COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. RETIREE HEALTH PLAN (Continued)**

Plan Description (Continued)

2022 (Continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions

Inflation	2.25%
Salary increases	3.25% to 12.25%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% trending to 4.25%

Asset valuation method	Fair value
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Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants, mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017. The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2017.

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates were 1.92% as of June 30, 2021 and 2.45% as of June 30, 2020.

**KISHWAUKEE COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. RETIREE HEALTH PLAN (Continued)**

Plan Description (Continued)

2022 (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 1.92% 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 (0.92%) or 1 percentage point higher (2.92%) than the current rate:

	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
OPEB liability	\$ 12,761,042	\$ 11,200,835	\$ 9,853,453

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 3.16% in 2022 increasing to an ultimate trend rate of 4.25% in 2038 for non-Medicare coverage, and 3.59% in 2022 increasing to an ultimate trend rate of 4.25% in 2038 for Medicare coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	\$ 9,229,310	\$ 11,200,835	\$ 13,841,290

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

**10. 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.

**KISHWAUKEE COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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 \$323,011 and \$410,564 for the years ended June 30, 2023 and 2022, respectively.

2023

Membership

At June 30, 2023, membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	48
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>101</u>
<b>TOTAL</b>	<b><u>149</u></b>

Total OPEB Liability

The College's total OPEB liability of \$484,889 was measured as of June 30, 2023 and based upon an actuarial valuation performed as of the same date.

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2023, 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	4.13%
Healthcare cost trend rates	8.00% Initial 4.50% Ultimate

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

2023 (Continued)

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, 2023.

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JULY 1, 2022	<u>\$ 1,173,882</u>
Changes for the period	
Service cost	2,217
Interest	41,406
Difference between expected and actual experience	(75,007)
Changes in assumptions	(334,598)
Change of benefit terms	-
Benefit payments	(323,011)
Other changes	<u>-</u>
Net changes	<u>(688,993)</u>
BALANCES AT JUNE 30, 2023	<u>\$ 484,889</u>

Changes in assumptions related to the discount rate, health care rates and mortality rates were made since the previous measurement date.



**KISHWAUKEE COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

2023 (Continued)

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 4.13% 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 (3.13%) or 1 percentage point higher (5.13%) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 492,534	\$ 484,889	\$ 477,648

The table below presents the total OPEB liability of the College calculated using the healthcare rate of 8% 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 or 1 percentage point higher (7% to 9%) than the current rate:

	1% Decrease (7%)	Current Healthcare Rate (8%)	1% Increase (9%)
Total OPEB liability	\$ 476,709	\$ 484,889	\$ 493,731

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

For the year ended June 30, 2023, the College recognized OPEB expense (income) of \$(100,432). At June 30, 2023, 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	\$ -	\$ 76,005
Changes in assumptions	8,539	273,221
<b>TOTAL</b>	<b>\$ 8,539</b>	<b>\$ 349,226</b>

**KISHWAUKEE COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

2023 (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Year Ending June 30,</u>	
2024	\$ (155,570)
2025	(125,602)
2026	(59,515)
2027	-
2028	-
Thereafter	<u>-</u>
 TOTAL	 <u><u>\$ (340,687)</u></u>

2022

Membership

At June 30, 2021 (most recent data available), membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	60
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>200</u>
 TOTAL	 <u><u>260</u></u>

Total OPEB Liability

The College's total OPEB liability of \$1,173,882 was measured as of June 30, 2022 and based upon an actuarial valuation performed as of June 30, 2021.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

2022 (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2022, 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	2.50%
Salary increases	4.00%
Discount rate	4.09%
Healthcare cost trend rates	10.00% Initial 4.50% Ultimate

The discount rate was based on the S&P Municipal Bond 20 Year High-Grade Index as of June 30, 2022.

Mortality rates were based on the RP-2014 White Collar Mortality Table for males and females.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

2022 (Continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JULY 1, 2021	<u>\$ 1,578,849</u>
Changes for the period	
Service cost	6,358
Interest	29,944
Difference between expected and actual experience	-
Changes in assumptions	(30,705)
Change of benefit terms	-
Benefit payments	(410,564)
Other changes	<u>-</u>
Net changes	<u>(404,967)</u>
BALANCES AT JUNE 30, 2022	<u><u>\$ 1,173,882</u></u>

Changes in assumptions related to the discount rate were made since the previous measurement date.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

2022 (Continued)

**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 4.09% 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 (3.09%) or 1 percentage point higher (5.09%) than the current rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	\$ 1,196,370	\$ 1,173,882	\$ 1,153,092

The table below presents the total OPEB liability of the College calculated using the healthcare rate of 10% 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 or 1 percentage point higher (9% to 11%) than the current rate:

	1% Decrease (9%)	Current Healthcare Rate (10%)	1% Increase (11%)
Total OPEB liability	\$ 1,151,509	\$ 1,173,882	\$ 1,198,784

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

For the year ended June 30, 2022, the College recognized OPEB expense of \$52,389. At June 30, 2022, 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	\$ -	\$ 44,060
Changes in assumptions	28,288	59,365
<b>TOTAL</b>	<b>\$ 28,288</b>	<b>\$ 103,425</b>

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

2022 (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Year Ending</u> <u>June 30,</u>	
2023	\$ (27,024)
2024	(38,538)
2025	(8,570)
2026	(1,005)
2027	-
Thereafter	-
	<hr/>
TOTAL	<u><u>\$ (75,137)</u></u>

**11. 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.

Through December 31, 2021, the College was self-insured for health insurance. The College's third-party administrator (TPA) processed all claims for the College and was reimbursed monthly for the claims paid in the previous month. A liability of \$0 for claims incurred but not paid has been recorded as of June 30, 2023 and 2022, respectively, including an estimate of incurred but not reported claims as of June 30, 2023 and 2022.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**11. RISK MANAGEMENT (Continued)**

A reconciliation of the health claim liability for the last three fiscal years is as follows:

	2023	2022	2021
CLAIMS PAYABLE, JULY 1	\$ -	\$ 366,765	\$ 803,366
Claims paid	(3,273,230)	(3,511,370)	(2,483,571)
Claims incurred	3,273,230	3,144,605	2,046,970
CLAIMS PAYABLE, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,765</u>

**12. 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.

**13. CHANGE IN ACCOUNTING PRINCIPLE**

During the fiscal year ended June 30, 2023, the College implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. With the implementation, the College is required to record the beginning net position associated with the intangible right-to-use assets and SBITA liability as of July 1, 2021.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**13. CHANGE IN ACCOUNTING PRINCIPLE (Continued)**

The beginning net position of the following opinion units have been restated to reflect the new guidance as follows:

Business-Type Activities

BEGINNING NET POSITION, JULY 1, 2021	<u>\$ 28,689,248</u>
Recording initial balance of intangible right-to-use SBITA assets	183,690
Recording initial balance of SBITA liability	<u>(183,690)</u>
Total net restatement	<u>-</u>
BEGINNING NET POSITION, JULY 1, 2021	<u>\$ 28,689,248</u>
 BEGINNING NET POSITION, JULY 1, 2022	 <u>\$ 33,197,671</u>
Record amortization on intangible right-to-use SBITA assets	(123,523)
Recording principal reduction on SBITA liability	<u>128,905</u>
Total net restatement	<u>5,382</u>
BEGINNING NET POSITION, JULY 1, 2022	<u>\$ 33,203,053</u>

**14. 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.



**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DISCRETELY PRESENTED COMPONENT UNIT (Continued)**

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, 2023 and 2022 were \$46,600 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.

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, 2023 and 2022, 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.

**14. DISCRETELY PRESENTED COMPONENT UNIT (Continued)**

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.

*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.

**KISHWAUKEE COLLEGE**  
**ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 523**  
**MALTA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DISCRETELY PRESENTED COMPONENT UNIT (Continued)**

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, 2022, 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 Nine Fiscal Years

<b>MEASUREMENT DATE JUNE 30,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	
(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%	
(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	84,106,923	86,004,789	95,671,732	87,349,231	93,728,944	96,212,238	97,484,435	90,600,167	88,411,532	
<b>Total (b) + (c)</b>	<b>\$ 84,106,923</b>	<b>\$ 86,004,789</b>	<b>\$ 95,671,732</b>	<b>\$ 87,349,231</b>	<b>\$ 93,728,944</b>	<b>\$ 96,212,238</b>	<b>\$ 97,484,435</b>	<b>\$ 90,600,167</b>	<b>\$ 88,411,532</b>	
Employer covered payroll	\$ 14,071,479	\$ 13,251,893	\$ 13,350,191	\$ 12,141,386	\$ 12,221,263	\$ 12,812,049	\$ 12,458,038	\$ 12,000,160	\$ 11,996,216	
Proportion of collective net pension liability associated with employer as a percentage of covered payroll	597.71%	649.00%	716.63%	719.43%	766.93%	750.95%	782.50%	754.99%	737.00%	
SURS plan net position as a percentage of total pension liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%	45.45%	43.65%	
<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>KISHWAUKEE COLLEGE - DISTRICT NUMBER 523</b>										
Federal, trust, grant and other contribution	\$ 45,411	\$ 50,327	\$ 66,182	\$ 63,136	\$ 85,086	\$ 89,491	\$ 120,259	\$ 85,682	\$ 89,267	\$ 108,505
Contribution in relation to required contribution	45,411	50,327	66,182	63,136	85,086	89,491	120,259	85,682	89,267	108,505
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Employer covered payroll	\$ 14,071,479	\$ 13,251,893	\$ 13,350,191	\$ 12,141,386	\$ 12,221,263	\$ 12,812,049	\$ 12,458,038	\$ 12,000,160	\$ 11,996,216	\$ 12,289,197
Contributions as a percentage of covered payroll	0.32%	0.38%	0.50%	0.52%	0.70%	0.70%	0.97%	0.71%	0.74%	0.88%

Note: The College implemented GASB No. 68 in fiscal year 2015. 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.

