

SALE DATE AND TIME:**October 20, 2025****10:00 A.M. CDT****NEW ISSUE – BOOK-ENTRY ONLY
– BANK QUALIFIED****RATING⁺: S&P “AA-” (STABLE OUTLOOK)**

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX EXEMPTION” herein for a more complete discussion. The Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “QUALIFIED TAX-EXEMPT OBLIGATIONS” herein.

\$4,900,000***COMMUNITY COLLEGE DISTRICT NO. 520**

**COUNTIES OF KANKAKEE, WILL, GRUNDY, LIVINGSTON, FORD AND IROQUOIS AND
STATE OF ILLINOIS
(KANKAKEE)**

GENERAL OBLIGATION COMMUNITY COLLEGE BONDS, SERIES 2025**Dated: Date of Issuance****Due: December 1, as Shown on the Inside Cover Page**

The General Obligation Community College Bonds, Series 2025 (the “Bonds”), of Community College District No. 520, Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois and State of Illinois (the “District”), are issuable as fully-registered bonds under the global book-entry system operated by The Depository Trust Company, New York, New York (“DTC”). Individual purchases will be made in book-entry system form only. Beneficial owners of the Bonds will not receive physical delivery of the Bonds. The Bonds are issued in fully-registered form in denominations of \$5,000 and integral multiples thereof, and will bear interest payable on June 1 and December 1 of each year, with June 1, 2026, as the first interest payment date. Zions Bancorporation, National Association, Chicago, Illinois, will act as registrar and paying agent for the Bonds. Details of payment of the Bonds are described herein. Interest is calculated based on a 360-day year consisting of twelve 30-day months.

Proceeds of the Bonds will be used to (i) increase the working cash fund of the District, (ii) pay certain interest on the Bonds through June 1, 2026, and (iii) pay costs associated with the issuance of the Bonds. See “USE OF PROCEEDS” herein.

The Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See “THE BONDS – Security and Payment” herein.

The Bonds are not subject to optional redemption prior to maturity.

The Bonds are offered at public sale, subject to the approval of legality by Bond Counsel. Chapman and Cutler LLP, Chicago, Illinois, is also acting as Disclosure Counsel to the District. Delivery of the Bonds through the facilities of DTC will be on or about November 10, 2025.

**AS MUNICIPAL ADVISOR**

The date of this Official Statement is October __, 2025.

*Preliminary, subject to change.

+See “BOND RATING” herein.

MATURITY SCHEDULE, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

\$4,900,000* General Obligation Community College Bonds, Series 2025

Maturity (December 1)	Amount (\$)*	Rate (%)	Yield (%)	CUSIP ⁽¹⁾ (484548)
2028	2,395,000			
2029	2,505,000			

*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a Bond.

(1) CUSIP data herein is provided by CUSIP Global Services (“CGS”). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Bonds.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the District from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment), except for the omission of certain information permitted to be omitted pursuant to such Rule.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information set forth herein relating to governmental bodies other than the District has been obtained from such governmental bodies or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

PMA Securities, LLC, Naperville, Illinois, is serving as municipal advisor (the “Municipal Advisor”) to the District in connection with the issuance of the Bonds. In preparing this Official Statement, the Municipal Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District’s beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other Federal, State, Municipal or other governmental entity, other than the District, shall have passed upon the accuracy or adequacy of this Official Statement.

Community College District No. 520
Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois and State of Illinois
(Kankakee Community College)
100 College Drive
Kankakee, Illinois 60901
(815) 802-8122

* * * * *

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* * * * *

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Appendices:

- A. Form of Legal Opinion of Bond Counsel
- B. Annual Financial Report for Fiscal Year Ended June 30, 2024
- C. Form of Continuing Disclosure Undertaking
- D. Official Notice of Sale and Bid Form

\$4,900,000*
Community College District No. 520
Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois
and State of Illinois
(Kankakee Community College)
General Obligation Community College Bonds, Series 2025

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community College District No. 520, Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois and State of Illinois (the “District”), in connection with the offering and sale of its \$4,900,000* General Obligation Community College Bonds, Series 2025 (the “Bonds”). This Official Statement includes the cover page, the reverse thereof and the Appendices. Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

THE BONDS

General Description

The Bonds will be issued in fully-registered form, without coupons, in denominations of \$5,000 each or authorized integral multiples thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (“DTC”). Principal of and interest on the Bonds will be payable as described under the caption “BOOK-ENTRY SYSTEM” by Zions Bancorporation, National Association, Chicago, Illinois, as paying agent and registrar (the “Registrar”).

The Bonds will be dated as of the date of delivery and will mature as shown on the inside cover page of this Official Statement. Interest on the Bonds will be payable on each June 1 and December 1, beginning June 1, 2026. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar in Chicago, Illinois. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which is the 15th day of the month next preceding the interest payment date (the “Record Date”).

The Bonds are not subject to optional redemption prior to maturity.

*Preliminary, subject to change.

Registration and Exchange

The Bonds may be transferred, registered and assigned only on the registration books of the Registrar, and such registration shall be at the expense of the District; provided, however, that the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the District shall execute and the Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully-registered Bond or Bonds of the same maturity of authorized denominations for a like aggregate principal amount. Any fully-registered Bond or Bonds may be exchanged at said office of the Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the District of any fully-registered Bond shall constitute full and due authorization of such Bond and the Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date with respect to any interest payment date on such Bond and ending at the opening of business on such interest payment date.

Authority and Purpose

The Bonds are issued pursuant to the Public Community College Act of the State of Illinois (the “Act”), the Local Government Debt Reform Act of the State of Illinois and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Trustees (the “Board”) of the District on September 16, 2025, as supplemented by a notification of sale (together, the “Bond Resolution”). Proceeds of the Bonds will be used to (i) increase the working cash fund of the District (the “Working Cash Fund”), (ii) pay certain interest on the Bonds through June 1, 2026, and (iii) pay costs associated with the issuance of the Bonds. See “USE OF PROCEEDS” herein.

Security and Payment

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by

equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds, except for the interest due on the Bonds up to and including June 1, 2026, which will be paid from Bond proceeds. The Bond Resolution will be filed with the County Clerks of The Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois, Illinois (the “County Clerks”), and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

Reference is made to Appendix A for the proposed form of legal opinion of Bond Counsel.

USE OF PROCEEDS

After proper abatement and transfer from the Working Cash Fund, proceeds of the Bonds will be used to pay the costs of capital projects throughout the District (the “Project”). Specifically, such proceeds will be used for an interior wayfinding project estimated at approximately \$625,000 and an exterior wayfinding project estimated at approximately \$900,000. The District expects to complete fabrication and installation for both projects by Spring 2027. Additionally, within the District’s fiscal year 2026 budget, there are numerous Information Technology Services (ITS) upgrades totaling over \$648,000, maintenance equipment and bathroom upgrades totaling approximately \$1,043,200 and instructional equipment totaling approximately \$283,800 that will be paid for from the proceeds of the Bonds. The funds remaining after fiscal years 2026 and 2027 are expected to be spent on additional building improvements, scheduled ITS refresh, and instructional equipment.

SOURCES AND USES

Estimated Sources of Funds

Par Amount of the Bonds.....	
[Net] Original Issue Premium/(Discount).....	
Total Sources	<u><u>\$ -</u></u>

Estimated Uses of Funds

Cost of the Project.....	
Pay interest on the Bonds.....	
Costs of Issuance...(1).....	
Total Uses	<u><u>\$ -</u></u>

(1) Includes Underwriter’s discount, Bond and Disclosure Counsel fees, Municipal Advisor’s fee, Registrar’s fee, rating agency fee and other costs of issuance.

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings ("S&P") rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as

may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois, Illinois (the "Counties"). There can be no assurance that the procedures described herein will not change.

Tax Levy and Collection Procedures

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year.

Unpaid Taxes and Annual Tax Sales

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.5% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the “Annual Tax Sale” — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

When taxes go unpaid for more than 20 years, Illinois law states that the property is “forfeited to the state.” As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner’s circumstances or it being sold.

Exemptions

The Illinois Property Tax Code, as amended (the “Property Tax Code”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the Equalized Assessed Valuation (“EAV”) of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum

reduction of \$6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the “Collar Counties”) is \$8,000.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$5,000. Beginning with tax year 2023, the maximum exemption in the Collar Counties is \$8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen’s residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index (“CPI”). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the “Natural Disaster Exemption”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Several exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the

veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies (including community college districts) in Cook County, the Collar Counties and numerous other counties.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless the obligations first are approved at a direct referendum, are alternate bonds or are for certain refunding purposes.

Public Act 89-510 permits the county boards of all counties not currently subject to the Limitation Law to initiate binding referenda to extend the provisions of the Limitation Law to all non-home rule taxing bodies in the county.

Under the legislation, the county board of any such county can initiate a binding tax cap referendum at any regularly scheduled election other than the consolidated primary, which is the February election in odd-numbered years. If the referendum is successful, then the Limitation Law will become applicable to those non-home rule taxing bodies having all of their EAV in the

county beginning January 1 of the year following the date of the referendum. With respect to multi-county taxing bodies, the Limitation Law becomes applicable only after (a) each county in which the taxing body is located has held a referendum and (b) the proposition is passed in a county or counties containing a majority of the EAV of the taxing body.

As of the date of the referendum causing tax caps to be applicable to a taxing body, referendum approval would be required in order for the taxing body to issue unlimited tax general obligation bonds. Kankakee County and Livingston County have each held a successful referendum on the applicability of the Limitation Law. Grundy County, Ford County and Iroquois County have yet to hold a referendum on the applicability of the Limitation Law. No guarantee exists, however that such a referendum will not be held in the future.

If the Limitation Law were to apply in the future to the District, the limitations set forth therein will not apply to the taxes levied by the District to pay the principal of and interest on the Bonds.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State of Illinois (the "State"). The District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action or fail to take any action which in any way would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Construction Risks

There are potential risks that could affect the ability of the District to timely complete the Project. While preliminary costs have been projected by the District's consulting architects, not all of the construction contracts have been let by the District. No assurance can be given that the cost of completing the Project will not exceed available funds.

Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

Finances of the State of Illinois

State funding sources constituted 10.53% of the District's combined Educational Fund and Operations and Maintenance Fund (the "General Fund") revenue sources for the fiscal year ended June 30, 2024. While the finances of the State have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State's long-term general obligation bonds carry the lowest ratings of all states.

Federal Revenues

Illinois community college districts receive direct and indirect funding from various federal programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States ("Congress"). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and

requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois community college districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District's financial condition and operations. The District makes no prediction as to the effect of these actions on the District's federal revenues or the District's ability to comply with federal laws and regulations in the future. See "FEDERAL AID" herein for more information.

Local Economy

The financial health of the District is in part dependent on the strength of the local economy. Many factors impact the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

Unemployment

Unemployment rates are not specifically compiled for the District. However, the City of Kankakee (the "City") located within the District and Kankakee County (the "County") have had higher unemployment rates as compared to the State for the last five years (see "SOCIO-ECONOMIC CHARACTERISTICS – Historical Unemployment Statics" herein). Unemployed workers who reside within the District may lack the financial resources to pay taxes owed to the District in a timely manner or at all. The high number of unemployed workers residing within the District could increase the likelihood that the District will not be able to collect the full amount of taxes levied, both to pay the Bonds and to fund the District's operations, which could adversely affect the District's ability to repay or the timing of repayment of the Bonds.

Loss or Change of Bond Rating

The Bonds have received a credit rating from S&P. The rating can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer viruses, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an

adverse effect on the District's operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the District to comply with the Undertaking (as defined herein) for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Commission under the Exchange Act, and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property

within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

Factors Relating to Tax Exemption

As discussed under “TAX EXEMPTION” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in Congress legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the “Service”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE DISTRICT

General Description

The District is located in east-central Illinois and covers approximately 1,500 square miles. The District includes most of the County and portions of Will, Grundy, Livingston, Ford and Iroquois Counties. The majority of the District's EAV lies in Kankakee and Iroquois Counties, which together contain approximately 95.41% of the District's total 2024 EAV. The District's estimated total population is 134,579.

The District offices and campus are located in the City, the largest population center in the District and the county seat of the County. The City is located approximately 57 miles south of the City of Chicago. Classes are also taught at the North Extension Center in Bradley; the Manufacturing and Industrial Technology Center in the City; and the Harold and Jean Miner South Extension Center in Watseka.

The transportation needs of the District are served by Interstate 57, U. S. Routes 24, 45 and 52, and Illinois Routes 1, 17, 49, 115 and 116. Several commercial railroads provide freight rail service to the area and Amtrak provides passenger rail service. The closest commercial air transportation is available at Chicago's Midway International Airport.

The District is fully accredited by the Higher Learning Commission ("HLC") and is approved by the Illinois Community College Board (the "ICCB") and the Illinois Board of Higher Education (the "IBHE"). In addition, individual programs are accredited by associated professional organizations. The District is also a member of numerous other local, state and national organizations which assist the District in meeting its educational goals.

Illinois public community colleges are defined by law as public institutions of higher education and are made a part of the state system of higher education. Overall state planning, coordination and regulation of the state system of higher education is vested in the IBHE. Establishment of standards and criteria, for statewide planning and coordination, for evaluation and recognition of the various community colleges, and for certain specific approvals of district board actions is the responsibility of the ICCB.

The District was established in 1966 and is governed by the Board elected at large for overlapping six-year terms and one non-voting student member elected by the student body for a one-year term. Tuition, local property taxes and state grants support the District. The District offers a number of degree and certificate options to meet the diverse needs of its residents, including pre-baccalaureate education designed to prepare students to transfer to four-year colleges and universities, career education for occupational, vocational, technical and semi-technical training for employment, advancement or career change, general studies, community education including non-credit, continuing education classes and public service activities of an educational nature, which may include workshops, seminars, forums and studies for cultural enrichment.

The District, in its efforts to be a comprehensive yet cost-effective community college, strives to use available community resources as a part of its total educational delivery system wherever and whenever possible.

For several fiscal years, the District's fund balances have continued to increase due to outperforming its budgets. Also, the District has received substantial increases in the amount of grant funds it has received. The District is expecting to spend down its large accumulating fund balance over the next few fiscal years to get closer to its fund balance goal of 35% of operating expenditures. The Board plans to utilize some of the fund balance in conjunction with bond funds to complete facilities master plan projects. See "SUMMARY OF OPERATING RESULTS – Budget Summary" herein.

Economic Development

The redevelopment of downtown Kankakee is underway. Investments of \$44 million were approved in two separate downtown locations. The first parcel is part of a new tax increment financing ("TIF") district, which includes a business incubator, Plenari (clothing manufacturer) and 99 new apartments; construction is expected to be complete in late 2026. The second project is within Kankakee's Riverfront TIF District and will include 35 apartments, with construction anticipated to begin in 2026.

Electric battery maker Gotion has opened a new \$2 billion lithium ion battery production plant in Manteno on the site of the 1.5 million-square foot former Kmart distribution center. Gotion has built the first five assembly lines in the plant. The plant employs 300 people and will grow to approximately 450 workers by the end of the year. Eventually the plant is expected to create approximately 2,500 new jobs. The new EV battery plant will focus on lithium-ion battery cell, battery pack production and energy storage system integration. Once completed, the facility in Manteno is expected to produce 10 GWh of lithium-ion battery packs and 40 GWh of lithium-ion battery cells, which will strengthen the American EV battery supply chain. Gotion selected the State to locate its Gigafactory after a competitive nationwide search. A comprehensive Reimagining Energy and Vehicles (REV) incentive package and the new invest in Illinois fund helped secure Gotion's investment in the State. The incentives offered by the State included \$213 million in payroll tax credits that will be paid over 30 years and \$125 million in capital funds from the State's recently created "deal-closing" fund. The REV agreement specifies a minimum company investment of \$1.9 billion and the creation of 2,600 full-time jobs that pay at least 120% of the average wage of similar job classifications in the County. Gotion was also approved by local authorities for property tax abatements. Gotion and Kankakee County agreed to cap property taxes paid on the 150-acre property at \$2 million per year for the next 30 years.

Two major developments are either complete or underway on the former Northfield Square Mall site in the Village of Bradley. A \$45 million, 126-acre baseball and softball turfed field complex that includes 17 fields and is called 315 Sports Park opened in May 2025. Also, construction of a new, 2-acre \$79.5 million glass-enclosed water park will begin as soon as late 2025 with expected completion in late 2027.

Also, the State is funding a new manufacturing training academy at the District (see "- Grant Awards" herein). Additional grants are also awarded to workforce providers to expand training and prepare regional employees for the new jobs. The District has a memorandum of understanding with Gotion to provide all corporate training for the plant workers.

Grant Awards

The District and Gotion have a training partnership. The District received two State grants totaling \$12 million to renovate the District's main riverfront campus facilities to establish a manufacturing academy to support the training of Gotion employees as well as other large manufacturers in the District. The renovations include a new corporate training space, a new battery training and storage lab, a new PLC and SCADA controls lab and a new automotive technology lab to support EAV technology.

In February of 2025, the Board approved acceptance of the following grant awards: (1) Digital Instruction for Adult Education in the amount of \$75,000; (2) Illinois Job Training and Economic Development (JTED) Program in the amount of \$691,690; and (3) Noncredit Workforce Training Grant in the amount of \$105,000. As a result of the State grants, the District has been able to increase enrollment and provide students with the opportunity to attend the District at no cost. The grant programs include:

- JTED
 - Aims to build the State's workforce capacity by linking training to the needs of local industries
 - Enabled the District to waive \$250,000 of tuition this year
- FTPI (Fast-Track Public Infrastructure) Program
 - Purpose is to speed up planned public infrastructure projects that are ready for construction
 - The Gotion Training Academy construction project qualified
- Career Pathways
 - Focuses on workforce development in high-demand sectors like clean energy and trades

Educational Facilities

The District operates four facilities.

<u>Facility</u>	<u>Current Enrollment</u> ⁽¹⁾	<u>Capacity Enrollment</u>	<u>Constructed</u>	<u>Years of Additions/Renovations</u>
Riverfront Campus.....	6,347	5,469	1968	1970, 1972, 1980, 1992, 2004, 2006, 2007, 2008, 2015, 2019, 2023, 2024, 2025
South Extension Center.....	124	87	2013	N/A
Manufacturing Industrial Technology Center.....	723	117	2014	2023
North Extension Center.....	70	142	2014	N/A
Off-Campus Only.....	501	N/A	N/A	N/A
Virtual Campus Only.....	1,704	N/A	N/A	N/A

(1) Headcount for Fall 2025 per facility, depending on courses not all students utilizing the facility at the same time. Enrollment not unduplicated.

Source: The District

Credit Hours

<u>School Year</u>	<u>Credit Hours</u>	<u>School Year</u>	<u>Credit Hours</u> ⁽¹⁾
2020-2021	43,647	2025-2026	53,559
2021-2022	39,430	2025-2026	53,559
2022-2023	41,879	2026-2027	53,559
2023-2024	49,141	2027-2028	53,559
2024-2025	51,886	2028-2029	53,559

(1) Projected.