(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 Six Fiscal Years

<b>MEASUREMENT DATE JUNE 30,</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
College's proportion of the net OPEB liability	0.710649%	0.721939%	0.714696%	0.677337%	0.645383%	0.635616%
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
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
<b>TOTAL</b>	<b>\$ 25,919,324</b>	<b>\$ 27,220,718</b>	<b>\$ 26,994,632</b>	<b>\$ 24,692,500</b>	<b>\$ 22,401,670</b>	<b>\$ 8,702,344</b>
College covered payroll	\$ 13,455,799	\$ 14,205,689	\$ 13,781,515	\$ 13,380,010	\$ 13,084,244	\$ 12,975,095
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	192.63%	191.62%	195.88%	184.55%	171.21%	67.07%
CIP plan net position as a percentage of total OPEB liability	(2.87%)	(3.54%)	(4.13%)	(5.07%)	(6.38%)	(22.03%)

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Statutorily required contribution	\$ 62,567	\$ 63,651	\$ 62,602	\$ 59,460	\$ 59,981	\$ 60,978
Contribution in relation to the statutorily required contribution	62,567	63,651	62,602	59,460	59,981	60,978
<b>CONTRIBUTION EXCESS (Deficiency)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 12,221,263	\$ 12,812,049	\$ 12,458,038	\$ 12,000,160	\$ 11,996,216	\$ 12,289,197
Contributions as a percentage of covered payroll	0.51%	0.50%	0.50%	0.50%	0.50%	0.50%

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 no benefit changes recognized in the total OPEB liability as of June 30, 2022.

#### 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.

(See independent auditor's report.)

**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 Six Fiscal Years

<b>MEASUREMENT DATE JUNE 30,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>TOTAL OPEB LIABILITY</b>						
Service cost	\$ 10,829	\$ 12,201	\$ 13,305	\$ 5,531	\$ 6,358	\$ 2,217
Interest	90,773	91,714	70,291	59,109	29,944	41,406
Changes of benefit terms	-	-	-	(225,818)	-	-
Difference between expected and actual experience	-	9,998	-	(87,324)	-	(75,007)
Changes in assumptions	(44,375)	162,882	46,152	(157,432)	(30,705)	(334,598)
Benefit payments	(426,604)	(496,757)	(381,204)	(474,682)	(410,564)	(323,011)
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)
Total OPEB liability - beginning	3,220,878	2,922,238	2,709,974	2,459,465	1,578,849	1,173,882
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 2,922,238</b>	<b>\$ 2,709,974</b>	<b>\$ 2,459,465</b>	<b>\$ 1,578,849</b>	<b>\$ 1,173,882</b>	<b>\$ 484,889</b>



<b>MEASUREMENT DATE JUNE 30,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Covered-employee payroll	\$ 10,735,898	\$ 11,332,631	\$ 10,792,676	\$ 11,748,151	\$ 12,215,213	\$ 5,823,527
Employer's total OPEB liability as a percentage of covered-employee payroll	27.22%	23.91%	22.79%	13.44%	9.61%	8.33%

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 no benefit changes recognized in the total OPEB liability as of June 30, 2022.

#### 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, 2021 to 4.13% at June 30, 2023. There were also changes to the health care rates and mortality rates.

(See independent auditor's report.)

## **SUPPLEMENTARY INFORMATION**

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

COMBINING SCHEDULE OF NET POSITION ACCOUNTS -  
BY SUBGROUP

June 30, 2023

	Governmental Subgroup	Auxiliary Subgroup	Total
<b>CURRENT ASSETS</b>			
Cash	\$ 3,789,339	\$ 645,082	\$ 4,434,421
Investments	30,196,359	-	30,196,359
Receivables			
Taxes, net of allowance for uncollectibles	8,327,666	-	8,327,666
Accounts	-	12,027	12,027
Other	1,304,405	29,534	1,333,939
Tuition	3,470,454	-	3,470,454
Prepaid expenses	721,641	-	721,641
Inventories	-	194,656	194,656
Total current assets	47,809,864	881,299	48,691,163
<b>NONCURRENT ASSETS</b>			
Capital assets, tangible and intangible	133,738,041	1,152,667	134,890,708
Less accumulated depreciation and amortization	(61,108,506)	(481,440)	(61,589,946)
Net capital assets	72,629,535	671,227	73,300,762
Total noncurrent assets	72,629,535	671,227	73,300,762
Total assets	120,439,399	1,552,526	121,991,925
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on refunding	196,119	-	196,119
Pension/OPEB items	269,786	-	269,786
Total deferred outflows of resources	465,905	-	465,905
Total assets and deferred outflows of resources	120,905,304	1,552,526	122,457,830
<b>CURRENT LIABILITIES</b>			
Accounts payable	561,271	2,274	563,545
Accrued salaries and payroll deductions payable	851,035	14,682	865,717
Unearned tuition and fees	3,315,004	96,925	3,411,929
Unearned revenue	93,900	67,247	161,147
OPEB liability - CIP plan	175,608	-	175,608
OPEB liability - College plan	323,011	-	323,011
Accrued compensated absences, current	53,982	3,811	57,793
Lease liability, current	62,861	-	62,861
SBITA liability, current	432,465	-	432,465
Bonds payable, current	3,211,418	-	3,211,418
Interest payable	574,461	-	574,461
Other current liabilities	-	27,688	27,688
Total current liabilities	9,655,016	212,627	9,867,643

(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, 2023

	<b>Governmental Subgroup</b>	<b>Auxiliary Subgroup</b>	<b>Total</b>
<b>NONCURRENT LIABILITIES</b>			
OPEB liability - CIP plan	\$ 4,175,564	\$ -	\$ 4,175,564
OPEB liability - College plan	161,878	-	161,878
Accrued compensated absences	305,900	21,596	327,496
Lease liability	199,217	-	199,217
SBITA liability	1,911,443	-	1,911,443
Bonds payable	49,776,581	-	49,776,581
Total noncurrent liabilities	56,530,583	21,596	56,552,179
Total liabilities	66,185,599	234,223	66,419,822
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	8,769,614	-	8,769,614
Pension/OPEB items	9,112,805	-	9,112,805
Total deferred inflows of resources	17,882,419	-	17,882,419
Total liabilities and deferred inflows of resources	84,068,018	234,223	84,302,241
<b>NET POSITION</b>			
Net investment in capital assets	31,104,906	671,227	31,776,133
Restricted for			
Capital outlay	2,551,092	-	2,551,092
Debt service	2,248,863	-	2,248,863
Tort liability	2,270,575	-	2,270,575
Specific purposes	761,206	-	761,206
Working cash	2,625,000	-	2,625,000
Pension contributions	120,207	-	120,207
Unrestricted (deficit)	(4,844,563)	647,076	(4,197,487)
<b>TOTAL NET POSITION</b>	<b>\$ 36,837,286</b>	<b>\$ 1,318,303</b>	<b>\$ 38,155,589</b>

(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, 2023

	Governmental Subgroup	Auxiliary Subgroup	Eliminations	Total
<b>OPERATING REVENUES</b>				
Tuition and fees	\$ 6,908,065	\$ 266,141	\$ -	\$ 7,174,206
Auxiliary enterprises revenue	-	808,254	(109,583)	698,671
Other operating revenue	214,790	150,631	-	365,421
Total operating revenues	7,122,855	1,225,026	(109,583)	8,238,298
<b>OPERATING EXPENSES</b>				
Instruction	9,808,050	-	-	9,808,050
Academic support	3,760,528	-	-	3,760,528
Student services	3,450,637	-	-	3,450,637
Public services	678,434	-	-	678,434
Auxiliary services	(51,635)	1,819,928	-	1,768,293
Operation and maintenance of plant	5,069,494	-	-	5,069,494
Institutional support	7,201,216	-	-	7,201,216
Scholarships, student grants, waivers	6,498,422	-	(109,583)	6,388,839
Amortization	482,461	-	-	482,461
Depreciation	4,628,202	82,950	-	4,711,152
Total operating expenses	41,525,809	1,902,878	(109,583)	43,319,104
OPERATING INCOME (LOSS)	(34,402,954)	(677,852)	-	(35,080,806)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property taxes	17,172,969	-	-	17,172,969
Personal property replacement tax	883,815	-	-	883,815
State grants and contracts	15,217,252	71,965	-	15,289,217
Federal grants and contracts	6,629,080	12,658	-	6,641,738
Investment income	733,184	-	-	733,184
Interest expense	(1,441,590)	-	-	(1,441,590)
Gain (loss) on disposal of capital assets	(96,832)	-	-	(96,832)
Other non-operating revenue (expense)	850,841	-	-	850,841
Total non-operating revenues (expenses)	39,948,719	84,623	-	40,033,342
NET INCOME (LOSS) BEFORE TRANSFERS	5,545,765	(593,229)	-	4,952,536
<b>TRANSFERS</b>				
Transfers in (out)	(350,000)	350,000	-	-
Total transfers	(350,000)	350,000	-	-
CHANGE IN NET POSITION	5,195,765	(243,229)	-	4,952,536
NET POSITION, JULY 1	31,641,521	1,561,532	-	33,203,053
NET POSITION, JUNE 30	\$ 36,837,286	\$ 1,318,303	\$ -	\$ 38,155,589

(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, 2023

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account
<b>CURRENT ASSETS</b>					
Cash	\$ (5,323,209)	\$ 48,427	\$ 179,976	\$ 61,556	\$ 2,198,854
Investments	12,157,894	-	-	-	-
Receivables					
Taxes	3,613,835	985,697	-	43,806	827,246
Other	151,617	28,952	637,912	-	-
Tuition	3,470,454	-	-	-	-
Prepaid expenses	175,454	50,561	19,844	-	177,558
Total current assets	14,246,045	1,113,637	837,732	105,362	3,203,658
<b>NONCURRENT ASSETS</b>					
Capital assets, tangible and intangible	-	-	-	-	-
Less accumulated depreciation and amortization	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Total assets	14,246,045	1,113,637	837,732	105,362	3,203,658
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Loss on refunding	-	-	-	-	-
Pension/OPEB items	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	14,246,045	1,113,637	837,732	105,362	3,203,658
<b>CURRENT LIABILITIES</b>					
Accounts payable	406,360	32,168	6,024	-	57,112
Accrued salaries and payroll deductions payable	766,899	43,477	35,834	-	4,825
Unearned tuition	3,315,004	-	-	-	-
Unearned revenue	-	-	93,900	-	-
OPEB liability - CIP plan	-	-	-	-	-
OPEB liability - College plan	-	-	-	-	-
Accrued compensated absences, current	-	-	-	-	-
Lease liability, current	-	-	-	-	-
SBITA liability, current	-	-	-	-	-
Bonds payable, current	-	-	-	-	-
Interest payable	-	-	-	-	-
Total current liabilities	4,488,263	75,645	135,758	-	61,937
<b>NONCURRENT LIABILITIES</b>					
OPEB liability - CIP plan	-	-	-	-	-
OPEB liability - College plan	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Lease liability	-	-	-	-	-
SBITA liability	-	-	-	-	-
Bonds payable	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	4,488,263	75,645	135,758	-	61,937

Bond and Interest Account	Operations and Maintenance Restricted Account	Health Benefit Plan Account	Working Cash Account	Long-Term Obligations	Capital Assets	Eliminations	Total
\$ 365,121	\$ -	\$ 3,633,614	\$ 2,625,000	\$ -	\$ -	\$ -	\$ 3,789,339
2,000,534	6,423,965	9,613,966	-	-	-	-	30,196,359
2,199,923	657,159	-	-	-	-	-	8,327,666
-	-	485,924	-	-	-	-	1,304,405
-	-	-	-	-	-	-	3,470,454
-	298,224	-	-	-	-	-	721,641
4,565,578	7,379,348	13,733,504	2,625,000	-	-	-	47,809,864
-	-	-	-	-	133,738,041	-	133,738,041
-	-	-	-	-	(61,108,506)	-	(61,108,506)
-	-	-	-	-	72,629,535	-	72,629,535
4,565,578	7,379,348	13,733,504	2,625,000	-	72,629,535	-	120,439,399
-	-	-	-	196,119	-	-	196,119
-	-	-	-	269,786	-	-	269,786
-	-	-	-	465,905	-	-	465,905
4,565,578	7,379,348	13,733,504	2,625,000	465,905	72,629,535	-	120,905,304
-	57,536	2,071	-	-	-	-	561,271
-	-	-	-	-	-	-	851,035
-	-	-	-	-	-	-	3,315,004
-	-	-	-	-	-	-	93,900
-	-	-	-	175,608	-	-	175,608
-	-	-	-	323,011	-	-	323,011
-	-	-	-	53,982	-	-	53,982
-	-	-	-	62,861	-	-	62,861
-	-	-	-	432,465	-	-	432,465
-	-	-	-	3,211,418	-	-	3,211,418
-	-	-	-	574,461	-	-	574,461
-	57,536	2,071	-	4,833,806	-	-	9,655,016
-	-	-	-	4,175,564	-	-	4,175,564
-	-	-	-	161,878	-	-	161,878
-	-	-	-	305,900	-	-	305,900
-	-	-	-	199,217	-	-	199,217
-	-	-	-	1,911,443	-	-	1,911,443
-	-	-	-	49,776,581	-	-	49,776,581
-	-	-	-	56,530,583	-	-	56,530,583
-	57,536	2,071	-	61,364,389	-	-	66,185,599

(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, 2023

	<b>Education Account</b>	<b>Operations and Maintenance Account</b>	<b>Restricted Purposes Account</b>	<b>Audit Account</b>	<b>Liability, Protection and Settlement Account</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue - property taxes	\$ 3,805,607	\$ 1,037,992	\$ -	\$ 46,130	\$ 871,146
Pension/OPEB items	-	-	-	-	-
Total deferred inflows of resources	3,805,607	1,037,992	-	46,130	871,146
Total liabilities and deferred inflows of resources	8,293,870	1,113,637	135,758	46,130	933,083
<b>NET POSITION</b>					
Net investment in capital assets	-	-	-	-	-
Restricted for					
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Tort liability	-	-	-	-	2,270,575
Specific purposes	-	-	701,974	59,232	-
Working cash	-	-	-	-	-
Pension contributions	-	-	-	-	-
Unrestricted (deficit)	5,952,175	-	-	-	-
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ 5,952,175</b>	<b>\$ -</b>	<b>\$ 701,974</b>	<b>\$ 59,232</b>	<b>\$ 2,270,575</b>



<b>Bond and Interest Account</b>	<b>Operations and Maintenance Restricted Account</b>	<b>Health Benefit Plan Account</b>	<b>Working Cash Account</b>	<b>Long-Term Obligations</b>	<b>Capital Assets</b>	<b>Eliminations</b>	<b>Total</b>
\$ 2,316,715	\$ 692,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,769,614
-	-	-	-	9,112,805	-	-	9,112,805
2,316,715	692,024	-	-	9,112,805	-	-	17,882,419
2,316,715	749,560	2,071	-	70,477,194	-	-	84,068,018
-	-	-	-	(41,524,629)	72,629,535	-	31,104,906
-	2,551,092	-	-	-	-	-	2,551,092
2,248,863	-	-	-	-	-	-	2,248,863
-	-	-	-	-	-	-	2,270,575
-	-	-	-	-	-	-	761,206
-	-	-	2,625,000	-	-	-	2,625,000
-	-	-	-	120,207	-	-	120,207
-	4,078,696	13,731,433	-	(28,606,867)	-	-	(4,844,563)
\$ 2,248,863	\$ 6,629,788	\$ 13,731,433	\$ 2,625,000	\$ (70,011,289)	\$ 72,629,535	\$ -	\$ 36,837,286

(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, 2023

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account
<b>OPERATING REVENUES</b>					
Tuition and fees	\$ 7,949,411	\$ 570,453	\$ -	\$ -	\$ -
Other operating revenue	214,790	-	-	-	-
Total operating revenues	8,164,201	570,453	-	-	-
<b>OPERATING EXPENSES</b>					
Instruction	9,766,144	-	817,307	-	-
Academic support	3,590,337	-	311,877	-	-
Student services	2,078,271	-	1,555,472	-	-
Public services	553,512	-	158,411	-	-
Auxiliary services	-	-	-	-	-
Operation and maintenance of plant	512,996	2,787,793	1,196	-	686,326
Institutional support	6,642,295	21	192,934	86,980	685,440
Scholarships, student grants, waivers	1,017,417	-	7,092,804	-	-
Amortization	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	24,160,972	2,787,814	10,130,001	86,980	1,371,766
OPERATING INCOME (LOSS)	(15,996,771)	(2,217,361)	(10,130,001)	(86,980)	(1,371,766)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Property taxes	7,413,915	2,017,568	-	89,644	1,694,061
Personal property replacement tax	694,413	189,402	-	-	-
State grants and contracts	10,216,276	-	2,522,396	-	-
Federal grants and contracts	4,868	-	6,624,212	-	-
Investment income	354,942	1,309	-	-	-
Interest expense	(15,541)	-	(230)	-	-
Principal retirement	(174,892)	-	(4,186)	-	-
Bond proceeds	-	-	-	-	-
Payments to refunded bond escrow	-	-	-	-	-
Lease issuance	322,625	-	-	-	-
SBITA issuance	424,752	-	12,789	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-
Other non-operating revenue (expense)	116,592	9,082	725,167	-	-
Total non-operating revenues (expenses)	19,357,950	2,217,361	9,880,148	89,644	1,694,061
NET INCOME (LOSS) BEFORE TRANSFERS	3,361,179	-	(249,853)	2,664	322,295
<b>TRANSFERS</b>					
Transfers in	-	-	5,560	-	100,667
Transfers (out)	(2,763,296)	-	-	-	-
Total transfers	(2,763,296)	-	5,560	-	100,667
CHANGE IN NET POSITION	597,883	-	(244,293)	2,664	422,962
NET POSITION (DEFICIT), JULY 1	5,354,292	-	946,267	56,568	1,847,613
NET POSITION (DEFICIT), JUNE 30	\$ 5,952,175	\$ -	\$ 701,974	\$ 59,232	\$ 2,270,575