Source: The District

Since the fall of 2022, the District has experienced consistent term-over-term enrollment growth, marking a significant reversal from the steady decline observed from 2010 to 2022. Between fiscal years 2022 and 2025, the District achieved an almost 13% increase in headcount and a 15% increase in credit hours. For the current fall term, enrollment is up 7.2% in headcount and 5.5% in credit hours compared to the previous year. Looking ahead, the District projects a 3.2% enrollment increase for the 2025–2026 academic year, followed by a conservative budget assumption of flat enrollment from fiscal years 2027 through 2029.

This upward trend in enrollment is accompanied by improvements in student retention and completion, driven by a comprehensive strategy that focuses on strengthening recruitment, enhancing support services, and expanding academic and career programs aligned with workforce demands. The District is broadening its outreach to underrepresented populations and adult learners to make higher education more accessible and relevant. Key to this approach are partnerships with local high schools, businesses, and community organizations that help students navigate a clearer path from education to employment. In addition, the District is investing in technology and data-informed practices to better understand student needs, improve communication, and expand flexible learning options, including online and hybrid courses. By streamlining the admissions process and supporting students through graduation, the District aims to ensure long-term, sustainable enrollment growth that supports both individual success and regional economic development.

Student Tuition and Fees

<u>Fiscal Year</u>	<u>Tuition Per Credit</u>		<u>Total (\$)</u>
	<u>Hour (\$)</u>	<u>Fees Per Credit Hour (\$)</u>	
2014	104	13	117
2015	112	13	125
2016	122	13	135
2017	129	13	142
2018	134	13	147
2019	137	17	154
2020	142	19	161
2021	146	19	165
2022	146	19	165
2023	146	19	165
2024	150	19	169
2025	155	19	174
2026	155	19	174

Source: The District

The Board of Trustees

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration. The Board elects a Chair, Vice-Chair and Secretary from its membership and also has a non-voting student trustee.

<u>Title</u>	<u>Name</u>	<u>Current Term Expires</u>
Chair.....	William Orr	2027
Vice-Chair.....	Michael Proctor	2031
Secretary.....	Bradley W. Hove	2029
Trustee.....	Catherine R. Boicken	2031
Trustee.....	Michael Kick	2027
Trustee.....	Eric Peterson	Appointed in 2025 ⁽¹⁾
Trustee.....	Todd A. Widholm	2029
Student Trustee (non-voting).....	Grace Kibbons	May 2026
Vice President for Business Affairs and Board Treasurer	Beth Nunley	Appointed

(1) Mr. Peterson was appointed in 2025; may choose to run for two-year unexpired term in 2027.

Administration

Dr. Michael Boyd was named as the District's President and CEO on July 1, 2019. Prior to assuming his role as President and CEO, Dr. Boyd was the Vice President for Instructional and Student Success, the District's chief academic officer. Ms. Beth Nunley joined the District in 2011 as Director of Financial Affairs, and has served as Vice President for Business Affairs and

Board Treasurer since 2020. In July of 2020, Ms. Sarah Peters became the Director of Financial Affairs at the District. Prior to becoming the Director of Financial Affairs, Ms. Peters was the Coordinator of Financial Affairs at the District.

Employees

The District has 205 full-time employees and 145 part-time employees. Of the total number, the Kankakee Community College Faculty Association Council of American Federation of Teachers Local 604, AFL-CIO (full-time faculty) represents 59 members and the contract expires June 30, 2027. The Kankakee Community College Adjunct Faculty Association Council of American Federation of Teachers Local 604, AFL-CIO (part-time faculty) represents approximately 50 members and the contract expired on June 30, 2024. The District is honoring the prior contract until the sole remaining union member decides whether to negotiate a new contract or leaves the union.. The District considers its relationship with its employees to be positive.

SOCIO-ECONOMIC CHARACTERISTICS

Population Trend

Below are the population statistics for the District, which includes the Villages of Bourbonnais and Bradley (the “Villages”) and the City, as well as the population statistics for the County, Iroquois County and the State.

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>% Change 2010-2020</u>
Village of Bourbonnais.....	16,000	18,631	18,164	-2.51
Village of Bradley.....	12,784	15,895	15,419	-2.99
The City.....	27,491	27,537	24,052	-12.66
Iroquois County.....	31,334	29,718	27,077	-8.89
The County.....	103,833	113,449	107,502	-5.24
The State.....	12,419,293	12,830,632	12,812,508	-0.14

Source: U.S. Census Bureau, 2000 Census, 2010 Census and 2020 Census

Income and Housing

The following table sets forth the comparative income and home value levels for the Villages, the City, the County, Iroquois County, the State and the United States.

	<u>The City</u>	<u>Village of Bourbonnais</u>	<u>Village of Bradley</u>	<u>Iroquois County</u>
Median Home Value.....	\$105,500	\$242,600	\$164,400	\$125,400
Median Household Income.....	45,119	81,017	62,940	62,439
Median Family Income.....	47,526	99,792	71,951	81,973
Per Capita Income.....	24,194	34,742	34,140	34,719

	<u>The County</u>	<u>The State</u>	<u>United States</u>
Median Home Value.....	\$185,700	\$250,500	\$303,400
Median Household Income.....	68,325	81,702	78,538
Median Family Income.....	86,403	103,504	96,922
Per Capita Income.....	35,005	45,104	43,289

Source: 2019-2023 American Community Survey 5-year Estimates, U.S. Census Bureau as released by the U.S. Census Bureau on December 12, 2024

Residential Housing Building Permits

The following table sets forth the reported number of residential building permits issued and relative construction costs in the Villages and the City for each of the years listed.

	<u>Village of Bourbonnais</u>		<u>Village of Bradley</u>		<u>The City</u>	
<u>Year</u>	<u>Reported Number of Building Permits</u>	<u>Construction Cost</u>	<u>Reported Number of Building Permits</u>	<u>Construction Cost</u>	<u>Reported Number of Building Permits</u>	<u>Construction Cost</u>
2020.....	25	\$ 475,000	17	\$ 3,374,756	0	\$ -
2021.....	54	10,731,700	34	7,143,952	0	0
2022.....	33	7,557,800	42	9,928,900	1	250,000
2023.....	12	3,474,700	8	1,978,000	4	850,000
2024.....	16	5,052,400	17	3,991,000	28	4,713,146
2025..... ⁽¹⁾	16	4,379,900	12	2,846,000	8	2,069,588

(1) Through August.

Source: U.S. Census Bureau

Retail Sales

The following table demonstrates the estimated sales reported by retailers in the Villages and the City for the last five calendar years and through the second quarter of 2025.

<u>Calendar Year</u>	<u>Village of Bourbonnais</u>	<u>Village of Bradley</u>	<u>The City</u>
2020	\$ 317,187,890	\$ 688,859,005	\$ 319,491,237
2021	391,140,529	803,560,195	389,399,218
2022	400,957,871	776,497,947	424,144,282
2023	403,103,676	807,933,787	419,136,926
2024	409,790,205	820,432,806	435,913,001
2025 ⁽¹⁾	231,072,568	414,005,876	252,809,276

(1) Through the second quarter of 2025.

Source: The Department

Corporate Personal Property Replacement Taxes

Corporate Personal Property Replacement Taxes (“CPPRT”) are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the “Personal Property Tax”) with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the “Sharing Act”) was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The District receives CPPRT on an annual basis. The following table sets forth the amount of CPPRT over the last five fiscal years and the estimated amount of CPPRT to be received in fiscal year ending June 30, 2026:

<u>Fiscal Year Ended June 30</u>	<u>CPPRT Receipts</u>
2021	\$ 733,754
2022	1,586,509
2023	1,655,744
2024	828,739
2025	734,304
2026 ⁽¹⁾	737,547

(1) Estimated.

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021-2024 and the Department for fiscal years 2025 and 2026.

Going forward, the District expects CPPRT revenues will continue to be in amounts similar to pre-fiscal year 2022 levels.

Largest Area Employers

The following table reflects the major employers in the area surrounding the District by the products manufactured or services performed and approximate number of employees.

Company Name	Product or Service	Location	Approximate employees at location
Riverside Healthcare.....	Regional medical center.....	Kankakee	2,929
CSL Behring, LLC..... ⁽¹⁾	Plasma derivatives, ethical pharmaceuticals & biochemical products.....	Bradley	1,400
Amita St. Mary's Hospital.....	Hospital.....	Kankakee	900
VDF FutureCeuticals, Inc.....	Sales office for food ingredients.....	Momence	800
Olivet Nazarene University.....	Private university.....	Bourbonnais	560
Baker & Taylor, LLC..... ⁽²⁾	Distributor of books, digital content & entertainment products.....	Momence	500
The District.....	Community college.....	Kankakee	350
Nucor Steel Kankakee, Inc.....	Steel billets, merchant bar & rebar.....	Bourbonnais	300
AAF Flanders.....	Air filters.....	Momence	270
Peddinghaus Corp.....	Corporate headquarters, heavy plate processors.....	Bradley	250

(1) CSL Behring, LLC is in the midst of a very large expansion of its Bourbonnais Township complex which includes adding 1.8 million square feet to be called “CSL South”. The estimated project cost is \$240 million with completion anticipated in 2030. According to published reports in August, CSL’s Bourbonnais Township production site may encounter employee layoffs because of cuts in production as CSL seeks to alter its world wide vaccine division. According to published reports, CSL is seeking to let go 3,000 employees throughout the company due to what the company has labeled “unprecedented volatility” in the industry.

(2) Baker & Taylor, LLC, is permanently closing its Momence location which will result in the layoffs of 318 employees.

Note: Over the summer 274 employees were laid off after the Momence Johnsonville meat packing plant closed.

Source: 2025 Manufacturers’ News, Inc. Illinois Manufacturers and Illinois Services Directories, Economic Alliance of Kankakee County and District employee information provided by the District.

Historical Unemployment Statistics

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates as well as the monthly unemployment rates for July 2024 and July 2025 for the Villages and the City compared with the County, Iroquois County and the State.

	Village of Bourbonnais	Village of Bradley	The City	The County	Iroquois County	The State
Average, 2020..... ⁽¹⁾	7.7%	7.7%	11.9%	8.9%	6.5%	9.3%
Average, 2021.....	5.3	5.4	10.3	6.7	5.1	6.1
Average, 2022.....	4.6	4.5	7.8	5.6	4.9	4.6
Average, 2023.....	5.0	4.9	8.1	5.9	4.8	4.5
Average, 2024.....	5.0	4.7	7.5	5.7	4.8	5.0
July, 2024.....	N/A ⁽²⁾	N/A ⁽²⁾	7.2	5.9	4.9	5.7
July, 2025.....	N/A ⁽²⁾	N/A ⁽²⁾	6.3	5.1	4.4	4.8

(1) The District attributes the higher unemployment rates to the COVID-19 pandemic.

(2) There is no monthly data available for the Villages since they are communities with a population of less than 25,000.

Source: Illinois Department of Employment Security

FINANCIAL INFORMATION

Trend of EAV

(Estimated 33-1/3% of Fair Market Value)

The following table reflects the EAV trend of the District by property type and growth.

<u>Property Type</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential	\$ 1,538,226,885	\$ 1,631,477,836	\$ 1,758,241,639	\$ 1,956,857,479	\$ 2,171,189,004
Farm	465,088,738	503,108,724	545,149,933	598,534,306	658,201,150
Commercial	405,855,240	408,051,374	420,934,810	444,711,332	428,065,426
Industrial	133,687,482	146,306,222	150,171,612	163,919,431	186,020,025
Mineral.....	55,469,740	54,178,318	54,907,599	55,084,703	71,521,775
Railroad	34,843,472	38,446,213	42,048,848	45,572,886	46,612,585
Total...(1).....	<u>\$ 2,633,171,557</u>	<u>\$ 2,781,568,687</u>	<u>\$ 2,971,454,441</u>	<u>\$ 3,264,680,137</u>	<u>\$ 3,561,609,965</u>

Percent of Change.....	+ 4.44% (2)	+ 5.64%	+ 6.83%	+ 9.87%	+ 9.10%
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(1) Excludes TIF incremental EAV and abated enterprise zone EAV. See “Tax Increment Financing Districts Located within the District” herein.

(2) Based on the District’s 2019 EAV of \$2,521,144,529.

Source: County Clerks’ Offices

EAV by County

<u>Tax Year</u>	<u>Kankakee County</u>	<u>Iroquois County</u>	<u>Livingston County</u>	<u>Ford County</u>	<u>Grundy County</u>	<u>Will County</u>	<u>Total (1)</u>
2020	\$ 2,079,556,626	\$ 431,571,734	\$ 78,785,385	\$ 38,711,119	\$ 3,120,694	\$ 1,425,999	\$ 2,633,171,557
2021	2,190,729,128	462,529,052	83,783,511	39,663,876	3,331,244	1,531,876	2,781,568,687
2022	2,348,572,384	484,400,851	91,186,309	41,950,443	3,653,917	1,690,537	2,971,454,441
2023	2,571,268,878	542,625,142	100,064,658	44,993,533	3,931,621	1,796,305	3,264,680,137
2024	2,804,160,358	594,089,078	108,664,152	48,390,295	4,378,211	1,927,871	3,561,609,965

(1) Excludes TIF incremental EAV and abated enterprise zone EAV.

Source: County Clerks’ Offices

Tax Increment Financing Districts Located within the District

A portion of the District's EAV is contained in TIF districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated (the "Base EAV"). Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The TIF districts are not expected to expire in the near future and the District is not aware of any new TIF districts planned in the immediate future. The District has a revenue surplus agreement with the Village of Bourbonnais and has received minimal revenue surplus.

<u>Location</u>	<u>Year Established</u>	<u>Base EAV</u>	<u>2024 EAV</u>	<u>Incremental EAV</u>
Bourbonnais TIF 18 (Industrial)	2006	\$ 6,259,353	\$ 19,639,509	\$ 13,380,156
Bourbonnais TIF 21.....	2014	6,994,087	9,726,326	2,732,239
Bradley (Route 50) TIF 17.....	2006	163,894	15,118,124	14,954,230
Bradley TIF 27.....	2024	12,969,057	13,273,654	304,597
Bradley TIF 20 (Larry Power Road).....	2008	332,905	426,421	93,516
Grant Park TIF 19.....	2007	16,091,877	24,540,660	8,448,783
Manteno TIF 22 (Industrial Park).....	2014	99,986	206,201	106,215
Kankakee-Exit #308 TIF16.....	2003	163,450	8,143,892	7,980,442
Kankakee TIF 24.....	2018	8,613,952	11,765,221	3,151,269
Kankakee TIF 25.....	2019	11,033,696	15,210,241	4,176,545
Kankakee New Downtown TIF 26.....	2020	6,064,865	6,682,645	617,780
Meadowview Mall TIF 23.....	2015	2,957,969	4,451,676	1,493,707
St Anne TIF 28.....	2024	4,488,184	4,876,864	388,680
Sauneman TIF	2000	708,792	2,008,737	1,299,945
Watseka TIF 4.....	2003	4,877,130	7,173,938	2,296,808
Gilman TIF 3.....	2023	14,894,575	15,815,573	920,998
Onarga TIF 1.....	2012	5,334,858	7,511,686	2,176,828
Total.....		<u>\$ 102,048,630</u>	<u>\$ 166,571,368</u>	<u>\$ 64,522,738</u>

Source: Kankakee, Iroquois and Livingston County Clerks' Offices

Tax Rates
(Per \$100 EAV)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	Statutory <u>Maximum Rate</u>
Bonds and Interest.....	\$ 0.0975	\$ 0.1134	\$ 0.1058	\$ 0.0972	\$ 0.0889	N/A
Audit.....	0.0024	0.0024	0.0023	0.0019	0.0025	\$0.0050
Fire Prevention and Safety.....	0.0476	0.0488	0.0476	0.0125	0.0166	0.0500
Liability Insurance.....	0.0484	0.0412	0.0407	0.0589	0.0384	N/A
Social Security	0.0083	0.0075	0.0073	0.0072	0.0069	N/A
Operations & Maintenance.....	0.0399	0.0400	0.0400	0.0400	0.0400	0.0400
Statewide Avg. Additional Tax.....	0.1105	0.1109	0.1033	0.1033	0.1079	0.1109
Prior Year Adjustment.....	(0.0022)	(0.0028)	(0.0027)	(0.0015)	(0.0057)	N/A
Educational.....	0.1394	0.1400	0.1400	0.1400	0.1400	0.1400
Total.....	<u>\$ 0.4918</u>	<u>\$ 0.5014</u>	<u>\$ 0.4843</u>	<u>\$ 0.4595</u>	<u>\$ 0.4355</u>	

Source: Kankakee County Clerk's Office

Representative Tax Rates for Property within the District
(Per \$100 EAV)

The following table of representative tax rates is for a resident of the District living in the City.

<u>Taxing Body</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
The District.....	\$ 0.4918	\$ 0.5014	\$ 0.4843	\$ 0.4595	\$ 0.4355
The County.....	1.1129	1.0811	1.0622	0.9527	0.9101
Kankakee Township.....	0.3738	0.3537	0.3276	0.2964	0.2713
Kankakee Township Road.....	0.3345	0.3164	0.3084	0.2835	0.2596
Kankakee Valley Park District.....	0.7009	0.6601	0.6619	0.6151	0.5779
Kankakee Valley Forest Preserve.....	0.0571	0.0544	0.0527	0.0503	0.0477
The City.....	5.5466	5.4834	5.1684	4.8626	4.2936
Kankakee CUSD Number 111.....	5.9697	5.6846	5.4886	5.2348	4.9979
Kankakee Valley Airport Authority.....	0.0391	0.0372	0.0348	0.0317	0.0291
Total.....	<u>\$ 14.6264</u>	<u>\$ 14.1723</u>	<u>\$ 13.5889</u>	<u>\$ 12.7866</u>	<u>\$ 11.8227</u>

Source: Kankakee County Clerk's Office

Tax Extensions and Collections

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Extensions	\$12,880,760	\$13,803,838	\$14,352,348	\$14,976,824	\$15,517,750
Collections	12,947,087	13,980,278	14,306,037	14,973,154	13,179,376 ⁽¹⁾
% Collected	100.51%	101.28%	99.68%	99.98%	84.93%

(1) In progress, as of October 6, 2025.

Source: The County Treasurers' Offices and the District

Largest Taxpayers

The taxpayers listed below represent 4.74% of the District's 2024 EAV which is \$3,561,609,965 (which excludes TIF incremental EAV \$64,522,738 and enterprise zone EAV of \$2,846). Reasonable efforts have been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed. Many of the taxpayers listed, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included.

<u>Taxpayer</u>	<u>Description</u>	<u>2024 EAV</u>	<u>% of EAV</u>
Aventis Behring LLC.....	Industrial.....	\$ 33,432,774	0.94%
EDF Renewable Energy.....	Wind Farm.. ⁽¹⁾	30,034,646	0.84%
333 South Spruce LLC.....	Industrial.....	25,000,000	0.70%
Nucor Steel Kankakee Inc.....	Industrial.....	16,585,097	0.47%
Settlers Trail Wind Farm LLC.....	Wind Farm.. ⁽¹⁾	14,151,153	0.40%
Pembina Cochin LLC.....	Industrial.....	13,498,650	0.38%
CRE Provender Manteno LLC.....	Commercial.....	10,648,919	0.30%
Pilot Hill Wind Farm, LLC.....	Wind Farm.. ⁽¹⁾	9,323,795	0.26%
Riverside Medical Center.....	Medical.....	8,120,604	0.23%
SREG TSE LLC.....	Office building.....	<u>7,886,681</u>	<u>0.22%</u>
Total.....		<u>\$ 168,682,319</u>	<u>4.74%</u>

(1) The Property Tax Code has specific provisions applicable to the assessment of wind energy devices (such as the Wind Farms listed in the table above) for tax assessment years through 2035. The Property Tax Code currently provides that the fair cash value of a wind energy device is equal to \$360,000 per megawatt of nameplate capacity multiplied by a number equal to the consumer price index (U.S. city average all items) published by the Bureau of Labor Statistics, for the December immediately preceding the assessment date, divided by the consumer price index (U.S. City average all items) published by the Bureau of Labor Statistics for December 2006, less an allowance for physical depreciation. This allowance is based on the actual age in years of the wind energy device in the assessment year. Each year in age reduces the fair cash value by 4% until the required statutory reduction reaches 70%. Functional obsolescence and external obsolescence may further reduce the fair cash value of the wind energy device, to the extent they are proved by the taxpayer by clear and convincing evidence. The General Assembly of the State (the "General Assembly") could amend or repeal the Property Tax Code provisions concerning wind energy devices before or after assessment year 2035. The District is unable to predict what action, if any, the General Assembly will take.

Source: County Clerks' Offices

Summary of Outstanding Bonded Debt

Shown below is a summary of the outstanding bonded debt of the District as of the closing of the Bonds.

Issue Description	Dated Date	Original Amount of Issue	Current Amount Outstanding	Final Maturity Date
G.O. Community College Bonds, Series 2019.....	06/27/19	\$ 5,070,000	\$ 2,035,000	12/01/25
G.O. Community College Bonds, Series 2021B.....	10/18/21	3,340,000	1,930,000	12/01/26
G.O. Community College Bonds, Series 2023B.....	11/06/23	5,420,000	5,420,000	12/01/28
The Bonds.....	11/10/25	4,900,000 *	4,900,000 *	12/01/29
Total			<u>\$ 14,285,000</u> *	

*Preliminary, subject to change.

Debt Repayment Schedule

Shown below is the maturity schedule for the outstanding bonded debt of the District as of the closing of the Bonds.

Fiscal Year	Principal Outstanding	The Bonds*	Total Principal*	Cumulative Amount*	Retirement Percent*
2026	\$ 2,820,000	\$ -	\$ 2,820,000	\$ 2,820,000	19.74%
2027	2,820,000	-	2,820,000	5,640,000	39.48
2028	2,980,000	-	2,980,000	8,620,000	60.34
2029	765,000	2,395,000	3,160,000	11,780,000	82.46
2030	-	2,505,000	2,505,000	14,285,000	100.00
	<u>\$ 9,385,000</u>	<u>\$ 4,900,000</u>	<u>\$ 14,285,000</u>		

*Preliminary, subject to change.

Overlapping General Obligation Bonds Debt
(As of September 11, 2025)

<u>Taxing Body</u>	<u>Bonded Debt</u> ⁽¹⁾	<u>Allocated to the District</u>	
		<u>Percent</u>	<u>Amount</u>
Kankakee County Public Building Commission.....	\$335,000	99.958%	\$ 334,859
Kankakee Airport Authority.....	691,000	100.000%	691,000
Grundy County.....	3,785,000	0.160%	6,056
Will County Forest Preserve District.....	89,555,000	0.006%	5,373
The City.....	109,555,000	100.000%	109,555,000
City of Watseka.....	4,327,971	100.000%	4,327,971
Bourbonnais Twp Park District.....	2,227,000	100.000%	2,227,000
Kankakee Valley Park District.....	805,000	100.000%	805,000
Momence Park District.....	19,000	100.000%	19,000
Watsoka Park District.....	107,000	100.000%	107,000
Momence Community Unit School District 1.....	6,220,800	100.000%	6,220,800
Herscher Community Unit School District 2.....	10,540,000	100.000%	10,540,000
Donovan Unit School District 3.....	695,000	100.000%	695,000
Central Unit School District 4.....	4,192,600	100.000%	4,192,600
Manteno Community Unit School District 5.....	16,015,000	100.000%	16,015,000
Grant Park Unit School District 6.....	8,270,000	100.000%	8,270,000
Tri-Point Community Unit School District 6J.....	2,740,000	48.644%	1,332,846
Prairie Central Community Unit School District 8.....	7,000,000	0.137%	9,590
Iroquois West Community Unit School District 10.....	3,575,000	91.084%	3,256,253
St. Anne Unit School District 24.....	4,364,800	100.000%	4,364,800
Bourbonnais School District 53.....	11,065,000	100.000%	11,065,000
Bradley School District 61.....	845,000	99.703%	842,490
Kankakee Community Unit School District 111.....	31,410,000	100.000%	31,410,000
Milford Area Public Unit School District 124.....	15,085,000	53.773%	8,111,657
St. Anne Community Consolidated School District 256.....	645,300	100.000%	645,300
St. George Community Consolidated School District 258.....	7,223,500	100.000%	7,223,500
Pembroke School District 259.....	741,500	100.000%	741,500
St. Anne Community High School District 302.....	2,797,500	100.000%	2,797,500
Bradley-Bourbonnais High School District 307.....	7,540,000	100.000%	7,540,000
Total.....			<u>\$ 243,352,096</u>

(1) Does not include alternate revenue bonds. 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 District predict whether any of such taxes will be extended in the future.

Source: With respect to the applicable taxing bodies and the percentage of overlapping EAV, the County Clerks' Offices. Information regarding the outstanding indebtedness of the overlapping taxing bodies was obtained from publicly-available sources.

Debt Statement

General Obligation Direct Debt.....	\$9,385,000
The Bonds.....	\$4,900,000 *
Leases.....	\$225,354
Net Direct Debt	\$14,510,354 *
Overlapping Bonded Debt.....	\$243,352,096
Net Direct and Overlapping Bonded Debt.....	\$257,862,450 *
EAV (2024) ⁽¹⁾	\$3,561,609,965
Statutory Debt Limit (2.875% of EAV).....	\$102,396,286
Statutory Debt Margin	\$87,885,932 *

(1) Excludes TIF incremental EAV and enterprise zone EAV. See “Tax Increment Financing Districts Located within the District” herein.

*Preliminary, subject to change.

Debt Ratios

Estimated Market Valuation (2024).....	\$10,684,829,895
EAV (2024) ⁽¹⁾	\$3,561,609,965
District's Population Estimate.....	134,579
Net Direct Debt to EAV	0.41% *
Net Direct Debt to Estimated Market Valuation	0.14% *
Net Direct Debt and Overlapping Bonded Debt to EAV.....	7.24% *
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation	2.41% *
Net Direct Debt Per Capita	\$107.82 *
Net Direct and Overlapping Bonded Debt Per Capita.....	\$1,916.07 *

(1) Excludes TIF incremental EAV and enterprise zone EAV. See “Tax Increment Financing Districts Located within the District” herein.

*Preliminary, subject to change.

Short-Term Financing Record

In the last five years, the District has not issued any tax anticipation warrants or revenue anticipation notes and has no plans to issue tax anticipation warrants or revenue anticipation notes in the foreseeable future.

Future Financing

The District does not intend to issue any additional long-term debt in the next six months.

Default Record

The District has no record of default and has met its debt repayment obligations promptly.

SUMMARY OF OPERATING RESULTS

Combined Educational Fund and Operations and Maintenance Fund Revenue Sources (Years Ended June 30)

Below is a combined summary of the Educational Fund and Operations and Maintenance Fund revenue sources exclusive of “on-behalf” payments made by the State to SURS.

	Preliminary									
	<u>2021</u>		<u>2022</u>		<u>2023</u>		<u>2024</u>		<u>2025</u>	
Local Sources.....	37.65	%	41.46	%	41.84	%	27.00	%	38.90	%
State Sources.....	16.77		16.17		15.62		10.53		14.59	
Federal Sources.....	2.26		2.23		0.87		0.40		0.43	
Student tuition and fees.....	40.21		37.96		38.51		27.39		40.37	
Other Sources.....	<u>3.12</u>		<u>2.18</u>		<u>3.16</u>		<u>34.68</u> ⁽¹⁾		<u>5.70</u>	
Total.....	<u>100.00</u>	%	<u>100.00</u>	%	<u>100.00</u>	%	<u>100.00</u>	%	<u>100.00</u>	%

(1) High percentage is due primarily from interest revenue and reimbursement from Foundation for diesel tech grant.
Source: Compiled from the District’s Annual Financial Reports for fiscal years ended June 30, 2021-2024 and preliminary, unaudited fiscal year 2025 results provided by the District.

Combined Educational Fund and Operations and Maintenance Fund Summary (Years Ended June 30)

	<u>2021</u>		<u>2022</u>		<u>2023</u>		<u>2024</u>		Preliminary <u>2025</u>
Receipts.....	\$ 21,543,968		\$ 22,655,178		\$ 23,618,949		\$ 34,828,719		\$ 26,672,862
Disbursements.....	<u>20,903,449</u>		<u>21,106,312</u>		<u>24,626,122</u>		<u>29,459,226</u>		<u>25,628,457</u>
Net Surplus (Deficit).....	640,519		1,548,866		(1,007,173)		5,369,493		1,044,405
Other Sources (Uses).....	(790,999)		1,696,927 ⁽¹⁾		2,464,356 ⁽²⁾		466,038		(1,853,837) ⁽³⁾
Beginning Fund Balance.....	<u>13,249,777</u>		<u>13,099,297</u>		<u>16,345,090</u>		<u>17,802,273</u>		<u>23,637,804</u>
Ending Fund Balance.....	<u>\$ 13,099,297</u>		<u>\$ 16,345,090</u>		<u>\$ 17,802,273</u>		<u>\$ 23,637,804</u>		<u>\$ 22,828,372</u>

(1) Includes proceeds from bond issuance of \$1,837,584.

(2) Includes proceeds from lease \$278,311, proceeds from subscription \$2,443,762, transfer from Educational Fund to O&M Fund, and transfer from Working Cash Fund to Educational Fund.

(3) Transfer from Educational Fund and O&M Fund to O&M Restricted Fund. Transfer from Working Cash Fund to Educational Fund and transfer from bookstore to O&M Fund.

Source: Compiled from the District’s Annual Financial Reports for fiscal years ended June 30, 2021-2024 and preliminary, unaudited fiscal year 2025 results provided by the District.

Working Cash Fund

The Working Cash Fund is established by Section 3-33.1 of the Act. The fund is established for the purpose of enabling the District to have on hand at all times sufficient money to meet the demands for ordinary and necessary expenditures for all community college purposes. By making temporary transfers, the Working Cash Fund is used as a source of working capital by other funds. Such temporary transfers assist funds in meeting the demands for ordinary and necessary expenditures during periods of temporary low cash balances. Working Cash Fund Bonds may be issued for the purpose of creating or increasing a working cash fund.

Moneys in the Working Cash Fund are not regarded as current assets available for community college purposes and may only be used by to provide moneys with which to meet ordinary and necessary disbursements for salaries and other community college purposes. The moneys may be loaned to the educational or operations and maintenance funds in order to avoid the issuance of tax anticipation warrants and notes.

Public Act 103-0278, effective July 28, 2023, provides that a community college district may abate its working cash fund at any time, upon the adoption of a resolution providing for the same, and may direct the transfer at any time of moneys in the Working Cash Fund to any fund or funds of the district most in need of the money, provided that the district maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then-current value, as equalized or assessed by the Department of the taxable property in the District. The legislation provides community colleges additional flexibility in meeting their operational and capital needs.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	Preliminary <u>2025</u>
Receipts.....	\$ 27,595	\$ 17,506	\$ 40,772	\$ 47,578	\$ 153,066
Disbursements.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Surplus (Deficit).....	27,595	17,506	40,772	47,578	153,066
Other Sources (Uses).....	(55,000)	-	(17,000)	(40,773)	(47,578)
Beginning Fund Balance.....	<u>3,405,337</u>	<u>3,377,932</u>	<u>3,395,438</u>	<u>3,419,210</u>	<u>3,426,015</u>
Ending Fund Balance.....	<u>\$ 3,377,932</u>	<u>\$ 3,395,438</u>	<u>\$ 3,419,210</u>	<u>\$ 3,426,015</u>	<u>\$ 3,531,503</u>

Source: Compiled from the District's Annual Financial Reports for fiscal years ended June 30, 2021-2024 and preliminary, unaudited fiscal year 2025 results provided by the District.

Budget Summary

Below is the District's budget summary for the fiscal year ending June 30, 2026.

<u>Fund</u>	Estimated Fund Balances <u>July 1, 2025</u>	FY26 <u>Revenue</u>	FY26 <u>Expenditures</u>	FY26 Other Sources/ <u>(Uses)</u>	Estimated Fund Balances <u>June 30, 2026</u>
Educational.....	\$ 18,847,339	\$ 24,809,950	\$ 23,206,486	\$ 247,909	\$ 20,698,712
Operations & Maintenance.....	4,428,910	6,008,660	5,705,793	100,000	4,831,777
Restricted Purpose.....	-	18,423,152	18,423,152	-	-
Audit.....	140,802	90,621	85,640	-	145,783
Liability Protection.....	3,192,673	1,795,383	1,795,383	-	3,192,673
Debt Service.....	1,773,031	3,168,746	3,250,788	-	1,690,989
Operations & Maintenance (Restricted).....	1,221,557	1,587,883	2,318,845	-	490,595
Auxiliary Enterprises.....	<u>8,208,901</u>	<u>2,141,260</u>	<u>1,998,521</u>	<u>(100,000)</u>	<u>8,251,640</u>
Total All Funds	<u>\$ 37,813,213</u>	<u>\$ 58,025,655</u>	<u>\$ 56,784,608</u>	<u>\$ 247,909</u>	<u>\$ 39,302,169</u>

Source: The District

STATE AID

General

The State provides aid to local community college districts via grant programs administered by the ICCB. Many community college districts rely on such "State Aid" for a significant portion of their budgets. For the fiscal year ended June 30, 2024, the District received approximately 10.53% of its general fund revenue from sources at the State, including State Aid. See "SUMMARY OF OPERATING RESULTS – Combined Educational Fund and Operations and Maintenance Fund Revenue Sources" herein.

The State subsidizes the costs of higher education by allocating tax dollars between the following four areas: (a) direct operating support, (b) indirect operating support, (c) institutional grant programs and (d) student financial aid programs.

The Community College System Operating Budget is funded based upon unrestricted and restricted grants. Unrestricted grants have no grant guidelines or expenditure requirements and can be used for any operating purpose. Such grants include but are not limited to the Base Operating Grant, Equalization Grant, Small College Grant and Technical Education Formula Grant (as more fully discussed below). Restricted grants must be spent according to grant and expenditure guidelines and include the Workforce Development Grant, Adult Education Grant and Career and Technical Education Grant (as more fully discussed below).

Various proposals for changing the Illinois system of state financial aid have been considered over the years. The nature of future modifications to the process for distributing State Aid cannot be predicted, but such modifications could have an adverse effect on the finances of the District should they be enacted.

Direct Operating Support

Public community colleges are funded primarily through direct operating support. Most of the funds for operating support are used for meeting general costs such as salaries, contracts for services, energy, supplies, travel and scholarships; however, operating support can also be appropriated to specific activities such as workforce preparation programs, adult basic education, career and technical education or legislative initiatives.

Indirect Operating Support

Public community colleges also benefit from indirect operating support through payments or benefits provided by the State to or for faculty and staff. Rather than being paid to community colleges, such funds are spent by other State entities on behalf of community college employees. Examples of indirect operating support include employee health insurance provided by the State employee benefits plan and funding for community college employees' pensions paid to SURS.

Institutional Grant Programs

Additionally, grant programs provide funds for specific activities undertaken by educational programs. Funding for such programs as Cooperative Work Study and Nursing Grants is appropriated to the IBHE and then distributed by the IBHE based upon competitive application and program criteria. Private colleges are also eligible to apply for such grants.

As noted previously, the ICCB also administers grant programs and distributes funding to community colleges. The two principal operating grants for community colleges are the Base Operating Grant and the Equalization Grant, both of which are allocated to each local community college district based upon a prescribed formula. Generally, ICCB grants to community colleges amount to the difference between the total funds needed to offer educational programs and the total funds available from local property taxes and tuition and fees. State adjustments are required when State appropriations for ICCB grants fall short of equaling the calculated needs of the system. The funds of both the Base Operating Grant and the Equalization Grant are distributed on a monthly basis, though the State has delayed payment of these grants in recent years.

In addition to the grants discussed in this section, the State distributes numerous other grants to Illinois community colleges on an annual basis.

Student Financial Aid

State tax dollars support higher education through direct support to students; such financial aid is distributed through the Illinois Student Assistance Commission. The primary source of direct student assistance is need-based. Need-based programs, such as the Monetary Award Program, cover a portion of the costs of tuition and fees for students at public community colleges. The State also provides several programs that pay some or all of the costs of tuition and fees for students who have served in the military or are preparing for high-demand occupations

such as nursing and certain teaching positions. In the event the federal government, the State or any agency pays tuition for any community college student, neither the district of such student's residence nor the student is required to pay that tuition, or any portion thereof, that is otherwise paid.

History of State Funding

	Fiscal Year <u>2021</u>	Fiscal Year <u>2022</u>	Fiscal Year <u>2023</u>	Fiscal Year <u>2024</u>	Unaudited Fiscal Year <u>2025</u>	Budget Fiscal Year <u>2026</u>
Base Operating Grants.....	\$ 1,992,190	\$ 2,049,605	\$ 2,068,121	\$ 2,229,866	\$ 2,277,051	\$ 2,132,812
Equalization Grants.....	1,283,651	1,290,910	1,216,020	1,117,670	1,269,790	1,142,811
Career & Technical Education.....	242,519	235,628	239,839	231,546	231,203	228,891
Performance Grant.....	-	-	-	5,110	12,875	-
Other.....	-	-	-	56,536	39,707	55,290
Other State not listed above.....	93,748	86,673	165,090	74,992	79,875	127,625
Total	<u>\$ 3,612,108</u>	<u>\$ 3,662,816</u>	<u>\$ 3,689,070</u>	<u>\$ 3,715,720</u>	<u>\$ 3,910,501</u>	<u>\$ 3,687,429</u>

Source: Compiled from the District's Annual Financial Statements for fiscal years ended June 30, 2021-2024 and the District for fiscal years 2025 and 2026..

FEDERAL AID

General

Community colleges, like the District, receive federal funding. Most federal funding for the District goes toward financial aid to students and research grants, not operating funds. The District participates in federal financial aid programs like the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG) and the Federal Direct Loan Program. See below for a description of each program.

- Federal Pell Grant: This grant is for students with financial need who are pursuing their first undergraduate degree.
- Federal Supplemental Educational Opportunity Grant: This grant is designed to help students with the lowest expected family contribution with their education costs.
- Federal Direct Loan Program: This program offers different types of student loans, including Direct Subsidized Loans, Direct Unsubsidized Loans and Direct Parent PLUS loans.