Bond and Interest Account	Operations and Maintenance Restricted Account	Health Benefit Plan Account	Working Cash Account	Long-Term Obligations	Capital Assets	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,611,799)	\$ 6,908,065
-	-	-	-	-	-	-	214,790
-	-	-	-	-	-	(1,611,799)	7,122,855
-	-	(263,149)	-	(167,110)	(345,142)	-	9,808,050
-	-	(82,463)	-	(59,223)	-	-	3,760,528
-	-	(79,390)	-	(34,201)	(69,515)	-	3,450,637
-	-	(14,387)	-	(1,563)	(17,539)	-	678,434
-	-	(29,362)	-	(22,273)	-	-	(51,635)
-	5,579,393	(53,624)	-	(37,956)	(4,406,630)	-	5,069,494
90,834	-	(131,575)	-	(82,293)	(283,420)	-	7,201,216
-	-	-	-	-	-	(1,611,799)	6,498,422
-	-	-	-	-	482,461	-	482,461
-	-	-	-	-	4,628,202	-	4,628,202
90,834	5,579,393	(653,950)	-	(404,619)	(11,583)	(1,611,799)	41,525,809
(90,834)	(5,579,393)	653,950	-	404,619	11,583	-	(34,402,954)
4,612,698	1,345,083	-	-	-	-	-	17,172,969
-	-	-	-	-	-	-	883,815
-	-	-	-	2,301,612	176,968	-	15,217,252
-	-	-	-	-	-	-	6,629,080
108,012	268,921	-	-	-	-	-	733,184
(1,454,656)	(51,914)	-	-	80,751	-	-	(1,441,590)
(3,135,000)	(247,835)	-	-	3,561,913	-	-	-
9,315,000	-	-	-	(12,293,113)	-	-	(2,978,113)
(9,225,816)	-	-	-	9,225,816	-	-	-
-	-	-	-	-	-	-	322,625
-	2,217,947	-	-	-	-	-	2,655,488
-	-	-	-	-	(96,832)	-	(96,832)
-	-	-	-	-	-	-	850,841
220,238	3,532,202	-	-	2,876,979	80,136	-	39,948,719
129,404	(2,047,191)	653,950	-	3,281,598	91,719	-	5,545,765
-	721,544	2,407,736	-	-	-	(3,235,507)	-
(71,544)	(100,667)	(650,000)	-	-	-	3,235,507	(350,000)
(71,544)	620,877	1,757,736	-	-	-	-	(350,000)
57,860	(1,426,314)	2,411,686	-	3,281,598	91,719	-	5,195,765
2,191,003	8,056,102	11,319,747	2,625,000	(73,292,887)	72,537,816	-	31,641,521
\$ 2,248,863	\$ 6,629,788	\$ 13,731,433	\$ 2,625,000	\$ (70,011,289)	\$ 72,629,535	\$ -	\$ 36,837,286

(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, 2023

	Wellness Account	Early Childhood Center Account	Bookstore Account
<b>CURRENT ASSETS</b>			
Cash	\$ (157,482)	\$ (205,414)	\$ 2,232,708
Receivables			
Accounts	-	-	12,027
Other	-	28,493	-
Inventories	-	-	194,656
Total current assets	(157,482)	(176,921)	2,439,391
<b>NONCURRENT ASSETS</b>			
Capital assets	5,795	409,950	26,610
Less accumulated depreciation	(5,795)	(56,938)	(19,958)
Total noncurrent assets	-	353,012	6,652
Total assets	(157,482)	176,091	2,446,043
<b>CURRENT LIABILITIES</b>			
Accounts payable	-	-	2,143
Accrued salaries and payroll deductions payable	-	6,689	5,783
Accrued compensated absences	-	1,358	833
Unearned tuition and fees	-	-	-
Unearned revenue	-	19,374	47,873
Other current liabilities	-	-	27,688
Total current liabilities	-	27,421	84,320
<b>NONCURRENT LIABILITIES</b>			
Accrued compensated absences	-	7,698	4,720
Total noncurrent liabilities	-	7,698	4,720
Total liabilities	-	35,119	89,040
<b>NET POSITION</b>			
Net investment in capital assets	-	353,012	6,652
Unrestricted (deficit)	(157,482)	(212,040)	2,350,351
<b>TOTAL NET POSITION (DEFICIT)</b>	\$ (157,482)	\$ 140,972	\$ 2,357,003

<b>Student Activities Account</b>	<b>Cafeteria Account</b>	<b>Transportation Account</b>	<b>Conference Center Account</b>	<b>Total</b>
\$ (398,087)	\$ (724,473)	\$ 83,341	\$ (185,511)	\$ 645,082
-	-	-	-	12,027
1,041	-	-	-	29,534
-	-	-	-	194,656
(397,046)	(724,473)	83,341	(185,511)	881,299
372,173	-	338,139	-	1,152,667
(93,873)	-	(304,876)	-	(481,440)
278,300	-	33,263	-	671,227
(118,746)	(724,473)	116,604	(185,511)	1,552,526
131	-	-	-	2,274
2,210	-	-	-	14,682
1,111	-	509	-	3,811
96,925	-	-	-	96,925
-	-	-	-	67,247
-	-	-	-	27,688
100,377	-	509	-	212,627
6,294	-	2,884	-	21,596
6,294	-	2,884	-	21,596
106,671	-	3,393	-	234,223
278,300	-	33,263	-	671,227
(503,717)	(724,473)	79,948	(185,511)	647,076
\$ (225,417)	\$ (724,473)	\$ 113,211	\$ (185,511)	\$ 1,318,303

(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, 2023

	Wellness Account	Early Childhood Center Account	Bookstore Account
<b>OPERATING REVENUES</b>			
Student tuition and fees	\$ 10,290	\$ -	\$ -
Sales and service fees	-	232,264	575,990
Other	-	-	141,696
Total operating revenues	10,290	232,264	717,686
<b>OPERATING EXPENSES</b>			
Salaries	8,617	232,547	158,202
Employee benefits	-	62,615	34,571
Contractual services	2,520	2,234	35,738
General materials and supplies	-	25,654	606,079
Conferences and meetings	-	-	2,164
Depreciation	-	27,330	5,322
Other	-	-	463
Total operating expenses	11,137	350,380	842,539
OPERATING INCOME (LOSS)	(847)	(118,116)	(124,853)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
State government sources	-	71,965	-
Federal government grant	-	12,658	-
Total non-operating revenues (expenses)	-	84,623	-
NET INCOME (LOSS) BEFORE TRANSFERS	(847)	(33,493)	(124,853)
<b>TRANSFERS</b>			
Transfers in	-	-	-
Total transfers	-	-	-
CHANGE IN NET POSITION	(847)	(33,493)	(124,853)
NET POSITION (DEFICIT), JULY 1	(156,635)	174,465	2,481,856
<b>NET POSITION (DEFICIT), JUNE 30</b>	<b>\$ (157,482)</b>	<b>\$ 140,972</b>	<b>\$ 2,357,003</b>

<b>Student Activities Account</b>	<b>Cafeteria Account</b>	<b>Transportation Account</b>	<b>Conference Center Account</b>	<b>Eliminations</b>	<b>Total</b>
\$ 237,989	\$ -	\$ 17,862	\$ -	\$ -	\$ 266,141
-	-	-	-	-	808,254
-	8,935	-	-	-	150,631
237,989	8,935	17,862	-	-	1,225,026
330,198	-	-	-	-	729,564
33,505	-	-	-	-	130,691
111,336	-	-	-	-	151,828
73,132	-	-	-	-	704,865
48,792	-	-	-	-	50,956
37,422	-	12,876	-	-	82,950
51,561	-	-	-	-	52,024
685,946	-	12,876	-	-	1,902,878
(447,957)	8,935	4,986	-	-	(677,852)
-	-	-	-	-	71,965
-	-	-	-	-	12,658
-	-	-	-	-	84,623
(447,957)	8,935	4,986	-	-	(593,229)
350,000	-	-	-	-	350,000
350,000	-	-	-	-	350,000
(97,957)	8,935	4,986	-	-	(243,229)
(127,460)	(733,408)	108,225	(185,511)	-	1,561,532
\$ (225,417)	\$ (724,473)	\$ 113,211	\$ (185,511)	\$ -	\$ 1,318,303

(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.

<u>Contents</u>	<u>Page(s)</u>
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.	80-83
Revenue Capacity These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	84-87
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.	88-92
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.	93-94
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.	95-97

*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

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<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>NET POSITION</b>				
Net investment in				
capital assets	\$ 27,653	\$ 29,048	\$ 29,505	\$ 30,891
Restricted	6,563	7,700	7,853	7,628
Unrestricted (deficit)	633	(2,308)	(7,066)	(4,231)
<b>TOTAL NET POSITION</b>	<b>\$ 34,849</b>	<b>\$ 34,440</b>	<b>\$ 30,292</b>	<b>\$ 34,288</b>

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

Data Source

Audited Financial Statements

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2018	2019	2020	2021	2022	2023
\$ 30,994	\$ 31,627	\$ 31,209	\$ 31,810	\$ 31,898	\$ 31,776
7,919	7,696	8,849	9,228	10,333	10,577
(18,438)	(17,434)	(17,261)	(12,349)	(9,028)	(4,197)
\$ 20,475	\$ 21,889	\$ 22,797	\$ 28,689	\$ 33,203	\$ 38,156

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

**CHANGES IN NET POSITION**

For the Last Ten Fiscal Years

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>OPERATING REVENUES</b>				
Tuition and fees	\$ 6,959,465	\$ 7,477,863	\$ 7,686,356	\$ 7,861,864
Auxiliary enterprises revenue	1,471,376	1,333,423	1,305,428	1,148,035
Other operating revenue	254,090	342,442	319,134	430,214
Total operating revenues	8,684,931	9,153,728	9,310,918	9,440,113
<b>OPERATING EXPENSES</b>				
Instruction	12,151,348	12,592,059	12,130,129	12,780,791
Academic support	3,663,326	3,544,065	3,605,724	3,535,087
Student services	11,956,396	10,449,242	9,109,974	8,343,595
Public services	830,292	879,708	1,150,143	962,343
Auxiliary services	3,413,797	3,257,376	3,065,290	2,341,173
Operation and maintenance of plant	4,756,920	4,832,899	4,650,014	4,465,615
Institutional support	6,703,890	6,943,929	7,063,272	7,063,443
Scholarships, student grants and waivers	-	-	-	-
Amortization	-	-	-	-
Depreciation	2,549,807	3,762,738	3,913,855	3,903,483
Total operating expenses	46,025,776	46,262,016	44,688,401	43,395,530
<b>OPERATING INCOME (LOSS)</b>	<b>(37,340,845)</b>	<b>(37,108,288)</b>	<b>(35,377,483)</b>	<b>(33,955,417)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Local grants and contracts	450,500	-	-	-
State grants and contracts	11,971,846	13,096,995	9,617,401	16,481,112
Federal grants and contracts	14,637,375	12,563,880	10,490,379	9,842,419
Property taxes	13,354,362	13,513,283	13,379,748	13,662,018
Personal property replacement tax	266,653	279,103	224,241	318,133
Investment income	24,289	26,614	100,288	78,065
Other non-operating revenue (expense)	361,203	549,507	766,917	966,139
Gain (loss) on disposal of capital assets	(31,206)	(12,535)	(4,973)	(66,605)
Interest expense and fiscal charges	(3,270,790)	(3,317,959)	(3,344,137)	(3,329,541)
Total non-operating revenues (expenses)	37,764,232	36,698,888	31,229,864	37,951,740
<b>CHANGE IN NET POSITION</b>	<b>\$ 423,387</b>	<b>\$ (409,400)</b>	<b>\$ (4,147,619)</b>	<b>\$ 3,996,323</b>