Federal COVID-19 Funds Distributed to the District

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, had an adverse impact on global economies, including economic conditions in the United States. In response to the pandemic, federal legislation, particularly the (i) Coronavirus Aid, Relief, and Economic Security Act, (ii) Coronavirus

Response and Relief Supplemental Appropriations Act of 2021, and (iii) American Rescue Plan of 2021, was enacted to provide funds to mitigate the economic downturn and health care crisis caused by COVID-19.

The District was allocated Higher Education Emergency Relief Fund (“HEERF”) funding. The table below describes the HEERF funds received by the District.

	Fiscal Year Ended June 30				
HEERF Allocation	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Student Portion.....	\$ 952,572	\$ 3,270,623	\$ 137,164	\$ -	\$ 4,360,359
Institutional Funds.....	1,481,395	3,418,566	1,423,641	-	6,323,602
Strengthening Institutions Program.....	59,509	70,248	363,550	-	493,307
Total.....	<u>\$ 2,493,476</u>	<u>\$ 6,759,437</u>	<u>\$ 1,924,355</u>	<u>\$ -</u>	<u>\$ 11,177,268</u>

	Fiscal Year Ended June 30				
Institutional Funds Detail	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Lost Revenue.....	\$ 1,021,889	\$ 822,888	\$ -	\$ -	\$ 1,844,777
Student Grants.....	44,226	1,072,866	487,926	(805)	1,604,213
Other.....	415,280	1,522,812	935,714	805	2,874,611
Total.....	<u>\$ 1,481,395</u>	<u>\$ 3,418,566</u>	<u>\$ 1,423,640</u>	<u>\$ -</u>	<u>\$ 6,323,601</u>

Source: The District

RETIREMENT PLAN

The District contributes to the State Universities Retirement System (“SURS”), a cost-sharing multiple-employer defined benefit pension 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 the state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State’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 Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by accessing the website at **www.SURS.org**, or calling 1-800-275-7877.

Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State on behalf of the individual employers at an actuarially determined rate. The State’s contribution is calculated by an actuary pursuant to the provisions of the Illinois Pension Code, as amended (the “Pension Code”). The Pension Code requires the State to contribute annually the constant percent of payroll necessary to allow SURS to achieve a 90% funded ratio by fiscal year 2045.

Financial Reporting under GASB Standards

The Governmental Accounting Standards Board (“GASB”) promulgates standards for financial reporting with respect to financial statements prepared by public pension systems and governments sponsoring such pension systems. Although SURS’s actuary utilizes these standards in preparing certain aspects of the annual actuarial valuation and the State uses these standards for financial reporting purposes, such standards do not impact the calculation of the State contribution or the District contribution for SURS.

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The GASB Standards require calculation and disclosure of a “Net Pension Liability” or “Net Pension Asset,” which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the GASB Standards (referred to in such statements as the “Total Pension Liability”) and the fair market value of the pension plan’s assets (referred to as the “Fiduciary Net Position”).

Furthermore, the GASB Standards employ a rate, referred to in such statements as the “Discount Rate,” which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long term expected rate of return on a pension plan’s investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the GASB Standards.

Finally, the GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer, and that an expense be recognized on the income statement of the employer.

At June 30, 2023, SURS reported a Net Pension Liability of \$29.5 billion. The proportionate share of the State’s Net Pension Liability associated with the District is \$94,176,883 or 0.3309%. The amount of the proportionate share of the Net Pension Liability to be recognized for the District as of the measurement date is \$0 due to a special funding situation. For the purposes of financial reporting, the State and participating employers (such as the District) are considered to be under a special funding situation.

The District’s proportionate share of collective pension expense is recognized similarly to on-behalf payments for both the contributions made by the State and the matching expense in the financial statements. As a result, the District recognized revenue and pension expense of \$6,176,198 for the fiscal year ended June 30, 2024.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the

condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior

to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

LITIGATION

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof.

BOND RATING

S&P has assigned its municipal rating of “AA-” (Stable Outlook) to the Bonds. The rating reflects only the views of S&P and any explanation of the significance of such rating may only be obtained from S&P. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to S&P by the District. There is no assurance that the rating will be maintained for any given period of time or that such rating may not be changed by S&P, if, in the rating agency’s judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described below under the heading “CONTINUING DISCLOSURE,” neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in “Appendix C – Form of Continuing Disclosure Undertaking.”

The Board adopted disclosure policies and procedures which specifically include additional procedures to be followed by the District in relation to the two new reportable events added to the list of reportable events for which the District must provide notice to the MSRB’s Electronic Municipal Market Access system.

There have been no instances in the previous five years in which the District failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. The District has retained PMA Securities, LLC, Naperville, Illinois (“PMA”), to act as the District’s Dissemination Agent for its continuing disclosure filings. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois (“Chapman and Cutler”), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler’s engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

UNDERWRITING

The Bonds were offered for sale by the District at a public, competitive sale on October 20, 2025. The best bid submitted at the sale was submitted by _____, _____, _____ (the “Underwriter”). The District awarded the contract for sale of the Bonds to the Underwriter at a price of \$_____. The Underwriter has represented to the District that the Bonds have been subsequently reoffered to the public at the approximate initial offering yields as set forth on the inside cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the Underwriter. The aggregate underwriting fee equals \$_____.

MUNICIPAL ADVISOR

PMA has been retained as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Bonds. In preparing this Official Statement, the Municipal Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

PMA is a broker-dealer and municipal advisor registered with the Commission and the MSRB and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In these roles, PMA generally provides fixed income brokerage services and public finance services to municipal entity clients, including municipal advisory services and advice with respect to the investment of proceeds of municipal securities. PMA is

affiliated with PMA Financial Network, LLC, a financial services provider, and PMA Asset Management, LLC, and Public Trust Advisors, LLC, both investment advisers registered with the Commission. These entities operate under common ownership with PMA and are collectively referred to in this disclosure as the “Affiliates.” Each of these Affiliates also provides services to municipal entity clients and PMA and Affiliates market the services of the other Affiliates. Unless otherwise stated, separate fees are charged for each of these products and services and referrals to its Affiliates result in an increase in revenue to the overall Affiliated companies.

The Municipal Advisor’s duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as municipal advisor on the Bonds. PMA’s compensation for serving as municipal advisor on the Bonds is conditional on the final amount and successful closing of the Bonds. PMA receives additional fees for the services used by the District, if any, described in the paragraph above. The fees for these services arise from separate agreements with the District and with institutions of which the District may be a member.

THE OFFICIAL STATEMENT

This Official Statement includes the cover page, reverse thereof and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provisions thereof, copies of which will be furnished upon request to the District.

Accuracy and Completeness of the Official Statement

This Official Statement has been approved by the District for distribution to the Underwriter.

The District’s officials will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming to the Underwriter that, to the best of their knowledge and belief, this Official Statement as of the date hereof and at the time of the sale and delivery of the Bonds, was true and correct in all material respects and did not at any time contain any untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/

Vice President for Business Affairs and Board Treasurer
Community College District No. 520
Counties of Kankakee, Will, Grundy, Livingston, Ford
and Iroquois and State of Illinois

October __, 2025

Appendix A

Form of Legal Opinion of Bond Counsel

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Community College District No. 520
Counties of Kankakee, Will, Grundy,
Livingston, Ford and Iroquois and State of Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Trustees of Community College District No. 520, Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois and State of Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation Community College Bonds, Series 2025 (the “*Bonds*”), to the amount of \$_____, dated _____, 2025, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2028	\$	%
2029		%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District’s compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the “*Code*”). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Appendix B

Annual Financial Report for Fiscal Year Ended June 30, 2024

The Annual Financial Report of the District contained in this Appendix B (the “Audit”), including the independent auditor’s report accompanying the Audit, has been prepared by Sikich CPA, LLC, Naperville, Illinois (the “Auditor”), and approved by formal action of the Board of Trustees of the District. The District has not requested the Auditor to update information contained in the Audit; nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit.



Kankakee Community College

**District 520
Kankakee, Illinois**

Annual Financial Report

Year Ended June 30, 2024

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

**ANNUAL
FINANCIAL REPORT**

For the Year Ended
June 30, 2024

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
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KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Kankakee Community College
Illinois Community College
District No. 520
Kankakee, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Kankakee Community College - Illinois Community College District No. 520, Kankakee, Illinois (the College) and the discretely presented component unit, Kankakee Community College Foundation (the Foundation), as of and for the year ended June 30, 2024, 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 Kankakee Community College - Illinois Community College District No. 520 and the discretely presented component unit, Kankakee Community College Foundation, as of June 30, 2024, 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.

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

Correction of an Error

As part of our audit of the 2024 financial statements, we also audited the adjustments described in Note 11 that were applied to restate the 2023 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2023 financial statements of the College other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2023 financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
December 4, 2024

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630.566.8400

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

Board of Trustees
Kankakee Community College
Illinois Community College
District No. 520
Kankakee, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Kankakee Community College - Illinois Community College District No. 520's (the College) as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise College's basic financial statements, and have issued our report thereon dated December 4, 2024. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sikich CPA LLC

Naperville, Illinois
December 4, 2024

KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

This section of Kankakee Community College District 520's (the District) annual financial report presents its discussion and analysis of the District's financial performance during the fiscal years ended June 30, 2024 and 2023. Please read it in conjunction with the District's financial statements. Responsibility for the completeness and fairness of this information rests with the District.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: the financial section (which includes the management's discussion and analysis) and the special reports section.

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

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

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

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

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

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

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

KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

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

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

FINANCIAL HIGHLIGHTS

The financial highlights of the District are as follows:

- The Equalized Assessed Valuation of the District increased by \$295.2 million or 9.9%. Over the previous three years the District had averaged a 7.44% annual increase.
- Overall revenues were \$46.9 million; overall expenses were \$42.6 million.
- Credit hour enrollment increased 7.55% to 47,178 hours.

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

Net Position

The District's combined net position increased 8.2% to \$56.7 million for fiscal 2024. The District's financial position increase is primarily due to a decrease in actual expenditures as compared to budgeted expenditures as well as an increase in enrollment.

Condensed Statement of Net Position (in millions of dollars)				
	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Current assets	\$ 54.8	\$ 48.4	\$ 6.4	13.2
Non-current assets	<u>43.2</u>	<u>45.4</u>	<u>(2.2)</u>	(4.8)
Total assets	98.0	93.8	4.2	4.5
Deferred outflows of resources	<u>0.4</u>	<u>0.3</u>	<u>0.1</u>	0.0
Total assets and deferred outflows	98.4	94.1	4.3	4.6
Current liabilities	11.3	10.0	1.3	13.0
Long-term obligations	<u>15.6</u>	<u>14.4</u>	<u>1.2</u>	8.3
Total liabilities	26.9	24.4	2.5	10.2
Deferred inflows of resources	<u>14.8</u>	<u>17.2</u>	<u>(2.4)</u>	(14.0)
Total liabilities and deferred inflows	41.7	41.6	0.1	0.2
Net position				
Invested in capital assets, net	33.6	33.7	(0.1)	(0.3)
Restricted	8.5	12.0	(3.5)	(29.2)
Unrestricted	<u>14.6</u>	<u>6.7</u>	<u>7.9</u>	(117.9)
Total net position	<u>\$ 56.7</u>	<u>\$ 52.4</u>	<u>\$ 4.3</u>	8.2

KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Changes in Net Position

The District's total revenues were \$46.9 million. State grants account for 12.2% and State of IL on-behalf payments for 8.3% while federal sources account for 17.5%. Real estate and other taxes account for about 32.6%, tuition and student fees 18.1%, and the balance is from miscellaneous sources.

The total cost of all programs and services was \$42.6 million. The District's program related expenses are predominantly instructional cost, academic support, student services and public services, which were \$17.8 million or 41.8% of total expenses. Operations and maintenance of the District's facilities were \$5.1 million or 12.0% of total expenses. Scholarships and awards were \$3.1 million or 7.3% of expenses. Auxiliary enterprises representing operations such as the bookstore and student activities were \$3.7 million or 8.7% of total expenses, which by definition are to be self-supporting. The District's administrative/business activities, including institutional support were \$9.4 million or 22.1% of total expenses.

Total revenues exceeded expenses, increasing net position by \$4.3 million over last year.

Fiscal Year 2024 Compared to 2023

Net tuition and fee revenue increased slightly by \$0.6 million or 7.6% due to an overall enrollment increase of 7.02% over last year.

Auxiliary revenue remained the same at \$1.1 million and other revenues increased by \$2.5 million or 147.1%.

Instructional expenses increased by \$0.1 million and academic support increased by \$0.5 million. Student services expenses remained the same at \$2.4 million. Public services decreased \$0.2 million.

Auxiliary enterprises expenses increased \$0.8 million or 27.6% due to increased expenditures within the bookstore, athletics, student activities, and college center fund.

Operations and maintenance expenses increased by \$1.8 million or 54.5% due primarily to the start of College center and auditorium renovation and an increase in utility expenditures. Institutional support decreased by \$0.7 million or 8.0%.

Scholarships and awards increased \$0.1 million or 3.3%. Depreciation and amortization expense decreased by \$0.3 million.

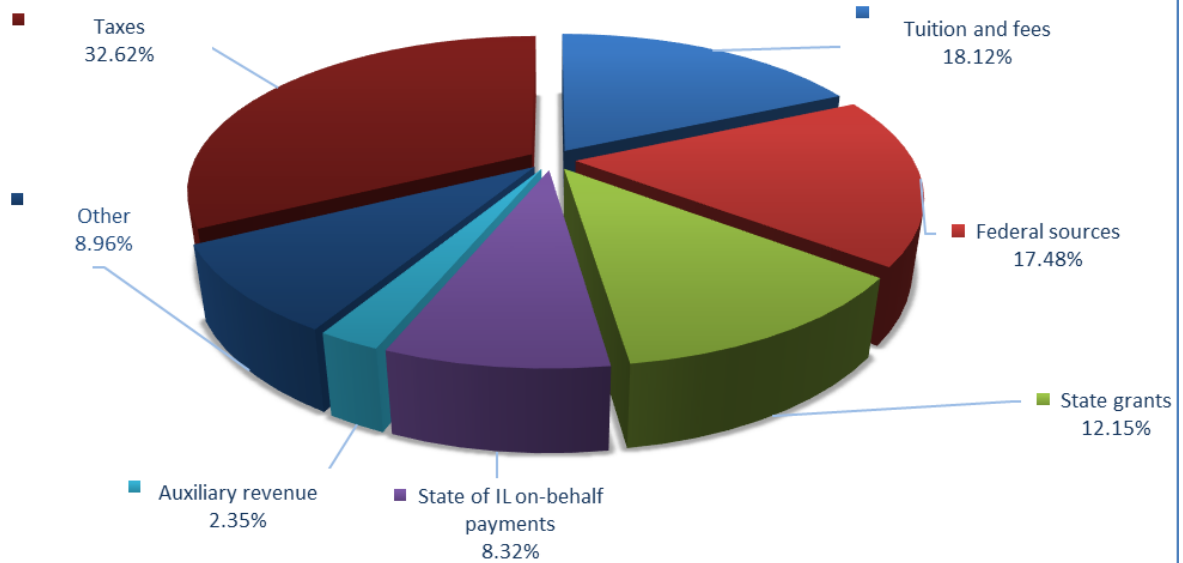
Non-operating revenues (expenses) decreased by \$2.3 million or 6.3% primarily due to the completion of HEERF funds. State grants increased by \$1.2 million or 26.7%. State of Illinois on-behalf payments decreased by \$0.6 or 13.3%. Federal grants decreased \$2.2 million or 21.2% due to expending larger amounts of Higher Education Emergency Relief (HEERF) funding in the previous fiscal year. Taxes decreased by \$0.6 million due to personal property taxes being recognized in the fiscal year they are received.

KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

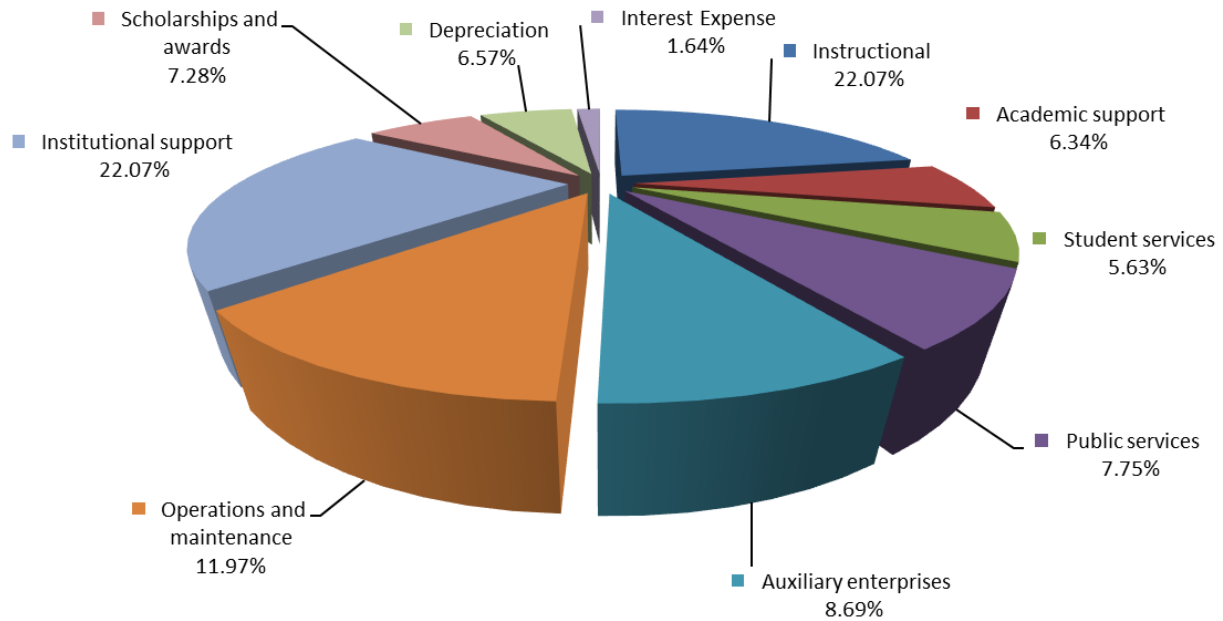
Changes in Net Position from Operating Results (in millions of dollars)				
	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating revenues:				
Tuition and fees	\$ 8.5	\$ 7.9	\$ 0.6	7.6
Auxiliary revenue	1.1	1.1	-	-
Other operating revenue	2.1	-	2.1	#DIV/0!
Total operating revenues	<u>11.7</u>	<u>9.0</u>	<u>2.7</u>	30.0
Less operating expenses				
Instructional	9.4	9.3	0.1	1.1
Academic support	2.7	2.2	0.5	22.7
Student services	2.4	2.4	-	-
Public services	3.3	3.5	(0.2)	(5.7)
Auxiliary enterprises	3.7	2.9	0.8	27.6
Operations and maintenance	5.1	3.3	1.8	54.5
Institutional support	9.4	8.7	0.7	8.0
Scholarships and awards	3.1	3.0	0.1	3.3
Depreciation/Amortization	2.8	3.1	(0.3)	(9.7)
Total operating expenses	<u>41.9</u>	<u>38.4</u>	<u>3.5</u>	9.1
Operating Income (loss)	<u>(30.2)</u>	<u>(29.4)</u>	<u>(0.8)</u>	2.7
Non-operating revenues (expenses):				
State grants and contracts	5.7	4.5	1.2	26.7
State of Illinois on-behalf payments	3.9	4.5	(0.6)	(13.3)
Federal grants and contracts	8.2	10.4	(2.2)	(21.2)
Taxes	15.3	15.9	(0.6)	(3.8)
Other	2.1	1.7	0.4	23.5
Interest expense	(0.7)	(0.2)	(0.5)	250.0
Non-operating revenues (expenses), net	<u>34.5</u>	<u>36.8</u>	<u>(2.3)</u>	(6.3)
Increase (decrease) in net position	4.3	7.4	(3.1)	(41.9)
Net position:				
Net position, beginning of year, restated	<u>52.4</u>	<u>45.0</u>	<u>7.4</u>	16.4
Net position, end of year	<u>\$ 56.7</u>	<u>\$ 52.4</u>	<u>\$ 4.3</u>	8.2

KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Sources of Revenue for Fiscal Year 2024



Expenses for Fiscal Year 2024



KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

As of June 30, 2024, the District had \$43.1 million in capital assets, net of depreciation and amortization, including the main campus, several off-campus sites, instructional equipment, office equipment and furniture and fixtures. (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation and amortization expenses for the year were \$2.8 million, while building improvements, equipment, furniture, leasehold improvements, lease assets, subscription assets, and construction in progress amounted to \$2.4 million.