Data Source

Audited Financial Statements

2018	2019	2020	2021	2022	2023
\$ 8,478,927	\$ 8,180,893	\$ 7,892,967	\$ 7,504,814	\$ 6,597,748	\$ 7,174,206
1,105,727	1,033,960	923,950	485,349	307,320	698,671
349,369	389,636	358,281	448,219	986,953	365,421
9,934,023	9,604,489	9,175,198	8,438,382	7,892,021	8,238,298
13,670,242	14,479,732	13,793,245	12,410,373	11,021,772	9,808,050
3,089,744	2,583,079	2,621,603	2,897,355	3,553,936	3,760,528
3,944,188	3,437,942	3,627,766	3,679,939	3,336,068	3,450,637
1,115,650	898,276	973,032	698,402	672,444	678,434
2,365,911	2,082,278	1,946,655	1,430,821	1,742,522	1,768,293
4,735,555	5,886,216	5,102,015	5,084,988	4,814,117	5,069,494
7,761,084	6,665,843	8,653,919	7,477,590	7,063,302	7,201,216
5,813,728	4,583,535	5,539,231	5,858,563	8,458,139	6,388,839
	-	-	-	-	482,461
4,026,185	4,101,924	4,278,064	4,334,133	4,722,311	4,711,152
46,522,287	44,718,825	46,535,530	43,872,164	45,384,611	43,319,104
(36,588,264)	(35,114,336)	(37,360,332)	(35,433,782)	(37,492,590)	(35,080,806)
-	-	-	-	-	-
15,328,033	15,667,022	16,617,589	16,778,720	13,787,297	15,289,217
9,436,253	8,279,693	8,568,604	10,046,711	11,446,231	6,641,738
14,153,519	15,038,663	15,384,575	15,858,995	16,644,475	17,172,969
238,830	258,371	282,819	358,727	781,933	883,815
150,690	315,984	244,639	11,689	22,986	733,184
437,028	400,182	730,358	940,838	992,361	850,841
(21,605)	(2,317)	-	(184,859)	-	(96,832)
(3,392,347)	(3,429,485)	(3,712,378)	(2,484,424)	(1,674,270)	(1,441,590)
36,330,401	36,528,113	38,116,206	41,326,397	42,001,013	40,033,342
\$ (257,863)	\$ 1,413,777	\$ 755,874	\$ 5,892,615	\$ 4,508,423	\$ 4,952,536

**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
2013	\$ 1,099,339,567	\$ 319,992,822	\$ 153,774,996	\$ 275,211,400	\$ 31,795,749	\$ 32,764,201	\$ 1,912,878,735	\$ 0.7294	\$ 5,738,636,205	33.333%
2014	1,063,959,684	311,855,571	151,508,421	289,846,720	32,837,565	31,542,207	1,881,550,168	0.7123	5,644,650,504	33.333%
2015	1,083,782,825	322,592,715	164,155,192	299,527,616	35,300,846	30,221,871	1,935,581,065	0.6950	5,806,743,195	33.333%
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%

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

<b>Tax Levy Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>COLLEGE DIRECT RATES</b>										
Education	0.2750	0.2750	0.2750	0.2750	0.2750	0.27500	0.27246	0.27500	0.27500	0.26401
Operations and maintenance	0.0750	0.0750	0.0748	0.0741	0.0750	0.07500	0.07431	0.07500	0.07500	0.07201
Audit	0.0044	0.0041	0.0050	0.0041	0.0039	0.00375	0.00351	0.00338	0.00333	0.00320
Bond and interest	0.2356	0.2347	0.2214	0.2057	0.1947	0.19430	0.18740	0.18361	0.17599	0.16107
Social Security	0.0129	0.0130	0.0127	0.0128	0.0122	0.01252	0.01176	0.01131	0.01116	0.01072
Health and safety	0.0449	0.0424	0.0413	0.0391	0.0500	0.05000	0.04954	0.05000	0.05000	0.04801
Liability, protection and settlement	0.0780	0.0681	0.0653	0.0592	0.0561	0.05745	0.05379	0.05248	0.05179	0.04972
Prior year adjustment	0.0036	0.0000	0.0000	0.0000	0.0000	0.00032	0.00000	0.00200	0.00092	0.00000
Total direct rate	0.72940	0.71230	0.69550	0.67000	0.66690	0.66834	0.65277	0.65278	0.64319	0.60874
<b>OVERLAPPING RATES</b>										
School district	7.8215	8.2714	8.2500	7.8132	7.7209	7.38537	7.18383	7.06491	6.80841	6.09342
County	1.2013	1.2483	1.2364	1.1429	1.1201	1.09507	1.07520	1.06293	1.03149	0.96766
Forest preserve	0.0852	0.0876	0.0853	0.0799	0.0783	0.07656	0.07481	0.07396	0.07355	0.06915
City	0.9809	1.0245	1.1942	1.2021	1.2268	1.18833	1.15493	1.06868	0.98612	0.89599
Park district	0.7519	0.7969	0.7960	0.7559	0.7451	0.73664	0.72045	0.70975	0.69631	0.67796
Township	0.1687	0.1797	0.1820	0.1723	0.1709	0.16833	0.16318	0.16002	0.14864	0.14107
Road and bridge	0.1977	0.2106	0.2133	0.2020	0.2006	0.19609	0.18671	0.18485	0.17298	0.16780
Library	0.3701	0.3868	0.4911	0.4562	0.3872	0.20809	0.38683	0.38772	0.38546	0.37454
Sanitary	0.1393	0.1486	0.1504	0.1425	0.1389	0.13754	0.13596	0.13367	0.11998	0.10937
<b>TOTAL RATES</b>	<b>12.4460</b>	<b>13.0667</b>	<b>13.2942</b>	<b>12.6370</b>	<b>12.4557</b>	<b>11.8604</b>	<b>11.7347</b>	<b>11.4993</b>	<b>11.0661</b>	<b>10.1057</b>

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 2022				Levy Year 2013			
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 Goldrame LLC DeKalb County	\$ 46,300,586	1	1.61%	Exelon Generation Co LLC Ogle County	\$ 12,652,822	1	0.66%
Americold Real Estate LP Ogle County	30,678,897	2	1.06%	Target Corporation DeKalb County	11,061,281	2	0.58%
DeKalb Distribution Associates LLC DeKalb County	21,594,264	3	0.75%	Art Mortgage Borrower Propco 2010-4 LLC Ogle County	10,736,180	3	0.56%
Griffin Essential Asset REIT II LLC DeKalb County	15,414,842	4	0.53%	Prologis Land LLC Ogle County	10,103,006	4	0.53%
Illinois River Energy LLC Ogle County	13,334,847	5	0.46%	Sara Lee Corporation Ogle County	8,240,300	5	0.43%
Target Corporation DeKalb County	12,992,995	6	0.45%	ARC TMDLBIL001 LLC (American Realty) DeKalb County	8,033,142	6	0.42%
Exelon Generation Co LLC Ogle County	12,696,325	7	0.44%	Illinois River Energy LLC Ogle County	7,589,945	7	0.40%
Sara Lee Corporation Ogle County	11,870,000	8	0.41%	Panduit Corp DeKalb County	7,321,367	8	0.38%
Pool 1 Industrial IL LLC Ogle County	11,264,353	9	0.39%	FGT Holdings LLC DeKalb County	6,847,508	9	0.36%
DeKalb Area Retirement Center DeKalb County	10,952,823	10	0.38%	NE DeKalb Portfolio LP DeKalb County	6,622,065	10	0.35%
	<u>\$ 187,099,932</u>		<u>6.48%</u>		<u>\$ 89,207,616</u>		<u>4.67%</u>

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
2013	\$ 13,926,824	\$ 6,843,299	49.14%	\$ 6,958,687	\$ 13,801,986	99.10%
2014	13,502,709	6,488,553	48.05%	6,849,646	13,338,199	98.78%
2015	13,650,722	6,392,575	46.83%	7,031,482	13,424,057	98.34%
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%	-	9,211,565	52.52%

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							
2014	\$ 62,968,388	\$ 6,741,745	\$ -	\$ -	\$ 69,710,133	\$ 1,912,878,735	3.64%	113,944	\$ 611.79	2.77%	
2015	61,604,455	6,569,330	-	-	68,173,785	1,881,580,168	3.62%	114,000	598.02	2.73%	
2016	60,358,847	6,391,913	-	-	66,750,760	1,935,581,065	3.45%	112,500	593.34	2.68%	
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%	

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 on page 93 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

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less Amounts Restricted in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2014	\$ 69,710,133	\$ 2,403,538	\$ 54,090,192	2.83%	\$ 474.71
2015	68,173,785	2,274,637	59,329,818	3.15%	520.69
2016	66,750,760	2,111,777	58,247,070	3.01%	517.75
2017	65,476,003	1,966,145	63,509,858	3.28%	564.53
2018	64,323,526	1,985,031	62,338,495	2.89%	553.69
2019	63,178,313	2,027,363	61,150,950	2.74%	546.21
2020	62,550,595	2,133,259	60,417,336	2.54%	535.79
2021	60,319,204	2,150,766	58,168,438	2.36%	518.20
2022	53,888,575	2,191,003	51,697,572	1.96%	478.89
2023	55,593,985	2,248,863	53,345,122	1.85%	495.09

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 on page 84 for property value data.