Capital Assets (net of depreciation and amortization, in millions of dollars)				
	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Land	\$ 2.1	\$ 2.1	\$ -	-
Land improvements	3.8	3.8	-	-
Buildings and improvements	66.4	65.3	1.1	1.7
Furniture and equipment	27.7	27.0	0.7	2.6
Leasehold Improvements	0.8	0.9	(0.1)	(11.1)
Lease assets	0.6	0.6	-	-
Subscription assets	0.4	0.4	-	-
Construction in progress	0.8	0.1	0.7	700.0
	<u>102.6</u>	<u>100.2</u>	<u>2.4</u>	2.4
Less accumulated depreciation and amortization	<u>59.5</u>	<u>56.8</u>	<u>2.7</u>	4.8
Total	<u>\$ 43.1</u>	<u>\$ 43.4</u>	<u>\$ (0.3)</u>	(0.7)

KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Long-Term Liabilities:

The District's outstanding long-term liabilities at year-end are shown in the following schedule. More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.

Outstanding Long-Term Liabilities		
	<u>2024</u>	<u>2023</u>
Outstanding Long-term liabilities, beginning of the year	\$16.5	\$26.6
Debt Issued:		
College Bonds	5.8	0.0
Debt Retired:	(2.9)	(2.9)
Lease Liability	(0.1)	0.2
Subscription Liability	(0.1)	0.3
Compensated Absences Increase (Decrease):	0.1	0.0
Retiree Health Insurance Liability Increase (Decrease):	<u>(0.1)</u>	<u>(7.7)</u>
Outstanding Long-term liabilities, end of the year	<u><u>\$19.2</u></u>	<u><u>\$16.5</u></u>

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

FACTORS AFFECTING THE DISTRICT'S FUTURE

Kankakee Community College is led by its seventh president, Dr. Michael Boyd, a visionary leader with a passion for student success. Dr. Boyd serves as a change agent for the College, leading the institution into the future.

On May 11, 2023, the Federal Emergency Management Agency (FEMA) announced the conclusion of the Disaster Declaration for the global pandemic COVID-19. The experiences of the global pandemic COVID-19 required our faculty and staff to identify new methods in which to teach students and provide holistic student support services. Several student services are offered virtually as well as in-person including advising, registration, financial aid, accounting, student activities, and mental health counseling. Faculty have also developed additional hybrid and online learning opportunities to expand learning options available to students. The College has also expanded financial and human resources available to help students with barriers hindering their success. For example, transportation, housing support, food pantry accessibility, peer to peer mental health support, and the establishment of new staff members to serve as retention navigators.

In addition to strengthening the institution, the College continues to focus on the following goals related to the strategic plan:

- Improve student success through increased enrollment, retention, transfer, and completion rates.
- Create diverse, inclusive, and equitable teaching, learning, and work environments.
- Improve physical and virtual teaching and learning spaces.
- Increase visibility and value in the community.
- Provide development opportunities to enhance KCC employee skills and knowledge.

KANKAKEE COMMUNITY COLLEGE DISTRICT NO. 520
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

The facilities master plan aligns with the strategic plan. The first priority in the facilities plan was developing a Student Success Center in the heart of campus. The Student Success Center opened in August 2020 to welcome our students back for the fall term. The Student Success Center provides new technology, collaborative space, quiet study space, academic support, meeting space, and active learning classrooms. The second priority in the facilities master plan focused on redesigning teaching and learning spaces in the original technology building, instructional spaces designed to facilitate high demand career programming in the manufacturing sector served by the College. The redesigned technology building opened in May 2022 offering cutting-edge technology and learning spaces for students interested in the following programs: electrical engineering technology, computer graphics technology, automotive, and law enforcement.

The economic outlook for the District continues to be positive. Significant expansions are occurring at the global bioscience leader CSL Behring and Nucor Steel. Most recently, an electric battery company named Gotion opened a new \$2 billion lithium-ion battery production plant in Manteno, IL within our core district. Gotion recently began production in 2024 and plans to create approximately 2,600 new jobs over the next couple of years. Due to the expansion of manufacturing jobs within our district, the College received a \$12 million grant through Department of Commerce and Economic Opportunity to establish a Manufacturing Training Academy (MTA). The MTA is being constructed at the College's main campus over three construction phases which should be completed by December 2025. The MTA will support various manufacturing programs and will assist the college in serving as Gotion's training partner. The District has a highly diversified economy in manufacturing, bioscience, health care, and transportation. The District's equalized assessed valuation continues an upward trend, with average increases of 7.44% over the past three years.

With visionary leadership, multiple strategic plans in place, and expanded course options, the College continues its mission of Enhancing Quality of Life through Learning.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report provides the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives.

If you have questions about this report or need additional information, contact the Vice President for Business Affairs, 100 College Drive, Kankakee, Illinois 60901

BASIC FINANCIAL STATEMENTS

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS

STATEMENT OF NET POSITION

June 30, 2024

CURRENT ASSETS

Cash and cash equivalents	\$ 32,730,316
Receivables (net of allowances for uncollectibles)	
Taxes	14,724,055
Accrued interest	154,110
Accounts	1,664,995
Other	787,234
Foundation	141,796
Tuition	3,323,110
Prepaid expenses	1,010,032
Inventories	311,814

Total current assets	<u>54,847,462</u>
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NONCURRENT ASSETS

Capital assets, tangible and intangible	102,617,191
Less accumulated depreciation and amortization	<u>(59,458,981)</u>

Net capital assets	<u>43,158,210</u>
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Total noncurrent assets	<u>43,158,210</u>
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Total assets	<u>98,005,672</u>
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DEFERRED OUTFLOWS OF RESOURCES

OPEB items - CIP plan	192,774
SURS pension contributions	<u>169,618</u>

Total deferred outflows of resources	<u>362,392</u>
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Total assets and deferred outflows of resources	<u>98,368,064</u>
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CURRENT LIABILITIES

Accounts payable	1,646,184
Accrued salaries and payroll deductions payable	869,105
Health claims payable	245,346
Unearned tuition and fees	4,141,379
Unearned revenue	666,091
OPEB liability - CIP plan	125,434
Accrued compensated absences, current	457,779
Lease liability, current	75,717
SBITA liability, current	99,236
Bonds payable, current	2,875,000
Interest payable	<u>52,580</u>

Total current liabilities	<u>11,253,851</u>
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(This statement is continued on the following page.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

June 30, 2024

NONCURRENT LIABILITIES	
OPEB liability - CIP plan	\$ 4,652,569
Accrued compensated absences	495,928
Lease liability	225,354
SBITA liability	125,199
Bonds payable	<u>10,091,995</u>
 Total noncurrent liabilities	 <u>15,591,045</u>
 Total liabilities	 <u>26,844,896</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred revenue - property taxes	7,363,903
OPEB items - CIP plan	<u>7,417,479</u>
 Total deferred inflows of resources	 <u>14,781,382</u>
 Total liabilities and deferred inflows of resources	 <u>41,626,278</u>
 NET POSITION	
Net investment in capital assets	33,559,718
Restricted for	
Debt service	2,039,723
Tort liability	2,812,119
Audit	125,655
Working cash	3,426,015
Pension contributions	169,618
Unrestricted	<u>14,608,938</u>
 TOTAL NET POSITION	 <u><u>\$ 56,741,786</u></u>

See accompanying notes to financial statements.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the Year Ended June 30, 2024

OPERATING REVENUES

Tuition and fees	\$ 8,515,106
Auxiliary enterprises revenue	1,095,203
Other operating revenue	<u>2,079,039</u>
Total operating revenues	<u>11,689,348</u>

OPERATING EXPENSES

Instruction	9,378,429
Academic support	2,735,663
Student services	2,356,803
Public services	3,266,230
Auxiliary services	3,701,835
Operation and maintenance of plant	5,159,446
Institutional support	9,368,032
Scholarships, student grants, waivers	3,126,699
Amortization	175,613
Depreciation	<u>2,583,773</u>
Total operating expenses	<u>41,852,523</u>

OPERATING INCOME (LOSS)	<u>(30,163,175)</u>
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NON-OPERATING REVENUES (EXPENSES)

Property taxes	14,530,342
Personal property replacement tax	828,739
State grants and contracts	9,562,548
Federal grants and contracts	8,152,452
Investment income	1,197,247
Interest expense and fiscal charges	(655,221)
Other non-operating revenue (expense)	755,402
Gain (loss) on disposal of capital assets	<u>111,487</u>
Total non-operating revenues (expenses)	<u>34,482,996</u>

CHANGE IN NET POSITION	<u>4,319,821</u>
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NET POSITION, JULY 1	52,404,580
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Correction of an error	<u>17,385</u>
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NET POSITION, JULY 1, RESTATED	<u>52,421,965</u>
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NET POSITION, JUNE 30	<u><u>\$ 56,741,786</u></u>
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See accompanying notes to financial statements.

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 8,689,295
Payments to suppliers	(19,609,638)
Payments to employees	(18,728,043)
Auxiliary enterprise charges	1,095,203
Other	<u>2,834,441</u>

Net cash from operating activities	<u>(25,718,742)</u>
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**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

Local property taxes	14,310,614
Corporate personal property replacement tax	828,739
State grants and contracts	5,971,445
Federal grants and contracts	<u>8,152,452</u>

Net cash from noncapital financing activities	<u>29,263,250</u>
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**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Purchases of tangible and intangible capital assets	(1,742,705)
Proceeds from the sale of capital assets	111,487
Debt certificate proceeds	5,025,000
Bond proceeds	615,506
Principal paid on bonds, leases and SBITAs	(2,923,702)
Interest paid on bonds, leases and SBITAs	<u>(614,552)</u>

Net cash from capital and related financing activities	<u>471,034</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	<u>1,316,206</u>
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Net cash from investing activities	<u>1,316,206</u>
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**NET INCREASE IN CASH AND
CASH EQUIVALENTS**

5,331,748

CASH AND CASH EQUIVALENTS, JULY 1

27,398,568

CASH AND CASH EQUIVALENTS, JUNE 30

\$ 32,730,316

(This statement is continued on the following page.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

STATEMENTS OF CASH FLOWS (Continued)

For the Year Ended June 30, 2024

**RECONCILIATION OF NET OPERATING INCOME (LOSS)
TO NET CASH FROM OPERATING ACTIVITIES**

Operating income (loss)	\$ (30,163,175)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation and amortization	2,759,386
State proportionate share payments/pension expense	3,915,475
Other operating sources	755,402
Accounts receivable	(526,634)
Inventories	32,335
Prepaid expenses	(443,498)
Pension/OPEB items - deferred outflows	(93,225)
Accounts payable	(597,834)
Accrued salaries	70,983
Health claims payable	(22,139)
Accrued compensated absences	74,176
Pension/OPEB items - deferred inflows	(2,139,810)
Unearned revenue	700,823
OPEB liability	(41,007)

NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ (25,718,742)</u></u>
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**NONCASH INVESTING, CAPITAL AND
FINANCING ACTIVITIES**

Capital asset purchases included in accounts payable	\$ 877,393
State proportionate share pension expense	6,176,198
Issuance of refunding bonds	5,219,409
Issuance costs on refunding bonds	(164,111)
Refunding escrow payments	(5,078,299)
State proportionate share OPEB expense	(2,260,723)

TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	<u><u>\$ 4,769,867</u></u>
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See accompanying notes to financial statements.

DISCRETELY PRESENTED COMPONENT UNIT
KANKAKEE COMMUNITY COLLEGE FOUNDATION
KANKAKEE, ILLINOIS

STATEMENT OF FINANCIAL POSITION

June 30, 2024

ASSETS

Cash and cash equivalents	\$ 284,463
Investments - operating	2,075,599
Certificates of deposit	257,951
Accrued interest	5,315
Prepaid expenses	4,187
Pledges receivable, net	100,000
Investments	<u>8,461,314</u>
TOTAL ASSETS	<u>\$ 11,188,829</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 624
Due to Kankakee Community College	<u>141,796</u>
Total liabilities	<u>142,420</u>

NET ASSETS

Without donor restrictions	
Undesignated	1,346,127
Board designated	<u>622,084</u>
Total net assets without donor restrictions	1,968,211
With donor restrictions	<u>9,078,198</u>
Total net assets	<u>11,046,409</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,188,829</u>
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See accompanying notes to financial statements.

DISCRETELY PRESENTED COMPONENT UNIT
KANKAKEE COMMUNITY COLLEGE FOUNDATION
KANKAKEE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 66,900	\$ 737,128	\$ 804,028
Contributed nonfinancial assets	201,361	-	201,361
Investment return, net	261,181	841,802	1,102,983
Net assets released from restrictions	693,624	(693,624)	-
Total revenues	1,223,066	885,306	2,108,372
EXPENSES			
Program services			
Scholarships	282,837	-	282,837
Student support	383,753	-	383,753
Subtotal program services	666,590	-	666,590
Management and general	133,105	-	133,105
Fundraising	148,916	-	148,916
Total expenses	948,611	-	948,611
CHANGE IN NET ASSETS	274,455	885,306	1,159,761
NET ASSETS, BEGINNING OF YEAR	1,693,756	8,192,892	9,886,648
NET ASSETS, END OF YEAR	\$ 1,968,211	\$ 9,078,198	\$ 11,046,409

See accompanying notes to financial statements.

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Kankakee Community College - Illinois Community College District No. 520 (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 Kankakee Community 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. Separately audited financial statements for the Foundation under FASB are available upon request from the Foundation at: 100 College Drive, Kankakee, Illinois 60901.

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.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Non-exchange transactions, in which the College receives value without directly giving equal value in return, 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.

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, 2024 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.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Inventories

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

f. Prepaids

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

g. Capital Assets

Capital assets include property, plant, equipment, intangibles and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are valued at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Gains and losses 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	25-50
Furniture and equipment	8-10
Improvements other than buildings	25

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

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

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 amortization 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.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Net Position (Continued)

Unrestricted Net Position

This includes resources derived from student tuition and fees, state appropriations and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the 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.

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.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 year ended June 30, 2024, 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 year ended June 30, 2024, the College has reported its proportionate share of the collective OPEB expense and revenue for the state's contribution in addition to reporting the College's proportionate share of the OPEB liability and related expense.

o. Use of Estimates

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

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.

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NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2024, the College had no deposits that were uninsured and uncollateralized.

b. Investments

The College categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. At June 30, 2024, there were no investments subject to the fair value measurements requirements of GASB Statement No. 72.

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 does not address interest rate risk. As of June 30, 2024, the College did not hold any investments subject to interest rate risk.

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. The College's investment policy does not address credit risk.

KANKAKEE COMMUNITY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

b. Investments (Continued)

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 does not address custodial credit risk. As of June 30, 2024, there were no investments exposed to custodial credit risk.

Concentration of credit risk is the risk that the College has a high percentage of their investments in one type of investment. 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 2023 was passed on November 13, 2023;
- 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.

Property taxes are recognized as revenue in the year intended to finance, regardless of when collected. The second half of the 2022 levy and the first half of the 2023 levy are recognized as revenue in the 2024 fiscal year. The second half of the 2023 levy is intended to finance the 2024 fiscal year and, accordingly, is reported as deferred revenue. The 2024 tax levy, which attached as an enforceable lien on property as of January 1, 2024, has not been recorded as a receivable as of June 30, 2024 as the tax has not yet been levied and will not be levied until November 2024 and, therefore, the levy is not measurable at June 30, 2024.

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NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 is as follows:

	Beginning Balances, Restated*	Increases	Decreases	Ending Balances
Tangible capital assets not being depreciated				
Land	\$ 2,142,785	\$ -	\$ -	\$ 2,142,785
Construction in progress	109,801	1,724,862	1,034,741	799,922
Total tangible capital assets not being depreciated	2,252,586	1,724,862	1,034,741	2,942,707
Tangible capital assets being depreciated				
Land improvements	3,779,350	-	-	3,779,350
Buildings and improvements	65,341,627	1,034,741	-	66,376,368
Equipment	26,964,254	775,854	-	27,740,108
Leasehold improvements	846,856	-	-	846,856
Total tangible capital assets being depreciated	96,932,087	1,810,595	-	98,742,682
Intangible right-to-use capital assets being amortized				
Building	229,845	-	-	229,845
Equipment	377,575	-	99,264	278,311
Software	423,646	-	-	423,646
Total intangible capital assets being amortized	1,031,066	-	99,264	931,802
Less accumulated depreciation for tangible capital assets				
Land improvements	2,726,236	205,775	-	2,932,011
Buildings and improvements	29,311,723	1,669,760	-	30,981,483
Equipment	23,782,521	682,167	-	24,464,688
Leasehold improvements	588,316	26,071	-	614,387
Total accumulated depreciation for tangible capital assets	56,408,796	2,583,773	-	58,992,569
Less accumulated amortization for intangible right-to-use capital assets				
Building	158,338	15,323	-	173,661
Equipment	127,097	55,662	99,264	83,495
Software	104,628	104,628	-	209,256
Total accumulated amortization for intangible capital assets	390,063	175,613	99,264	466,412
Total tangible and intangible capital assets being depreciated and amortized, net	41,164,294	(948,791)	-	40,215,503
CAPITAL ASSETS, NET	\$ 43,416,880	\$ 776,071	\$ 1,034,741	\$ 43,158,210

*Opening balances for right-to-use building assets and right-to-use software assets were restated as of July 1, 2023. See Note 11 for additional disclosures.

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NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2024 is as follows:

	Balances July 1, 2023, Restated*	Issuance	Repayment/ Refunding	Balances June 30, 2024	Current Portion
Accrued compensated absences	\$ 879,531	\$ 496,351	\$ 422,175	\$ 953,707	\$ 457,779
OPEB liability - CIP plan	4,819,010	-	41,007	4,778,003	125,434
Lease payable	370,508	-	69,437	301,071	75,717
SBITA payable	313,700	-	89,265	224,435	99,236
General obligation bonds	9,605,000	5,420,000	2,765,000	12,260,000	2,875,000
Bond premiums/discount	466,851	414,915	174,771	706,995	-
TOTAL	\$ 16,454,600	\$ 6,331,266	\$ 3,561,655	\$ 19,224,211	\$ 3,633,166

*Opening balances for lease payable and SBITA payable were restated as of July 1, 2023. See Note 11 for additional disclosures.

General Obligation Bonds

The College issues general obligation bonds to finance various capital improvements. General Obligation Bonds at June 30, 2024 are comprised of the following:

\$3,305,000 General Obligation Community College serial bonds dated February 29, 2016, due in annual installments on December 1, of amounts ranging from \$65,000 to \$1,940,000 through December 2023, plus interest of 3% payable semiannually. These bonds matured and were paid off during the fiscal year ended June 30, 2024.

\$5,070,000 General Obligation Community College serial bonds dated June 27, 2019, due in annual installments on December 1, of amounts ranging from \$85,000 to \$2,390,000 through December 2025, plus interest of 5% payable semiannually.

\$3,340,000 General Obligation Community College serial bonds dated October 18, 2021, due in annual installments on December 1, of amounts ranging from \$455,000 to \$1,145,000 through December 2026, plus interest of 3.5% payable semiannually.

\$5,420,000 General Obligation Community College serial bonds dated November 6, 2023, due in annual installments on December 1, of amounts ranging from \$1,675,000 to \$2,985,000 through December 2028, plus interest of 6.00% payable semiannually. The bonds were issued to pay the College's \$5,025,000 Debt Certificates, Series 2023A issued on August 10, 2023, as well as financing various capital improvements in and for the College.

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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
2025	\$ 2,875,000	\$ 562,738	\$ 3,437,738
2026	2,820,000	429,888	3,249,888
2027	2,820,000	294,988	3,114,988
2028	2,980,000	135,300	3,115,300
2029	765,000	22,950	787,950
TOTAL	\$ 12,260,000	\$ 1,445,864	\$ 13,705,864

The College is subject to a debt limitation of 2.875% of its assessed valuation of \$3,266,611,914. As of June 30, 2024, the College had \$81,655,093 remaining legal debt margin.

Leases

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

The College entered into an agreement to lease copiers. The lease agreement commenced in January 2023 and required 60 monthly payments of \$5,574. There are no variable components of the lease. The lease liability was measured at a discount rate of 7.75%, which is based on the College's estimated incremental borrowing rate. The lease liability was \$204,467 at June 30, 2024. Additionally, the College recorded a right-to-use lease asset, net of amortization, of \$194,816 at June 30, 2024.

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NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

Leases (Continued)

The following schedule reflects the College's future obligations under this lease payable is as follows:

Fiscal Year Ending June 30,	Copier Lease	
	Principal	Interest
2025	\$ 52,893	\$ 13,995
2026	57,143	9,745
2027	61,731	5,157
2028	32,700	744
TOTAL	<u>\$ 204,467</u>	<u>\$ 29,641</u>

The College entered into an agreement to lease building space. The lease agreement commenced in March 2013 and required 180 monthly payments starting at \$1,721, increasing annually. The lease liability was measured at a discount rate of 7.00%, which is based on the College's estimated incremental borrowing rate. The lease liability was \$96,604 at June 30, 2024. Additionally, the College recorded a lease asset, net of amortization, of \$56,184 at June 30, 2024.

The following schedule reflects the College's future obligations under this lease payable is as follows:

Fiscal Year Ending June 30,	Building Lease	
	Principal	Interest
2025	\$ 22,824	\$ 6,047
2026	25,369	4,368
2027	28,125	2,504
2028	20,286	536
TOTAL	<u>\$ 96,604</u>	<u>\$ 13,455</u>

KANKAKEE COMMUNITY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

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 an agreement with Instructure. The subscription agreement commenced in June 2023 and required 5 annual payments ranging from \$56,446 to \$73,079. The subscription liability was measured at a discount rate of 7.75%, which is based on the College's estimated incremental borrowing rate. The subscription liability was \$174,783 at June 30, 2024. Additionally, the College recorded a right-to-use software asset, net of amortization, of \$164,647 at June 30, 2024.

Fiscal Year Ending June 30,	SBITA - Instructure	
	Principal	Interest
2025	\$ 49,584	\$ 13,546
2026	57,376	9,703
2027	67,823	5,256
TOTAL	<u>\$ 174,783</u>	<u>\$ 28,505</u>

The College entered into an agreement with Liaison International. The subscription agreement commenced in February 2023 and required 3 annual payments at \$28,750. The subscription liability was measured at a discount rate of 7.75%, which is based on the College's estimated incremental borrowing rate. The subscription liability was \$26,682 at June 30, 2024. Additionally, the College recorded a right-to-use software asset, net of amortization, of \$26,731 at June 30, 2024.

Fiscal Year Ending June 30,	SBITA - Liaison Int'l	
	Principal	Interest
2025	\$ 26,682	\$ 2,068
TOTAL	<u>\$ 26,682</u>	<u>\$ 2,068</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

Subscription-Based Information Technology Arrangements (Continued)

The College entered into an agreement with Sentinel Technologies, Inc. The subscription agreement commenced in August 2022 and required 3 annual payments at \$24,750. The subscription liability was measured at a discount rate of 7.75%, which is based on the College's estimated incremental borrowing rate. The subscription liability was \$22,970 at June 30, 2024. Additionally, the College recorded right-to-use software asset, net of amortization, of \$23,012 at June 30, 2024.

Fiscal Year Ending June 30,	SBITA - Sentinel	
	Principal	Interest
2025	\$ 22,970	\$ 1,780
TOTAL	\$ 22,970	\$ 1,780

6. SHORT-TERM DEBT

Debt Certificates, Series 2023A

On August 10, 2023, the College issued Debt Certificates, Series 2023A in the amount of \$5,025,000 to finance various capital improvements in and for the College. The certificates bear interest at 4.40%. At the option of the College, the certificates may be redeemed prior to maturity, in whole or in part as determined by the College, on any date. The certificates were called and paid during the fiscal year ended June 30, 2024.

	Balances July 1, 2023	Issuance	Repayment/ Refunding	Balances June 30, 2024	Current Portion
Debt certificates	\$ -	\$ 5,025,000	\$ 5,025,000	\$ -	\$ -
TOTAL	\$ -	\$ 5,025,000	\$ 5,025,000	\$ -	\$ -

KANKAKEE COMMUNITY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS

Plan Description

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

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011 and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2023 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 year 2024 was 12.53% of covered payroll.

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NOTES TO FINANCIAL STATEMENTS (Continued)

7. 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, 2023, SURS reported a net pension liability of \$29,444,538,098. The net pension liability was measured as of June 30, 2023.

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 \$94,176,883 or 0.3309%. 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, 2023 and the total pension used to calculate the net pension liability was determined based on the June 30, 2022 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 year 2023.

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NOTES TO FINANCIAL STATEMENTS (Continued)

7. 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, 2023, SURS reported a collective net pension expense of \$1,884,388,521.

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 2024 financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year 2023. As a result, the College recognized revenue and pension expense of \$6,176,198 for the fiscal year ended June 30, 2024.

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 \$169,618 in federal, trust or grant contributions for the fiscal year ended June 30, 2024. These contributions were made subsequent to the pension liability measurement date of June 30, 2023 and are recognized as deferred outflows of resources as of June 30, 2024.

- b. Assumptions and Other Inputs

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2023 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%

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NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2023, these best estimates are summarized in the following table:

2023		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	36.00%	7.97%
Stabilized Growth		
Core Real Assets	8.00%	4.68%
Public Credit Fixed Income	6.50%	4.52%
Private Credit	2.50%	7.36%
Non-Traditional Growth		
Private Equity	11.00%	11.32%
Non-Core Real Assets	4.00%	8.67%
Inflation Sensitive		
U.S. TIPS	5.00%	2.09%
Principal Protection		
Core Fixed Income	10.00%	1.13%
Crisis Risk Offset		
Systematic Trend Following	10.00%	3.18%
Alternative Risk Premia	3.00%	3.27%
Long Duration	2.00%	3.02%
Long Volatility/Tail Risk	2.00%	(1.14%)
Total	100.00%	5.98%
Inflation		2.60%
EXPECTED ARITHMETIC RETURN		8.58%

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NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Discount Rate

A single discount rate of 6.37% 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 3.86% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2023). 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 2074. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2074, 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 6.37% for 2024, 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 (5.37%) or 1 percentage point higher (7.37%):

	1% Decrease (5.37%)	Current Single Discount Rate Assumption (6.37%)	1% Increase (7.37%)
Net pension liability	\$ 35,695,434,682	\$ 29,444,538,098	\$ 24,236,489,318

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NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS (Continued)

Defined Contribution Pension Plan

a. Plan Description

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

b. Benefits Provided

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

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NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT COMMITMENTS (Continued)

Defined Contribution Pension Plan (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, 2023, the State's contributions to the RSP on behalf of individual employers totaled \$90,330,044. Of this amount, \$81,991,471 was funded via an appropriation from the State and \$8,338,573 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 2023. The College' share of pensionable contributions was 0.1650%. As a result, the College recognized revenue and defined contribution pension expense of \$149,076 from this special funding situation during the year ended June 30, 2024, of which \$13,762 constituted forfeitures.

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KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. 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 0.75% of covered payroll and every community college district to contribute 0.75% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State to contribute 0.75% of estimated covered payroll directly to the plan.

The following disclosures are in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of CIP and additions to/deductions from CIP's fiduciary net position have been determined on the same basis as they are reported by CIP.

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.

At June 30, 2024, the College reported a liability of \$4,778,003 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of \$4,778,003 resulting in a total OPEB liability associated with the College of \$9,556,006. The OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation performed as of June 30, 2022 rolled forward to June 30, 2023. 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, 2023, the College's proportions were 0.676451%.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

For the year ended June 30, 2024, the College recognized OPEB expense of \$2,260,723 and revenue of \$2,260,723 for support provided by the state. At June 30, 2024, 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	\$ 71,900	\$ 1,438,450
Changes in assumption	-	4,670,924
Changes in proportionate share and differences between college contributions and proportionate share of contributions	6,599	1,307,083
Contributions made after the measurement date	114,275	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,022
TOTAL	\$ 192,774	\$ 7,417,479

The deferred outflows of resources related to OPEB resulting from the College's contribution subsequent to the measurement date, reported at \$114,275, will be recognized as a reduction of the OPEB liability for the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Year Ending June 30,	
2025	\$ (1,223,163)
2026	(1,223,163)
2027	(1,223,163)
2028	(1,223,163)
2029	(1,223,163)
Thereafter	(1,223,166)
TOTAL	\$ (7,338,981)

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions

Inflation	2.25%
Salary increases	3.00% to 12.75%
Investment rate of return	0.00%
Healthcare cost trend rates	9.14% 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, 2021.

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates were 3.86% as of June 30, 2023.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. RETIREE HEALTH PLAN (Continued)

Plan Description (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 3.86% 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 (2.86%) or 1 percentage point higher (4.86%) than the current rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
OPEB liability	\$ 5,212,845	\$ 4,778,003	\$ 4,403,557

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 9.14% in 2024 increasing to an ultimate trend rate of 4.25% in 2040 for CCHP and MC coverage, and 19.42% in 2024 increasing to an ultimate trend rate of 4.25% in 2040 for MAPD coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	\$ 4,291,794	\$ 4,778,003	\$ 5,364,299

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

9. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts, property damage and general business risks. The College utilizes conventional outside insurance to cover its exposure to such liabilities and worker's compensation claims with standard retention levels. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. For uninsured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RISK MANAGEMENT (Continued)

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

The College accounts for and finances its uninsured risks of loss related to medical care and outpatient prescription drug cost. A third-party administrator provides administrative services for this self-insurance plan. Under this program, the fund provides coverage of the College's employee medical insurance when individual claims exceeded \$120,000 with an unlimited maximum benefit per individual per life-time and aggregate claims exceeded \$3,176,566 over an annual liability period. The College accounts for dental insurance through private, third-party insurance.

The reserve for health care costs reported in the fund at June 30, 2024 is based on the requirements of GASB, which requires that a liability for claims be reported if information prior to the issuance of the financial statement indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claims liability includes all known claims.

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

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

	2024	2023
CLAIMS PAYABLE, JULY 1	\$ 267,485	\$ 244,028
Claims paid	(1,875,861)	(2,105,105)
Claims incurred	1,853,722	2,128,562
CLAIMS PAYABLE, JUNE 30	<u>\$ 245,346</u>	<u>\$ 267,485</u>

10. CONTINGENCIES AND COMMITMENTS

a. Grants Received and Receivable

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

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. CONTINGENCIES AND COMMITMENTS (Continued)

b. Litigation

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

11. CORRECTION OF AN ERROR

The beginning net position of the College, as of July 1, 2023, has been restated to reflect the correction of an error related to the application of GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Business-Type Activities

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 52,404,580</u>
Correction of lease term	39,359
Removal of SBITA asset and liability	<u>(21,974)</u>
Total net restatement	<u>17,385</u>
BEGINNING NET POSITION, AS RESTATED	<u><u>\$ 52,421,965</u></u>

12. DISCRETELY PRESENTED COMPONENT UNIT

The financial statements of the Kankakee Community 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.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. 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.

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.

Contributions and other revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed 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 restrictions or relevant law. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

b. Revenue Recognition

All contributions and fundraising revenue are considered available for the Foundation's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Foundation recognizes contributions and special event revenue when an unconditional promise to give cash, securities, other assets, services or facilities is received. Contributions of assets other than cash are recorded at fair value at the date of the donation. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

b. Revenue Recognition (Continued)

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

c. 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, 2024, the Foundation's accounts exceeded federally insured limits by approximately \$2,000. The Foundation has not experienced any losses in such accounts and is not exposed to any significant credit risk on cash.

d. Certificate of Deposits

The Foundation holds non-brokered certificates of deposit which are carried at cost. The Foundation also holds brokered certificates of deposit which are measured at fair value.

e. Credit Losses - Held to Maturity Securities

Management measures expected credit losses on held-to-maturity securities on a collective basis by major security type. The held-to-maturity securities held by the Foundation consist of certificates of deposit with maturity dates greater than 90 days. The certificates of deposit may exceed the amount insured by FDIC. The Foundation estimates an allowance for credit losses based on past credit history with the financial institution, historical experience, the current economic environment, and management's expectations of future economic conditions based on reasonable and supportable forecasts. The Foundation has not experienced historical losses on its certificates of deposit and believes that it is not exposed to any significant credit risk with respect to certificates of deposit. Therefore, the Foundation expects zero credit loss and believes no allowance for credit losses is required.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

f. Investments

Investments are measured at fair value. The realized and unrealized gain or loss on investments is reflected in investment return on the statements of activities. Investment return is reported net of external and direct internal investment expenses.

g. Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the statements of activities. The statements of functional expenses present the natural classification details of expenses by function. Expenses which directly benefit the program, management and general, or fund raising are charged to the respective functional area on the basis of actual cost. Other expenses are allocated among the program and supporting services benefited based on allocations and estimates made by management. Salaries and wages are allocated on estimates of time and effort.

h. 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. In addition, the Internal Revenue Service has determined the Foundation is not a private foundation. The Foundation evaluates its uncertain tax positions on an annual basis, and there have been no recorded uncertain tax positions recorded in 2024. Therefore, no provision or liability for income taxes has been included in the financial statements. The Foundation files various federal or state non-profit tax returns. The Foundation is no longer subject to U.S. federal or state examinations by taxing authorities for tax years prior to 2021.

i. 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.

REQUIRED SUPPLEMENTARY INFORMATION

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

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

Last Ten Fiscal Years

MEASUREMENT DATE JUNE 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
(a) Proportion percentage of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b) Proportion amount of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Portion of non-employer contribution entities' total proportion of collective net pension liability associated with employer	82,845,107	89,176,468	98,606,011	93,515,659	98,650,469	102,875,295	107,682,979	100,328,663	96,232,947	94,176,883
Total (b) + (c)	\$ 82,845,107	\$ 89,176,468	\$ 98,606,011	\$ 93,515,659	\$ 98,650,469	\$ 102,875,295	\$ 107,682,979	\$ 100,328,663	\$ 96,232,947	\$ 94,176,883
Employer covered payroll	\$ 13,893,862	\$ 13,755,070	\$ 13,735,863	\$ 12,969,639	\$ 12,832,132	\$ 12,957,689	\$ 13,071,288	\$ 12,324,407	\$ 12,180,000	\$ 12,417,245
Proportion of collective net pension liability associated with employer as a percentage of covered payroll	596.27%	648.32%	717.87%	721.04%	768.78%	793.93%	823.81%	814.06%	790.09%	758.44%
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%	44.06%
FISCAL YEAR ENDED JUNE 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
KANKAKEE COMMUNITY COLLEGE - DISTRICT NUMBER 520										
Federal, trust, grant and other contribution	\$ 155,372	\$ 176,970	\$ 140,569	\$ 139,567	\$ 139,029	\$ 162,582	\$ 152,514	\$ 155,636	\$ 156,299	\$ 169,618
Contribution in relation to required contribution	155,372	176,970	140,569	139,567	139,029	162,582	152,514	155,636	156,299	169,618
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer covered payroll	\$ 13,755,070	\$ 13,735,863	\$ 12,969,639	\$ 12,832,132	\$ 12,957,689	\$ 13,071,288	\$ 12,324,407	\$ 12,180,000	\$ 12,417,245	\$ 14,438,994
Contributions as a percentage of covered payroll	1.13%	1.29%	1.08%	1.09%	1.07%	1.24%	1.24%	1.28%	1.26%	1.17%

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

(See independent auditor's report.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

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

Last Seven Fiscal Years

MEASUREMENT DATE JUNE 30,	2017	2018	2019	2020	2021	2022	2023
College's proportion of the net OPEB liability	1.00%	0.78%	0.77%	0.75%	0.72%	0.70%	0.68%
College's proportionate share of the net OPEB liability	\$ 14,341,851	\$ 14,758,978	\$ 14,530,209	\$ 13,748,158	\$ 12,492,243	\$ 4,819,010	\$ 4,778,003
Portion of the state's total proportion of net OPEB liability associated with the College	14,152,960	14,758,978	14,530,209	13,748,131	12,492,243	4,819,010	4,778,003
TOTAL	\$ 28,494,811	\$ 29,517,956	\$ 29,060,418	\$ 27,496,289	\$ 24,984,486	\$ 9,638,020	\$ 9,556,006
College covered payroll	\$ 12,969,639	\$ 12,832,132	\$ 12,957,659	\$ 13,071,288	\$ 12,324,407	\$ 12,180,000	\$ 12,417,245
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	219.70%	230.03%	224.27%	210.36%	202.72%	79.13%	76.96%
CIP plan net position as a percentage of total OPEB liability	(2.87%)	(3.54%)	(4.13%)	(5.07%)	(6.38%)	(22.03%)	(17.87%)

FISCAL YEAR ENDED JUNE 30,	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 68,365	\$ 69,064	\$ 69,366	\$ 66,926	\$ 66,386	\$ 66,906	\$ 114,275
Contribution in relation to the statutorily required contribution	68,365	69,064	69,366	66,926	66,386	66,906	114,275
CONTRIBUTION EXCESS (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 12,832,132	\$ 12,957,659	\$ 13,071,288	\$ 12,324,407	\$ 12,180,000	\$ 12,417,245	\$ 14,439,884
Contributions as a percentage of covered payroll	0.53%	0.53%	0.53%	0.54%	0.55%	0.54%	0.79%

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, 2023.