Data Source

College Records

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2023

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage Debt Applicable to the College (1)^</b>	<b>College's Share of Debt^</b>
Kishwaukee College	\$ 55,593,985	100.0000%	\$ 55,593,985
Boone County	-	0.642%	-
Boone County Conservation District	-	0.641%	-
DeKalb County	7,175,000	83.923%	6,021,463
Kane County	-	0.064%	-
Kane County Forest Preserve District	92,320,000	0.064%	59,478
LaSalle County	12,620,000	0.001%	101
Ogle County	-	27.573%	-
Winnebago County	-	0.016%	-
Winnebago County Forest Preserve District	1,413,547	0.016%	221
Greater Rockford Airport Authority	-	0.017%	-
Byron Forest Preserve District	2,800,000	1.836%	51,419
City of DeKalb	15,095,000	100.000%	15,095,000
City of Genoa	-	100.000%	-
City of Oregon	-	1.582%	-
City of Rochelle	325,000	100.000%	325,000
City of Sycamore	2,230,000	100.000%	2,230,000
Cherry Valley Fire Protection District	1,815,000	0.187%	3,395
Franklin Grove Fire Protection District	1,660,000	1.911%	31,726
Hampshire Fire Protection District	4,360,000	95.573%	4,166,976
Creston-Dement Public Library District	2,200,000	100.000%	2,200,000
DeKalb Park District	1,394,555	100.000%	1,394,555
Flagg Rochelle Community Park District	5,470,000	100.000%	5,470,000
Genoa Township Park District	306,335	99.695%	305,402
Oregon Park District	3,029,000	8.530%	258,381
Sycamore Park District	744,215	100.000%	744,215
Creston Comm. Consolidated School District 161	338,680	100.000%	338,680
Rochelle Comm. Consolidated School District 231	5,055,000	100.000%	5,055,000
Mendota Comm. Consolidated School District 289	5,620,000	0.048%	2,682
Oregon Community Unit School District 220	17,430,000	23.924%	4,170,027
Paw Paw Community Unit School District 271	1,725,000	99.342%	1,713,649
Burlington Community Unit School District 301	30,063,342	0.337%	101,298
Genoa-Kingston Comm. Unit School District 424	7,489,815	100.000%	7,489,815
Indian Creek Comm. Unit School District 425	1,675,000	100.000%	1,675,000
Hiawatha Community Unit School District 426	3,680,000	100.000%	3,680,000
Sycamore Community Unit School District 427	70,566,976	99.791%	70,419,212
DeKalb Community Unit School District 428	81,495,000	95.415%	77,758,361
Rochelle Township High School District 212	5,475,000	100.000%	5,475,000
Mendota Township High School District 280	520,000	0.047%	246
Total Overlapping Debt	386,091,465		216,236,302
<b>TOTAL PRIMARY AND OVERLAPPING DEBT</b>	<b>\$ 441,685,450</b>		<b>\$ 271,830,287</b>

(1) Percentages based on 2022 EAVs

(2) 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.

(3) 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	\$ 1,705,000
Boone County Conservation District	522,000
DeKalb County	44,840,000
Kane County	20,000,000
Kane County Forest Preserve District	2,800,000
Ogle County	12,852,000
Winnebago County	73,830,000
Greater Rockford Airport Authority	45,915,000
City of Genoa	2,155,000
City of Oregon	3,160,000
City of Rochelle	23,640,000
Flagg Rochelle Community Park District	8,000,000
Sycamore Park District	11,590,000

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

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Legal debt limit	\$ 54,997,982	\$ 54,095,430	\$ 55,647,956	\$ 58,826,527	\$ 62,097,482	\$ 64,169,478	\$ 68,279,614	\$ 70,943,709	\$ 75,799,526	\$ 82,884,192
Total net debt applicable to limit	56,493,730	53,312,342	50,212,112	47,261,583	44,391,106	41,862,234	59,905,977	58,670,000	55,815,000	52,965,000
<b>LEGAL DEBT MARGIN</b>	<b>\$ (1,495,748)</b>	<b>\$ 783,088</b>	<b>\$ 5,435,844</b>	<b>\$ 11,564,944</b>	<b>\$ 17,706,376</b>	<b>\$ 22,307,244</b>	<b>\$ 8,373,637</b>	<b>\$ 12,273,709</b>	<b>\$ 19,984,526</b>	<b>\$ 29,919,192</b>
<b>TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT</b>	102.72%	98.55%	90.23%	80.34%	71.49%	65.24%	87.74%	82.70%	73.64%	63.90%

Legal Debt Margin Calculation for Fiscal 2023

Assessed Value	\$ 2,882,928,406
Legal debt margin	<u>2.875%</u>
Debt limit	82,884,192
Debt applicable to limit General obligation bonds	<u>52,965,000</u>
<b>LEGAL DEBT MARGIN</b>	<b><u>\$ 29,919,192</u></b>

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

Fiscal Year	Allowable Funding Sources						Coverage
	Unrestricted Tuition Revenue	Funds Available	GO Bonds (Alternate Revenue Source)		Total Debt Service		
			Series 2012*				
			Principal	Interest			
2014	\$ 8,616,561	\$ 8,616,561	\$ 160,000	\$ 240,225	\$ 400,225	\$ 21.53	
2015	8,512,587	8,512,587	155,000	237,025	392,025	21.71	
2016	8,605,491	8,605,491	160,000	232,925	392,925	21.90	
2017	9,571,877	9,571,877	170,000	230,725	400,725	23.89	
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	-	-	-	-	-	-	

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

<b>Fiscal Year</b>	<b>District Counties Served</b>	<b>Size of District (square miles)</b>	<b>District Population</b>	<b>DeKalb County Population</b>	<b>DeKalb County Total Personal Income</b>	<b>DeKalb County Per Capita Personal Income</b>	<b>DeKalb County Unemployment Rate</b>
2014	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	113,500	104,741	\$ 2,520,382,683	\$ 24,063	7.21%
2015	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	114,000	105,462	2,499,027,552	23,696	5.40%
2016	Boone, DeKalb, Kane, LaSalle, Lee, Ogle and Winnebago	831	112,500	104,352	2,494,325,856	23,903	5.20%
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%

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**

Prior Year and Ten Years Ago

<b>2023</b>				<b>2013</b>			
<b>Employer</b>	<b>Rank</b>	<b>Employees</b>	<b>% of District Population</b>	<b>Employer</b>	<b>Rank</b>	<b>Employees</b>	<b>% of District Population</b>
Northern Illinois University	1	3,303	3.07%	Northern Illinois University	1	4,648	4.10%
Target Distribution Center	2	1,600	1.48%	KishHealth System-part of Northwestern	2	1,443	1.27%
KishHealth System-part of Northwestern Medicine	3	1,488	1.38%	DeKalb School District #428	3	871	0.77%
DeKalb School District #428	4	1,162	1.08%	Rochelle Foods	4	820	0.72%
Rochelle Foods	5	867	0.80%	3M Company	5	596	0.53%
3M Company	6	850	0.79%	DeKalb County Government	6	552	0.49%
Sycamore C.U.S.D. #427	7	505	0.47%	Sycamore C.U.S.D. #427	7	515	0.45%
Ferrara Candy/Ryder Logistics	8	500	0.46%	Kishwaukee College	8	500	0.44%
DeKalb County Government	9	498	0.46%	Sonoco - Alloyd	9	500	0.44%
Kishwaukee College	10	376	0.35%	Target Distribution Center	10	494	0.44%

Note: Principal employer information was not available for 2023 at the time of report issuance.

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

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Faculty										
Full-time	70	73	82	70	73	69	65	61	58	54
Part-time	208	103	144	159	122	106	120	103	112	108
Total faculty	278	176	226	229	195	175	185	164	170	162
Staff										
Administrative	20	21	21	21	22	23	17	18	20	18
Professional	58	56	54	49	46	52	45	48	56	56
Support	119	83	136	101	113	120	121	94	116	89
Total staff	197	160	211	171	181	195	183	160	192	163

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

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Student headcount*	6,147	6,286	5,267	5,405	5,116	4,736	4,508	3,842	3,500	3,591
In-district tuition per hour	\$ 101.00	\$ 113.00	\$ 119.00	\$ 129.00	\$ 139.00	\$ 144.00	\$ 144.00	\$ 147.00	\$ 147.00	\$ 147.00
Universal fee rate per hour	12.00	12.00	12.00	12.00	17.00	17.00	17.00	17.00	17.00	17.00
In-district tuition and fee rate per hour	\$ 113.00	\$ 125.00	\$ 131.00	\$ 141.00	\$ 156.00	\$ 161.00	\$ 161.00	\$ 164.00	\$ 164.00	\$ 164.00
Out of state tuition rate per hour	\$ 309.00	\$ 351.00	\$ 369.00	\$ 399.00	\$ 426.00	\$ 432.00	\$ 432.00	\$ 492.00	\$ 492.00	\$ 492.00
Credit hours generated										
Baccalaureate	51,075	47,590	44,914	42,894	39,618	37,056	35,379	30,014	25,396	27,007
Business occupational	4,552	3,788	3,362	3,350	2,747	3,049	2,963	2,596	2,473	2,512
Technical occupational	8,938	8,369	8,057	8,254	7,333	6,362	4,992	3,773	4,612	4,522
Health occupational	6,351	5,500	5,390	5,443	4,966	5,146	4,660	5,019	4,447	4,313
Remedial development	9,743	7,615	6,098	5,545	5,050	3,508	2,760	1,976	1,618	2,082
Adult basic educations/ Adult secondary education	3,571	3,035	2,116	1,723	1,481	1,730	2,110	1,435	2,114	2,940
<b>TOTAL</b>	<b>84,230</b>	<b>75,897</b>	<b>69,937</b>	<b>67,209</b>	<b>61,195</b>	<b>56,851</b>	<b>52,864</b>	<b>44,813</b>	<b>40,660</b>	<b>43,376</b>
Tuition and fee revenue										
Education purposes and operations and maintenance purposes fund	\$ 9,831,930	\$ 9,901,849	\$ 10,707,156	\$ 10,447,839	\$ 11,006,785	\$ 11,693,774	\$ 9,828,361	\$ 8,779,953	\$ 7,968,063	\$ 8,519,864

\*Adult education students not included.

N/A - certified information not available at time of report production.

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

<b>Facility Information</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Instruction										
Building - acres	34	34	34	34	34	34	34	34	34	34
Classroom - sq. ft.	61,868	75,742	75,742	75,742	75,742	75,742	75,742	75,742	75,742	75,742
Lab - sq. ft.	123,397	109,523	109,523	109,523	109,523	109,523	109,523	109,523	109,523	109,523
Academic support										
Support - sq. ft.	47,014	47,435	47,435	47,435	47,435	47,435	47,435	47,435	47,435	47,435
Study - sq. ft.	20,544	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.	14,361	14,891	14,891	14,891	14,891	14,891	14,891	14,891	14,891	14,891
General administration										
Office - sq. ft.	75,598	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**

**CERTIFICATE OF CHARGEBACK REIMBURSEMENT**

**FOR FISCAL YEAR 2023**

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

CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2023

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ALL FISCAL YEAR 2023 NONCAPITAL AUDITED OPERATING  
EXPENDITURES FROM THE FOLLOWING FUNDS:

1	Education Fund	\$ 17,614,081
2	Operation and Maintenance Fund	2,787,814
3	Public Building Commission Operation and Maintenance Fund	-
4	Bond and Interest Fund	90,834
5	Public Building Commission Rental Fund	-
6	Restricted Purposes Fund	10,020,053
7	Audit Fund	86,980
8	Liability, Protection, and Settlement Fund	1,371,766
9	Auxiliary Enterprises Fund (subsidy only)	350,000
<b>10</b>	<b>TOTAL NONCAPITAL EXPENDITURES</b> (sum of lines 1-9)	<u><u>\$ 32,321,528</u></u>
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>4,148,240</u>
<b>12</b>	<b>TOTAL COSTS INCLUDED</b> (line 10 plus line 11)	<u><u>\$ 36,469,768</u></u>
13	TOTAL SEMESTER CREDIT HOURS	<u>43,376</u>
<b>14</b>	<b>PER CAPITA COST</b> (line 12 divided by line 13)	<u><u>\$ 840.78</u></u>
15	All FY 2023 state and federal operating grants for noncapital expenditures DO NOT INCLUDE ICCB GRANTS	<u>\$ 8,840,643</u>
16	FY 2023 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>203.81</u>
17	District's average ICCB grant rate (excluding equalization grants) for FY 2023	<u>43.34</u>
18	District's student tuition and fee rate per semester credit hour for FY 2023	<u>164.00</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u><u>\$ 429.63</u></u>

(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, 2023

	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
<b>FUND BALANCES, JULY 1, 2022</b>	\$ 5,354,292	\$ -	\$ 8,056,102	\$ 2,191,003	\$ 12,881,279	\$ 946,267	\$ 2,625,000	\$ 56,568	\$ 1,847,613	\$ 33,958,124
<b>REVENUES</b>										
Local tax revenue	\$ 7,413,915	\$ 2,017,568	\$ 1,345,083	\$ 4,612,698	\$ -	\$ -	\$ -	\$ 89,644	\$ 1,694,061	\$ 17,172,969
All other local revenue	694,413	189,402	-	-	-	-	-	-	-	883,815
ICCB grants	4,226,329	-	-	-	71,965	221,916	-	-	-	4,520,210
All other state revenue	-	-	-	-	-	10,592,039	-	-	-	10,592,039
Federal revenue	4,868	-	-	-	12,658	6,624,212	-	-	-	6,641,738
Student tuition and fees	7,949,411	570,453	-	-	266,141	-	-	-	-	8,786,005
All other revenue	1,433,701	10,391	2,486,868	9,423,012	4,911,693	737,956	-	-	-	19,003,621
Total revenues	21,722,637	2,787,814	3,831,951	14,035,710	5,262,457	18,176,123	-	89,644	1,694,061	67,600,397
<b>EXPENDITURES</b>										
Instruction	7,470,243	-	-	-	-	4,082,107	-	-	-	11,552,350
Academic support	2,871,181	-	-	-	-	1,421,401	-	-	-	4,292,582
Student services	1,452,127	-	-	-	-	2,422,209	-	-	-	3,874,336
Public service/continuing education	420,891	-	-	-	-	341,991	-	-	-	762,882
Auxiliary services	-	-	-	-	1,902,878	418,812	-	-	-	2,321,690
Operations and maintenance	-	2,787,793	5,879,142	-	-	711,309	-	-	686,326	10,064,570
Institutional support	5,432,155	21	-	13,906,306	3,298,858	1,935,343	-	86,980	685,440	25,345,103
Scholarships, student grants, waivers	714,861	-	-	-	-	7,092,804	-	-	-	7,807,665
Total expenditures	18,361,458	2,787,814	5,879,142	13,906,306	5,201,736	18,425,976	-	86,980	1,371,766	66,021,178
NET TRANSFERS	(2,763,296)	-	620,877	(71,544)	2,107,736	5,560	-	-	100,667	-
<b>FUND BALANCES, JUNE 30, 2023</b>	\$ 5,952,175	\$ -	\$ 6,629,788	\$ 2,248,863	\$ 15,049,736	\$ 701,974	\$ 2,625,000	\$ 59,232	\$ 2,270,575	\$ 35,537,343

(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, 2023

	<b>Capital Asset/Debt Account Groups July 1, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Capital Asset/Debt Account Groups June 30, 2023</b>
<b>CAPITAL ASSETS</b>					
Sites and improvements	\$ 13,283,733	\$ 486,356	\$ -	\$ 104,953	\$ 13,875,042
Buildings, additions and improvements	100,865,099	363,074	(162,029)	251,704	101,317,848
Equipment (Tangible and Intangible)	13,339,778	646,517	(319,293)	100,667	13,767,669
Projects in process	671,299	831,853	-	(457,324)	1,045,828
Other fixed assets	1,818,517	-	-	-	1,818,517
Intangible right-to-use assets	183,690	2,978,114	(96,000)	-	3,065,804
 Total tangible and intangible capital assets	 130,162,116	 5,305,914	 (577,322)	 -	 134,890,708
 Less accumulated depreciation & amortization	 (56,876,823)	 (5,193,613)	 480,490	 -	 (61,589,946)
 <b>NET CAPITAL ASSETS</b>	 <b>\$ 73,285,293</b>	 <b>\$ 112,301</b>	 <b>\$ (96,832)</b>	 <b>\$ -</b>	 <b>\$ 73,300,762</b>
 <b>FIXED DEBT</b>					
Bonds payable	\$ 55,833,790	\$ 9,315,000	\$ (12,160,791)	\$ -	\$ 52,987,999
Lease payable	-	322,626	(60,548)	-	262,078
SBITA payable	54,785	2,655,488	(366,365)	-	2,343,908
Other fixed liabilities	12,374,717	-	(7,538,656)	-	4,836,061
 <b>TOTAL FIXED DEBT</b>	 <b>\$ 68,263,292</b>	 <b>\$ 12,293,114</b>	 <b>\$ (20,126,360)</b>	 <b>\$ -</b>	 <b>\$ 60,430,046</b>

(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, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>OPERATING REVENUES BY SOURCE</b>			
Local Government			
Local Taxes	\$ 7,413,915	\$ 2,017,568	\$ 9,431,483
CPPRT	694,413	189,402	883,815
Total Local Government	8,108,328	2,206,970	10,315,298
State Government			
ICCB Base Operating Grant	2,046,187	-	2,046,187
ICCB Equalization Grant	1,945,200	-	1,945,200
ICCB Career and Technical Education	195,122	-	195,122
ICCB Performance	12,400	-	12,400
Other State not listed above	27,420	-	27,420
Total State Government	4,226,329	-	4,226,329
Federal Government			
Other	4,868	-	4,868
Total Federal Government	4,868	-	4,868
Student Tuition and Fees			
Tuition	6,591,436	570,453	7,161,889
Fees	1,357,975	-	1,357,975
Total Tuition and Fees	7,949,411	570,453	8,519,864
Other Sources			
Sales and Service fees	214,790	-	214,790
Investment Revenue	354,939	1,309	356,248
Other	863,972	9,082	873,054
Total Other Sources	1,433,701	10,391	1,444,092
Adjustments			
Transfers	-	-	-
Adjusted Revenues	21,722,637	2,787,814	24,510,451

(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, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>OPERATING EXPENDITURES</b>			
<b>BY PROGRAM</b>			
Instruction	\$ 7,470,243	\$ -	\$ 7,470,243
Academic Support	2,871,181	-	2,871,181
Student Services	1,452,127	-	1,452,127
Public Service/Continuing Education	420,891	-	420,891
Auxiliary Services	-	-	-
Operations and Maintenance	-	2,787,793	2,787,793
Institutional Support	5,432,155	21	5,432,176
Scholarships, student grants, waivers	714,861	-	714,861
Total Expenditures	18,361,458	2,787,814	21,149,272
Adjustments			
Transfers	2,763,296	-	2,763,296
<b>ADJUSTED EXPENDITURES</b>	<b>\$ 21,124,754</b>	<b>\$ 2,787,814</b>	<b>\$ 23,912,568</b>
<b>BY OBJECT</b>			
Salaries	\$ 11,711,247	\$ 1,170,529	\$ 12,881,776
Employee Benefits	2,399,690	242,134	2,641,824
Contractual Services	1,313,005	435,413	1,748,418
General Materials and Supplies	699,655	254,551	954,206
Conference and Meeting Expenses	113,601	1,394	114,995
Fixed Charges	123,007	-	123,007
Utilities	57,791	683,793	741,584
Capital Outlay	747,377	-	747,377
Student Grants and Scholarships	714,779	-	714,779
Other	481,306	-	481,306
Total Expenditures	18,361,458	2,787,814	21,149,272
Adjustments			
Transfers	2,763,296	-	2,763,296
<b>ADJUSTED EXPENDITURES</b>	<b>\$ 21,124,754</b>	<b>\$ 2,787,814</b>	<b>\$ 23,912,568</b>