Changes in assumptions -

2017: The discount rate changed from 2.85% at June 30, 2016 to 3.56% at June 30, 2017.

2018: The discount rate changed from 3.56% at June 30, 2017 to 3.62% at June 30, 2018.

2019: The discount rate changed from 3.62% at June 30, 2018 to 3.13% at June 30, 2019.

2020: The discount rate changed from 3.13% at June 30, 2019 to 2.45% at June 30, 2020.

2021: The discount rate changed from 2.45% at June 30, 2020 to 1.92% at June 30, 2021.

2022: The discount rate changed from 1.92% at June 30, 2021 to 3.69% at June 30, 2022.

2023: The discount rate changed from 3.69% at June 30, 2022 to 3.86% at June 30, 2023. There were also changes to per capita claim costs and healthcare trends.

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS

COMBINING SCHEDULE OF NET POSITION ACCOUNTS -
BY SUBGROUP

June 30, 2024

	Governmental Subgroup	Auxiliary Subgroup	Eliminations	Total
CURRENT ASSETS				
Cash	\$ 24,557,617	\$ 8,172,699	\$ -	\$ 32,730,316
Receivables				
Taxes, net of allowance for uncollectibles	14,724,055	-	-	14,724,055
Accrued interest	117,082	37,028	-	154,110
Accounts	1,664,995	-	-	1,664,995
Other	740,234	47,000	-	787,234
Foundation	141,796	-	-	141,796
Tuition	3,323,110	-	-	3,323,110
Due from other accounts	819,792	194,522	(1,014,314)	-
Prepaid expenses	995,089	14,943	-	1,010,032
Inventories	-	311,814	-	311,814
Total current assets	47,083,770	8,778,006	(1,014,314)	54,847,462
NONCURRENT ASSETS				
Capital assets, tangible and intangible	102,617,191	-	-	102,617,191
Less accumulated depreciation and amortization	(59,458,981)	-	-	(59,458,981)
Net capital assets	43,158,210	-	-	43,158,210
Total noncurrent assets	43,158,210	-	-	43,158,210
Total assets	90,241,980	8,778,006	(1,014,314)	98,005,672
DEFERRED OUTFLOWS OF RESOURCES				
OPEB items - CIP plan	192,774	-	-	192,774
SURS pension contributions	169,618	-	-	169,618
Total deferred outflows of resources	362,392	-	-	362,392
Total assets and deferred outflows of resources	90,604,372	8,778,006	(1,014,314)	98,368,064
CURRENT LIABILITIES				
Accounts payable	1,594,452	51,732	-	1,646,184
Accrued salaries and payroll deductions payable	855,249	13,856	-	869,105
Accrued claims payable	-	245,346	-	245,346
Due to other accounts	834,829	179,485	(1,014,314)	-
Unearned tuition and fees	3,820,304	321,075	-	4,141,379
Unearned revenue	581,683	84,408	-	666,091
OPEB liability - CIP plan	125,434	-	-	125,434
Accrued compensated absences, current	457,779	-	-	457,779
Lease liability, current	75,717	-	-	75,717
SBITA liability, current	99,236	-	-	99,236
Bonds payable, current	2,875,000	-	-	2,875,000
Interest payable	52,580	-	-	52,580
Total current liabilities	11,372,263	895,902	(1,014,314)	11,253,851

(This schedule is continued on the following page.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

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

June 30, 2024

	Governmental Subgroup	Auxiliary Subgroup	Eliminations	Total
NONCURRENT LIABILITIES				
OPEB liability - CIP plan	\$ 4,652,569	\$ -	\$ -	\$ 4,652,569
Accrued compensated absences	477,434	18,494	-	495,928
Lease liability	225,354	-	-	225,354
SBITA liability	125,199	-	-	125,199
Bonds payable	10,091,995	-	-	10,091,995
Total noncurrent liabilities	15,572,551	18,494	-	15,591,045
Total liabilities	26,944,814	914,396	(1,014,314)	26,844,896
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	7,363,903	-	-	7,363,903
OPEB items - CIP plan	7,417,479	-	-	7,417,479
Total deferred inflows of resources	14,781,382	-	-	14,781,382
Total liabilities and deferred inflows of resources	41,726,196	-	-	41,626,278
NET POSITION				
Net investment in capital assets	33,559,718	-	-	33,559,718
Restricted for				
Debt service	2,039,723	-	-	2,039,723
Tort liability	2,812,119	-	-	2,812,119
Audit	125,655	-	-	125,655
Working cash	3,426,015	-	-	3,426,015
Pension contributions	169,618	-	-	169,618
Unrestricted	6,745,328	7,863,610	-	14,608,938
TOTAL NET POSITION	\$ 48,878,176	\$ 7,863,610	\$ -	\$ 56,741,786

(See independent auditor's report.)

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS

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

For the Year Ended June 30, 2024

	Governmental Subgroup	Auxiliary Subgroup	Eliminations	Total
OPERATING REVENUES				
Tuition and fees	\$ 7,983,364	\$ 531,742	\$ -	\$ 8,515,106
Auxiliary enterprises revenue	-	1,180,988	(85,785)	1,095,203
Other operating revenue	-	2,079,039	-	2,079,039
Total operating revenues	7,983,364	3,791,769	(85,785)	11,689,348
OPERATING EXPENSES				
Instruction	9,378,429	-	-	9,378,429
Academic support	2,735,663	-	-	2,735,663
Student services	2,356,803	-	-	2,356,803
Public services	3,266,230	-	-	3,266,230
Auxiliary services	37,335	3,664,500	-	3,701,835
Operation and maintenance of plant	5,159,446	-	-	5,159,446
Institutional support	9,368,032	-	-	9,368,032
Scholarships, student grants, waivers	3,212,484	-	(85,785)	3,126,699
Amortization	175,613	-	-	175,613
Depreciation	2,583,773	-	-	2,583,773
Total operating expenses	38,273,808	3,664,500	(85,785)	41,852,523
OPERATING INCOME (LOSS)	(30,290,444)	127,269	-	(30,163,175)
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	14,530,342	-	-	14,530,342
Personal property replacement tax	828,739	-	-	828,739
State grants and contracts	9,562,548	-	-	9,562,548
Federal grants and contracts	8,152,452	-	-	8,152,452
Investment income	902,298	294,949	-	1,197,247
Interest expense	(655,221)	-	-	(655,221)
Gain (loss) on disposal of capital assets	111,487	-	-	111,487
Other non-operating revenue (expense)	755,402	-	-	755,402
Total non-operating revenues (expenses)	34,188,047	294,949	-	34,482,996
CHANGE IN NET POSITION	3,897,603	422,218	-	4,319,821
NET POSITION, JULY 1	44,963,188	7,441,392	-	52,404,580
Correction of an error	17,385	-	-	17,385
NET POSITION, JULY 1, RESTATED	44,980,573	7,441,392	-	52,421,965
NET POSITION, JUNE 30	\$ 48,878,176	\$ 7,863,610	\$ -	\$ 56,741,786

(See independent auditor's report.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS - BY GOVERNMENTAL GROUP

June 30, 2024

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account
CURRENT ASSETS					
Cash	\$ 13,615,115	\$ 5,521,797	\$ (360,668)	\$ 95,238	\$ 1,765,492
Receivables					
Taxes	7,056,457	2,016,500	-	60,849	2,107,525
Accrued interest	62,317	54,765	-	-	-
Accounts	286,649	-	1,378,346	-	-
Other	735,082	5,152	-	-	-
Foundation	141,796	-	-	-	-
Tuition	3,323,110	-	-	-	-
Due from other accounts	472,061	60,095	72,061	-	137,012
Prepaid expenses	725,196	90,055	1,433	-	178,405
Total current assets	26,417,783	7,748,364	1,091,172	156,087	4,188,434
NONCURRENT ASSETS					
Capital assets, tangible and intangible	-	-	-	-	-
Less accumulated depreciation and amortization	-	-	-	-	-
Net capital assets	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Total assets	26,417,783	7,748,364	1,091,172	156,087	4,188,434
DEFERRED OUTFLOWS OF RESOURCES					
OPEB items - CIP plan	-	-	-	-	-
SURS pension contributions	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	26,417,783	7,748,364	1,091,172	156,087	4,188,434
CURRENT LIABILITIES					
Accounts payable	1,121,307	97,202	93,591	-	-
Accrued salaries and payroll deductions payable	693,050	38,943	94,577	-	28,679
Due to other accounts	219,386	517	321,321	-	293,605
Unearned tuition	3,659,972	160,332	-	-	-
Unearned revenue	-	-	581,683	-	-
OPEB liability - CIP plan	-	-	-	-	-
Accrued compensated absences, current	-	-	-	-	-
Lease liability, current	-	-	-	-	-
SBITA liability, current	-	-	-	-	-
Bonds payable, current	-	-	-	-	-
Interest payable	-	-	-	-	-
Total current liabilities	5,693,715	296,994	1,091,172	-	322,284
NONCURRENT LIABILITIES					
OPEB liability - CIP plan	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Lease liability	-	-	-	-	-
SBITA liability	-	-	-	-	-
Bonds payable	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	5,693,715	296,994	1,091,172	-	322,284

Bond and Interest Account	Operations and Maintenance Restricted Account	Working Cash Account	Long-Term Obligations	Capital Assets	Eliminations	Total
\$ 494,221	\$ 407	\$ 3,426,015	\$ -	\$ -	\$ -	\$ 24,557,617
3,091,792	390,932	-	-	-	-	14,724,055
-	-	-	-	-	-	117,082
-	-	-	-	-	-	1,664,995
-	-	-	-	-	-	740,234
-	-	-	-	-	-	141,796
-	-	-	-	-	-	3,323,110
-	78,563	-	-	-	-	819,792
-	-	-	-	-	-	995,089
3,586,013	469,902	3,426,015	-	-	-	47,083,770
-	-	-	-	102,617,191	-	102,617,191
-	-	-	-	(59,458,981)	-	(59,458,981)
-	-	-	-	43,158,210	-	43,158,210
-	-	-	-	43,158,210	-	43,158,210
3,586,013	469,902	3,426,015	-	43,158,210	-	90,241,980
-	-	-	192,774	-	-	192,774
-	-	-	169,618	-	-	169,618
-	-	-	362,392	-	-	362,392
3,586,013	469,902	3,426,015	362,392	43,158,210	-	90,604,372
-	282,352	-	-	-	-	1,594,452
-	-	-	-	-	-	855,249
-	-	-	-	-	-	834,829
-	-	-	-	-	-	3,820,304
-	-	-	-	-	-	581,683
-	-	-	125,434	-	-	125,434
-	-	-	457,779	-	-	457,779
-	-	-	75,717	-	-	75,717
-	-	-	99,236	-	-	99,236
-	-	-	2,875,000	-	-	2,875,000
-	-	-	52,580	-	-	52,580
-	282,352	-	3,685,746	-	-	11,372,263
-	-	-	4,652,569	-	-	4,652,569
-	-	-	477,434	-	-	477,434
-	-	-	225,354	-	-	225,354
-	-	-	125,199	-	-	125,199
-	-	-	10,091,995	-	-	10,091,995
-	-	-	15,572,551	-	-	15,572,551
-	282,352	-	19,258,297	-	-	26,944,814

(This schedule is continued on the following pages.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

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

June 30, 2024

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	\$ 3,529,127	\$ 1,008,507	\$ -	\$ 30,432	\$ 1,054,031
OPEB items - CIP plan	-	-	-	-	-
Total deferred inflows of resources	3,529,127	1,008,507	-	30,432	1,054,031
Total liabilities and deferred inflows of resources	9,222,842	1,305,501	1,091,172	30,432	1,376,315
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted for					
Capital outlay	2,242,767	2,528,635	-	-	-
Debt service	-	-	-	-	-
Tort liability	-	-	-	-	2,812,119
Audit	-	-	-	125,655	-
Working cash	-	-	-	-	-
Pension contributions	-	-	-	-	-
Unrestricted (deficit)	14,952,174	3,914,228	-	-	-
TOTAL NET POSITION (DEFICIT)	\$ 17,194,941	\$ 6,442,863	\$ -	\$ 125,655	\$ 2,812,119

	Bond and Interest Account	Operations and Maintenance Restricted Account	Working Cash Account	Long-Term Obligations	Capital Assets	Eliminations	Total
\$	1,546,290	\$ 195,516	\$ -	\$ -	\$ -	\$ -	\$ 7,363,903
	-	-	-	7,417,479	-	-	7,417,479
	1,546,290	195,516	-	7,417,479	-	-	14,781,382
	1,546,290	477,868	-	26,675,776	-	-	41,726,196
	-	-	-	(14,369,894)	43,158,210	4,771,402	33,559,718
	-	-	-	-	-	(4,771,402)	-
	2,039,723	-	-	-	-	-	2,039,723
	-	-	-	-	-	-	2,812,119
	-	-	-	-	-	-	125,655
	-	-	3,426,015	-	-	-	3,426,015
	-	-	-	169,618	-	-	169,618
	-	(7,966)	-	(12,113,108)	-	-	6,745,328
\$	2,039,723	\$ (7,966)	\$ 3,426,015	\$ (26,313,384)	\$ 43,158,210	\$ -	\$ 48,878,176

(See independent auditor's report.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

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

For the Year Ended June 30, 2024

	Education Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account
OPERATING REVENUES					
Tuition and fees	\$ 9,309,360	\$ 359,553	\$ -	\$ -	\$ -
Total operating revenues	9,309,360	359,553	-	-	-
OPERATING EXPENSES					
Instruction	8,448,490	-	3,327,763	-	-
Academic support	1,600,044	-	1,504,991	-	-
Student services	1,772,039	-	1,028,099	-	-
Public services	477,795	-	3,074,486	-	-
Auxiliary services	-	-	134,023	-	-
Operation and maintenance of plant	-	3,467,727	970,031	-	718,903
Institutional support	7,945,462	292,765	1,188,918	68,187	986,163
Scholarships, student grants, waivers	-	-	4,898,033	-	-
Amortization	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	20,243,830	3,760,492	16,126,344	68,187	1,705,066
OPERATING INCOME (LOSS)	(10,934,470)	(3,400,939)	(16,126,344)	(68,187)	(1,705,066)
NON-OPERATING REVENUES (EXPENSES)					
Property taxes	6,756,037	1,945,847	-	64,467	1,759,836
Personal property replacement tax	704,428	124,311	-	-	-
State grants and contracts	3,492,460	223,260	8,107,551	-	-
Federal grants and contracts	140,019	-	8,012,433	-	-
Investment income	464,202	254,116	-	2,887	83,361
Interest expense	(210,350)	(7,553)	-	-	-
Principal retirement	(138,225)	(20,477)	-	-	-
Bond proceeds	2,402,247	2,402,247	-	-	-
Premium on bond issuance	207,457	207,458	-	-	-
Debt certificate proceeds	2,512,500	2,512,500	-	-	-
Payments to refunded bond escrow	(2,539,149)	(2,539,150)	-	-	-
Gain (loss) on disposal of capital assets	111,487	-	-	-	-
Other non-operating revenue (expense)	368,377	330,853	6,117	-	55
Total non-operating revenues (expenses)	14,271,490	5,433,412	16,126,101	67,354	1,843,252
NET INCOME (LOSS) BEFORE TRANSFERS	3,337,020	2,032,473	(243)	(833)	138,186
TRANSFERS					
Transfers in	466,038	-	-	-	-
Transfers (out)	-	-	-	-	-
Total transfers	466,038	-	-	-	-
CHANGE IN NET POSITION	3,803,058	2,032,473	(243)	(833)	138,186
NET POSITION (DEFICIT), JULY 1	13,391,883	4,410,390	243	126,488	2,673,933
Correction of an error	-	-	-	-	-
NET POSITION (DEFICIT), JULY 1, RESTATED	13,391,883	4,410,390	243	126,488	2,673,933
NET POSITION (DEFICIT), JUNE 30	\$ 17,194,941	\$ 6,442,863	\$ -	\$ 125,655	\$ 2,812,119

Bond and Interest Account	Operations and Maintenance Restricted Account	Working Cash Account	Long-Term Obligations	Capital Assets	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,685,549)	\$ 7,983,364
-	-	-	-	-	(1,685,549)	7,983,364
-	-	-	(1,972,015)	(425,809)	-	9,378,429
-	-	-	(369,372)	-	-	2,735,663
-	-	-	(443,335)	-	-	2,356,803
-	-	-	(286,051)	-	-	3,266,230
-	-	-	(96,688)	-	-	37,335
-	2,265,719	-	(443,781)	(1,819,153)	-	5,159,446
-	-	-	(857,709)	(255,754)	-	9,368,032
-	-	-	-	-	(1,685,549)	3,212,484
-	-	-	-	175,613	-	175,613
-	-	-	-	2,583,773	-	2,583,773
-	2,265,719	-	(4,468,951)	258,670	(1,685,549)	38,273,808
-	(2,265,719)	-	4,468,951	(258,670)	-	(30,290,444)
3,108,615	895,540	-	-	-	-	14,530,342
-	-	-	-	-	-	828,739
-	-	-	(2,260,723)	-	-	9,562,548
-	-	-	-	-	-	8,152,452
27,500	22,654	47,578	-	-	-	902,298
(537,758)	-	-	100,440	-	-	(655,221)
(2,765,000)	-	-	2,923,702	-	-	-
615,506	-	-	(5,420,000)	-	-	-
-	-	-	(414,915)	-	-	-
-	-	-	(5,025,000)	-	-	-
-	-	-	5,078,299	-	-	-
-	-	-	-	-	-	111,487
-	50,000	-	-	-	-	755,402
448,863	968,194	47,578	(5,018,197)	-	-	34,188,047
448,863	(1,297,525)	47,578	(549,246)	(258,670)	-	3,897,603
-	-	-	-	-	(466,038)	-
-	-	(40,773)	(425,265)	-	466,038	-
-	-	(40,773)	(425,265)	-	-	-
448,863	(1,297,525)	6,805	(974,511)	(258,670)	-	3,897,603
1,590,860	1,289,559	3,419,210	(27,103,705)	45,164,327	-	44,963,188
-	-	-	1,764,832	(1,747,447)	-	17,385
1,590,860	1,289,559	3,419,210	(25,338,873)	43,416,880	-	44,980,573
\$ 2,039,723	\$ (7,966)	\$ 3,426,015	\$ (26,313,384)	\$ 43,158,210	\$ -	\$ 48,878,176

(See independent auditor's report.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION - BY AUXILIARY ENTERPRISE GROUP

June 30, 2024

	Bookstore Account	Athletics Account	College Center Account
CURRENT ASSETS			
Cash	\$ 4,815,747	\$ 147,469	\$ 34,485
Receivables			
Accrued interest	28,697	-	-
Other	41,280	5,720	-
Due from other accounts	5,936	186,822	41
Prepaid expenses	14,943	-	-
Inventories	299,840	-	11,974
Total current assets	5,206,443	340,011	46,500
NONCURRENT ASSETS			
None	-	-	-
Total noncurrent assets	-	-	-
Total assets	5,206,443	340,011	46,500
CURRENT LIABILITIES			
Accounts payable	5,258	-	-
Accrued salaries and payroll deductions payable	4,629	5,437	-
Accrued claims payable	-	-	-
Due to other accounts	158,049	-	-
Unearned tuition and fees	92,790	172,507	-
Unearned revenue	-	84,408	-
Total current liabilities	260,726	262,352	-
NONCURRENT LIABILITIES			
Accrued compensated absences	6,902	9,341	-
Total noncurrent liabilities	6,902	9,341	-
Total liabilities	267,628	271,693	-
NET POSITION			
Unrestricted	4,938,815	68,318	46,500
TOTAL NET POSITION	\$ 4,938,815	\$ 68,318	\$ 46,500

E-Sports Account	Fitness Center Account	Health Insurance Account	Student Activities Account	Eliminations	Total
\$ 64,853	\$ 58,838	\$ 2,338,616	\$ 712,691	\$ -	\$ 8,172,699
-	-	8,331	-	-	37,028
-	-	-	-	-	47,000
-	144	-	1,579	-	194,522
-	-	-	-	-	14,943
-	-	-	-	-	311,814
64,853	58,982	2,346,947	714,270	-	8,778,006
-	-	-	-	-	-
-	-	-	-	-	-
64,853	58,982	2,346,947	714,270	-	8,778,006
-	-	-	46,474	-	51,732
-	825	-	2,965	-	13,856
-	-	245,346	-	-	245,346
-	4,274	-	17,162	-	179,485
-	-	-	55,778	-	321,075
-	-	-	-	-	84,408
-	5,099	245,346	122,379	-	895,902
-	-	-	2,251	-	18,494
-	-	-	2,251	-	18,494
-	5,099	245,346	124,630	-	914,396
64,853	53,883	2,101,601	589,640	-	7,863,610
\$ 64,853	\$ 53,883	\$ 2,101,601	\$ 589,640	\$ -	\$ 7,863,610

(See independent auditor's report.)