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, 2023**

---

**REVENUES BY SOURCE**

Local Government	\$ -
Total Local Government	<u>-</u>
State Government	
ICCB - Adult Education	221,916
Other	<u>10,592,039</u>
Total State Government	<u>10,813,955</u>
Federal Government	
Department of Education	5,575,461
Department of Labor	547,967
Other	<u>500,784</u>
Total Federal Government	<u>6,624,212</u>
Other Sources	
Sales and service fees	-
Other	<u>737,956</u>
Total Other Sources	<u>737,956</u>
<b>NET TRANSFERS</b>	<u>5,560</u>
<b>TOTAL RESTRICTED PURPOSES FUND REVENUES</b>	<u><u>\$ 18,181,683</u></u>

(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, 2023**

---

**EXPENDITURES BY PROGRAM**

Instruction	\$ 4,082,107
Academic Support	1,421,401
Student Services	2,422,209
Public Service/Continuing Education	341,991
Auxiliary services	418,812
Operations and maintenance	711,309
Institutional Support	1,935,343
Scholarships, Grants, Waivers	<u>7,092,804</u>

<b>TOTAL RESTRICTED PURPOSES FUND EXPENDITURES</b>	<b><u><u>\$ 18,425,976</u></u></b>
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**EXPENDITURES BY OBJECT**

Salaries	\$ 1,216,237
Employee Benefits	8,596,609
Contractual Services	269,534
Student Financial Aid	7,092,804
General Materials and Supplies	413,563
Travel & Conference/Meeting Expenses	219,357
Fixed Charges	100,973
Capital Outlay	101,575
Other	<u>415,324</u>

<b>TOTAL RESTRICTED PURPOSES FUND EXPENDITURES</b>	<b><u><u>\$ 18,425,976</u></u></b>
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(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, 2023

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**INSTRUCTION**

Instructional Programs	\$ 8,287,550
Other	<u>3,264,800</u>
Total Instruction	<u>11,552,350</u>

**ACADEMIC SUPPORT**

Library Center	471,731
Instructional Materials Center	631,414
Educational Media Services	161,521
Academic Computing Support	31,851
Academic Administration and Planning	1,495,010
Other	<u>1,501,055</u>
Total Academic Support	<u>4,292,582</u>

**STUDENT SERVICES SUPPORT**

Admissions and Records	617,726
Counseling and Career Services	1,143,799
Financial Aid Administration	236,938
Other	<u>1,875,873</u>
Total Student Services Support	<u>3,874,336</u>

**PUBLIC SERVICE/CONTINUING EDUCATION**

Community Education	174,766
Customized Training (Instructional)	157,903
Professional Development Cost, Faculty	38,350
Other	<u>391,863</u>
Total Public Service/Continuing Education	<u>762,882</u>

**AUXILIARY SERVICES**

2,321,690

(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, 2023**

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**OPERATIONS AND MAINTENANCE OF PLANT**

Maintenance	\$ 1,183,319
Custodial Services	521,920
Grounds	231,972
Campus Security	667,555
Utilities	683,793
Administration	133,425
Other	<u>763,444</u>

Total Operations and Maintenance of Plant	<u>4,185,428</u>
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**INSTITUTIONAL SUPPORT**

Executive Management	1,144,347
Fiscal Operations	781,493
Community Relations	699,365
Administrative Support Services	669,619
General Institutional	1,000,555
Institutional Research	100,889
Administrative Data Processing	1,859,520
Other	<u>1,884,151</u>

Total institutional support	<u>8,139,939</u>
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<b>SCHOLARSHIPS, STUDENTS GRANTS, &amp; WAIVERS</b>	<u>7,807,665</u>
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<b>TOTAL CURRENT FUNDS EXPENDITURES</b>	<u><u>\$ 42,936,872</u></u>
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(See independent auditor's report.)



## **ICCB STATE GRANTS COMPLIANCE SECTION**

## **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, 2023, 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, 2023, 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) 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

## Other Matters

Our audit was conducted for the purpose of forming opinions on the balance sheet the College's State Adult Education and Family Literacy Grant Programs as of June 30, 2023, and the related statement of revenues, expenditures and changes in program balances for the year then ended. The schedule of expenditure amounts and percentages for ICCB Grant Funds only is presented for purposes of additional analysis and is not a required part of these financial statements. The schedule of expenditure amounts and percentages for ICCB Grant Funds only is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare these financial statements.

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

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

*Sikich LLP*

Naperville, Illinois  
October 19, 2023

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

**STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS  
BALANCE SHEET**

June 30, 2023

	State Basic	State Performance	Total
<hr/>			
<b>ASSETS</b>			
Accounts receivable	\$ -	\$ -	\$ -
<hr/>			
<b>TOTAL ASSETS</b>	\$ -	\$ -	\$ -
<hr/>			
<b>LIABILITIES AND PROGRAM BALANCES</b>			
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ -	\$ -
<hr/>			
Total liabilities	-	-	-
<hr/>			
<b>PROGRAM BALANCES</b>			
None	-	-	-
<hr/>			
Total program balances	-	-	-
<hr/>			
<b>TOTAL LIABILITIES AND PROGRAM BALANCES</b>	\$ -	\$ -	\$ -
<hr/>			

(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, 2023

	State Basic	State Performance	Total
<b>REVENUES</b>			
State sources	\$ 167,366	\$ 54,550	\$ 221,916
Total revenues	167,366	54,550	221,916
<b>EXPENDITURES</b>			
Academic support			
Salaries	69,977	30,508	100,485
Benefits	10,900	14,054	24,954
Total instructional and student services	80,877	44,562	125,439
Program support			
Training/PD	2,762	-	2,762
Offices supplies	398	-	398
Printing	457	-	457
Travel	1,940	-	1,940
Rent	1,800	-	1,800
Other materials	859	-	859
Misc - one stop	487	-	487
Total program support	8,703	-	8,703
Direct instruction			
Salaries	67,728	-	67,728
Benefits	5,186	-	5,186
Instructional Supplies	4,872	9,988	14,860
Total direct instruction	77,786	9,988	87,774
Total expenditures	167,366	54,550	221,916
CHANGES IN FUND BALANCES	\$ -	\$ -	-
PROGRAM BALANCES, JULY 1, 2022			-
PROGRAM BALANCES, JUNE 30, 2023			\$ -

(See independent auditor's report.)

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

**STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS  
EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY**

For the Year Ended June 30, 2023

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	<b>Audited Expenditure Amount</b>	<b>Audited Expenditure Percentage</b>
<b>STATE BASIC</b>		
Instruction (45% minimum required)	\$ 77,786	46%
General administration (15% maximum allowed)	8,703	5%

(See independent auditor's report.)

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

**NOTES TO FINANCIAL STATEMENTS - STATE GRANT PROGRAMS**

June 30, 2023

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**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, 2023. 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.

**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, 2022 through June 30, 2023. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified 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 LLP***

Naperville, Illinois  
October 19, 2023

**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, 2023

	Total Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted
<b>CATEGORIES</b>								
Baccalaureate	-	2,978.0	-	12,760.0	-	11,269.0	-	27,007.0
Business occupational	-	135.0	-	816.0	-	1,561.0	-	2,512.0
Technical occupational	-	86.0	-	2,308.0	-	2,128.0	-	4,522.0
Health occupational	-	272.0	-	2,026.5	-	2,014.5	-	4,313.0
Remedial developmental	-	236.0	-	1,164.0	-	682.0	-	2,082.0
Adult basic education/adult secondary education	24.0	-	1,334.5	-	1,581.5	-	2,940.0	-
<b>TOTAL CREDIT HOURS VERIFIED</b>	24.0	3,707.0	1,334.5	19,074.5	1,581.5	17,654.5	2,940.0	40,436.0

	In-District	Chargeback/ Contractual Agreement	Total
Reimbursable credit hours (unrestricted)	34,965.0	687.5	35,652.5
Reimbursable credit hours (restricted)	2,902.5	-	2,902.5
Reimbursable credit hours (unrestricted)	4,267.0	Dual Enrollment 396.0	Total 4,663.0

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 2022 EQUALIZED ASSESSED VALUATION \$ 2,882,928,406

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

**RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS**

For the Year Ended June 30, 2023

	<b>Total Unrestricted Credit Hours</b>	<b>Total Unrestricted Credit Hours Certified to the ICCB</b>	<b>Difference</b>	<b>Total Restricted Credit Hours</b>	<b>Total Restricted Credit Hours Certified to the ICCB</b>	<b>Difference</b>
Baccalaureate	27,007.0	27,007.0	-	-	-	-
Business occupational	2,512.0	2,512.0	-	-	-	-
Technical occupational	4,522.0	4,522.0	-	-	-	-
Health occupational	4,313.0	4,313.0	-	-	-	-
Remedial developmental	2,082.0	2,082.0	-	-	-	-
Adult basic education/adult secondary education	-	-	-	2,940.0	2,940.0	-
<b>TOTAL</b>	<b>40,436.0</b>	<b>40,436.0</b>	<b>-</b>	<b>2,940.0</b>	<b>2,940.0</b>	<b>-</b>