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS

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

For the Year Ended June 30, 2024

	Bookstore Account	Athletics Account	College Center Account
OPERATING REVENUES			
Student tuition and fees	\$ -	\$ 401,982	\$ -
Sales and service fees	1,151,658	6,804	5,541
Other	(31)	146,800	-
Total operating revenues	1,151,627	555,586	5,541
OPERATING EXPENSES			
Salaries	122,127	222,481	-
Employee benefits	16,794	15,710	-
Contractual services	19,626	125,623	-
General materials and supplies	951,034	63,008	6,419
Conferences and meetings	84	249,771	-
Other	10,322	25,695	-
Total operating expenses	1,119,987	702,288	6,419
OPERATING INCOME (LOSS)	31,640	(146,702)	(878)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	196,003	4,543	789
Total non-operating revenues (expenses)	196,003	4,543	789
NET INCOME (LOSS) BEFORE TRANSFERS	227,643	(142,159)	(89)
TRANSFERS			
Transfers in	-	158,034	-
Transfers (out)	(158,034)	-	-
Total transfers	(158,034)	158,034	-
CHANGE IN NET POSITION	69,609	15,875	(89)
NET POSITION, JULY 1	4,869,206	52,443	46,589
NET POSITION, JUNE 30	\$ 4,938,815	\$ 68,318	\$ 46,500

E-Sports Account	Fitness Center Account	Health Insurance Account	Student Activities Account	Eliminations	Total
\$ -	\$ -	\$ -	\$ 129,760	\$ -	\$ 531,742
-	16,985	-	-	-	1,180,988
-	1,350	1,930,918	2	-	2,079,039
-	18,335	1,930,918	129,762	-	3,791,769
-	8,432	-	81,589	-	434,629
-	-	1,692,565	8,519	-	1,733,588
-	1,451	-	23,772	-	170,472
344	2,782	-	1,055	-	1,024,642
-	-	-	580	-	250,435
-	2,754	-	11,963	-	50,734
344	15,419	1,692,565	127,478	-	3,664,500
(344)	2,916	238,353	2,284	-	127,269
1,448	1,278	74,144	16,744	-	294,949
1,448	1,278	74,144	16,744	-	294,949
1,104	4,194	312,497	19,028	-	422,218
-	-	-	-	(158,034)	-
-	-	-	-	158,034	-
-	-	-	-	-	-
1,104	4,194	312,497	19,028	-	422,218
63,749	49,689	1,789,104	570,612	-	7,441,392
\$ 64,853	\$ 53,883	\$ 2,101,601	\$ 589,640	\$ -	\$ 7,863,610

(See independent auditor's report.)

SUPPLEMENTAL DATA

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS AND TAX COLLECTIONS

Last Three Tax Levy Years

Tax Levy Year	2023	2022	2021
ASSESSED VALUATION			
Ford County	\$ 46,925,310	\$ 41,950,443	\$ 39,663,878
Grundy County	3,931,621	3,653,917	3,331,244
Iroquois County	542,625,142	484,400,851	462,529,052
Kankakee County	2,571,268,878	2,348,572,384	2,190,729,128
Livingston County	100,064,658	91,186,309	83,783,511
Will County	1,796,305	1,690,537	1,531,876
Total Assessed Valuations	<u>\$ 3,266,611,914</u>	<u>\$ 2,971,454,441</u>	<u>\$ 2,781,568,689</u>
TAX RATES (per \$100 assessed valuation)			
Bond and Interest Fund	0.0972	0.1058	0.1134
Audit Fund	0.0019	0.0023	0.0024
Fire Prev, Safety, Security	0.0125	0.0476	0.0488
Liability Insurance	0.0589	0.0407	0.0412
Social Security	0.0072	0.0073	0.0075
Prior Year Adjustment	(0.0015)	(0.0027)	(0.0028)
Operations and Maintenance Accounts	0.0400	0.0400	0.0400
Additional Tax	0.1033	0.1033	0.1109
Educational Accounts	0.1400	0.1400	0.1400
Total Tax Rate	<u>0.4595</u>	<u>0.4843</u>	<u>0.5014</u>
TAX EXTENSIONS			
Bond and Interest Fund	\$ 3,113,717	\$ 3,118,233	\$ 3,118,428
Audit Fund	60,865	67,788	65,998
Fire Prev, Safety, Security	400,427	1,402,910	1,341,969
Liability Insurance	1,886,810	1,199,547	1,132,974
Social Security	230,646	215,152	206,245
Prior Year Adjustment	(38,569)	(63,411)	(61,340)
Operations and Maintenance Accounts	1,281,365	1,178,916	1,099,974
Additional Tax	3,309,125	3,044,551	3,049,679
Educational Accounts	4,484,778	4,126,206	3,849,911
Total Tax Extensions	<u>\$ 14,729,164</u>	<u>\$ 14,289,892</u>	<u>\$ 13,803,838</u>
TOTAL COLLECTIONS	<u>\$ 2,876</u>	<u>\$ 14,306,359</u>	<u>\$ 13,960,651</u>
PERCENTAGE OF EXTENSIONS COLLECTED	<u>0.02%</u>	<u>100.12%</u>	<u>101.14%</u>

(See independent auditor's report.)

SPECIAL REPORTS SECTION

SUPPLEMENTAL FINANCIAL INFORMATION

**KANKAKEE COMMUNITY COLLEGE -
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
FISCAL YEAR 2025 CERTIFICATION OF PER CAPITA COST
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

CERTIFICATION OF PER CAPITA COST FOR FISCAL YEAR 2024

ALL FISCAL YEAR 2024 NONCAPITAL AUDITED OPERATING
EXPENDITURES FROM THE FOLLOWING FUNDS:

1	Education Fund	\$ 19,815,830
2	Operation and Maintenance Fund	3,342,342
3	Operation and Maintenance Fund (Restricted)	-
4	Bond and Interest Fund	-
5	Public Building Commission Rental Fund	-
6	Restricted Purposes Fund	9,675,892
7	Audit Fund	68,187
8	Liability, Protection, and Settlement Fund	1,705,066
9	Auxiliary Enterprises Fund (subsidy only)	-
10	TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)	\$ 34,607,317
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	
		1,865,266
12	TOTAL COSTS INCLUDED (line 10 plus line 11)	\$ 36,472,583
13	TOTAL CERTIFIED SEMESTER CREDIT HOURS FOR FY 2024	
		47,178
14	PER CAPITA COST (line 12 divided by line 13)	\$ 773.08

(See independent auditor's report.)

UNIFORM FINANCIAL STATEMENTS

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
FISCAL YEAR ENDED JUNE 30, 2024

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection Settlement Fund	Total
FUND BALANCES, JULY 1, 2023	\$ 13,391,883	\$ 4,410,390	\$ 1,289,559	\$ 1,590,860	\$ 7,441,392	\$ 243	\$ 3,419,210	\$ 126,488	\$ 2,673,933	\$ 34,343,958
REVENUES										
Local tax revenue	\$ 6,756,037	\$ 1,945,847	\$ 895,540	\$ 3,108,615	\$ -	\$ -	\$ -	\$ 64,467	\$ 1,759,836	\$ 14,530,342
All other local revenue	704,428	124,311	-	-	-	-	-	-	-	828,739
ICCB grants	3,417,468	223,260	-	-	-	898,629	-	-	-	4,539,357
All other state revenue	74,992	-	-	-	-	4,948,199	-	-	-	5,023,191
Federal revenue	140,019	-	-	-	-	8,012,433	-	-	-	8,152,452
Student tuition and fees	9,309,360	359,553	-	-	531,742	-	-	-	-	10,200,655
All other revenue	6,066,270	5,707,174	72,654	643,006	3,554,976	6,127	47,578	2,887	83,416	16,184,088
Total revenues	26,468,574	8,360,145	968,194	3,751,621	4,086,718	13,865,388	47,578	67,354	1,843,252	59,458,824
EXPENDITURES										
Instruction	8,448,490	-	-	-	-	2,333,959	-	-	-	10,782,449
Academic support	1,600,044	-	-	-	-	1,317,577	-	-	-	2,917,621
Student services	1,772,039	-	-	-	-	803,157	-	-	-	2,575,196
Public service/continuing education	477,795	-	-	-	-	2,929,348	-	-	-	3,407,143
Auxiliary services	-	-	-	-	3,664,500	84,965	-	-	-	3,749,465
Operations and maintenance	-	3,467,727	2,265,719	-	-	744,863	-	-	718,903	7,197,212
Institutional support	10,833,186	2,859,945	-	3,302,758	-	753,729	-	68,187	986,163	18,803,968
Scholarships, student grants, waivers	-	-	-	-	-	4,898,033	-	-	-	4,898,033
Total expenditures	23,131,554	6,327,672	2,265,719	3,302,758	3,664,500	13,865,631	-	68,187	1,705,066	54,331,087
NET TRANSFERS	466,038	-	-	-	-	-	(40,773)	-	-	425,265
FUND BALANCES (DEFICIT), JUNE 30, 2024	\$ 17,194,941	\$ 6,442,863	\$ (7,966)	\$ 2,039,723	\$ 7,863,610	\$ -	\$ 3,426,015	\$ 125,655	\$ 2,812,119	\$ 39,896,960

(See independent auditor's report.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

SUMMARY OF CAPITAL ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2
FISCAL YEAR ENDED JUNE 30, 2024

	Capital Asset/Debt Account Groups July 1, 2023, Restated				Capital Asset/Debt Account Groups June 30, 2024
	Additions	Deletions	Transfers		
CAPITAL ASSETS					
Land and improvements	\$ 5,922,135	\$ -	\$ -	\$ -	\$ 5,922,135
Construction in progress	109,801	1,724,862	(1,034,741)	-	799,922
Buildings, additions and improvements	66,188,483	1,034,741	-	-	67,223,224
Equipment	26,964,254	775,854	-	-	27,740,108
Intangible right-to-use assets	1,031,066	-	(99,264)	-	931,802
Total tangible and intangible capital assets	100,215,739	3,535,457	(1,134,005)	-	102,617,191
Less accumulated depreciation & amortization	(56,798,859)	(2,759,386)	99,264	-	(59,458,981)
NET CAPITAL ASSETS	\$ 43,416,880	\$ 776,071	\$ (1,034,741)	\$ -	\$ 43,158,210
FIXED DEBT					
Bonds payable	\$ 10,071,851	\$ 5,834,915	\$ (2,939,771)	\$ -	\$ 12,966,995
Lease payable	370,508	-	(69,437)	-	301,071
SBITA payable	313,700	-	(89,265)	-	224,435
Other fixed liabilities	4,819,010	-	(41,007)	-	4,778,003
TOTAL FIXED DEBT	\$ 15,575,069	\$ 5,834,915	\$ (3,139,480)	\$ -	\$ 18,270,504

(See independent auditor's report.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

**OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2024**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local Government			
Local Taxes	\$ 6,756,037	\$ 1,945,847	\$ 8,701,884
CPPRT	704,428	124,311	828,739
Total Local Government	7,460,465	2,070,158	9,530,623
State Government			
ICCB Base Operating Grant	2,118,373	111,493	2,229,866
ICCB Equalization Grant	1,005,903	111,767	1,117,670
ICCB Career and Technical Education	231,546	-	231,546
ICCB Performance	5,110	-	5,110
ICCB Other	56,536	-	56,536
Other State not listed above	74,992	-	74,992
Total State Government	3,492,460	223,260	3,715,720
Federal Government			
Other	140,019	-	140,019
Total Federal Government	140,019	-	140,019
Student Tuition and Fees			
Tuition	8,476,080	359,553	8,835,633
Fees	833,280	-	833,280
Total Tuition and Fees	9,309,360	359,553	9,668,913
Other Sources			
Sales and Service fees	-	-	-
Investment Revenue	464,202	254,116	718,318
Other	5,602,068	5,453,058	11,055,126
Total Other Sources	6,066,270	5,707,174	11,773,444
Adjustments			
Transfers	466,038	-	466,038
Adjusted Revenues	26,934,612	8,360,145	35,294,757

(This statement is continued on the following page.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

**OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3 (Continued)
FISCAL YEAR ENDED JUNE 30, 2024**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	\$ 8,448,490	\$ -	\$ 8,448,490
Academic Support	1,600,044	-	1,600,044
Student Services	1,772,039	-	1,772,039
Public Service/Continuing Education	477,795	-	477,795
Auxiliary Services	-	-	-
Operations and Maintenance	-	3,467,727	3,467,727
Institutional Support	10,833,186	2,859,945	13,693,131
Scholarships, Student Grants, Waivers	-	-	-
Total Expenditures	23,131,554	6,327,672	29,459,226
Adjustments			
Transfers	-	-	-
ADJUSTED EXPENDITURES	\$ 23,131,554	\$ 6,327,672	\$ 29,459,226
BY OBJECT			
Salaries	12,084,403	1,115,571	\$ 13,199,974
Employee Benefits	1,811,046	254,026	2,065,072
Contractual Services	1,581,090	483,955	2,065,045
General Materials and Supplies	1,513,190	316,842	1,830,032
Conference and Meeting Expenses	233,007	2,168	235,175
Fixed Charges	2,721,057	2,727,113	5,448,170
Utilities	6,742	974,803	981,545
Capital Outlay	428,000	418,150	846,150
Student Grants and Scholarships	-	-	-
Other	2,753,019	35,044	2,788,063
Total Expenditures	23,131,554	6,327,672	29,459,226
Adjustments			
Transfers	-	-	-
ADJUSTED EXPENDITURES	\$ 23,131,554	\$ 6,327,672	\$ 29,459,226

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

(See independent auditor's report.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
FISCAL YEAR ENDED JUNE 30, 2024**

REVENUES BY SOURCE

Local Government	\$ -
Total Local Government	<u>-</u>
State Government	
ICCB - Adult Education	230,356
ICCB - Other grants	668,273
SURS On-Behalf	6,176,198
CIP On-Behalf	(2,260,723)
Other	<u>1,032,724</u>
Total State Government	<u>5,846,828</u>
Federal Government	
Department of Education	6,016,446
Department of Labor	1,266,518
Department of Health and Human Services	660,462
Other	<u>69,007</u>
Total Federal Government	<u>8,012,433</u>
Other Sources	
Sales and Service Fees	-
Other	<u>6,127</u>
Total Other Sources	<u>6,127</u>
NET TRANSFERS	<u>-</u>
TOTAL RESTRICTED PURPOSES FUND REVENUES	<u><u>\$ 13,865,388</u></u>

(This statement is continued on the following page.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4 (Continued)
FISCAL YEAR ENDED JUNE 30, 2024**

EXPENDITURES BY PROGRAM

Instruction	\$ 2,333,959
Academic Support	1,317,577
Student Services	803,157
Public Service/Continuing Education	2,929,348
Auxiliary Services	84,965
Operations and Maintenance	744,863
Institutional Support	753,729
Scholarships, Grants, Waivers	4,898,033

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	\$ 13,865,631
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EXPENDITURES BY OBJECT

Salaries	\$ 2,090,194
Employee Benefits	4,415,290
Contractual Services	404,830
Student Financial Aid	4,898,033
General Materials and Supplies	472,495
Travel & Conference/Meeting Expenses	54,647
Fixed Charges	32,216
Capital Outlay	274,264
Other	1,223,662

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	\$ 13,865,631
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(See independent auditor's report.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

**CURRENT FUNDS - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
FISCAL YEAR ENDED JUNE 30, 2024**

INSTRUCTION

Instructional Programs	\$ 9,041,687
Support	19,519
Other	<u>1,721,243</u>
Total Instruction	<u>10,782,449</u>

ACADEMIC SUPPORT

Library Center	383,687
Instructional Materials Center	33,710
Educational Media Services	452,225
Academic Computing Support	388,925
Academic Administration and Planning	482,024
Other	<u>1,177,050</u>
Total Academic Support	<u>2,917,621</u>

STUDENT SERVICES SUPPORT

Admissions and Records	370,403
Counseling and Career Services	763,096
Financial Aid Administration	352,876
Other	<u>1,088,821</u>
Total Student Services Support	<u>2,575,196</u>

PUBLIC SERVICE/CONTINUING EDUCATION

Community Education	1,200,236
Customized Training (Instructional)	976
Professional Development Cost, Faculty	434,483
Other	<u>1,771,448</u>
Total Public Service/Continuing Education	<u>3,407,143</u>

AUXILIARY SERVICES

3,749,465

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

**CURRENT FUNDS - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5 (Continued)
FISCAL YEAR ENDED JUNE 30, 2024**

OPERATIONS AND MAINTENANCE OF PLANT

Maintenance	\$ 852,893
Custodial Services	784,547
Grounds	333,177
Campus Security	718,903
Transportation	280,148
Utilities	981,926
Administration	263,066
Other	716,833

Total Operations and Maintenance of Plant	<u>4,931,493</u>
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INSTITUTIONAL SUPPORT

Executive Management	1,032,795
Fiscal Operations	1,038,215
Community Relations	735,406
Board of Trustees	31,725
General Institutional	4,218,291
Administrative Data Processing	2,136,241
Other	6,308,537

Total Institutional Support	<u>15,501,210</u>
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SCHOLARSHIPS, STUDENTS GRANTS, & WAIVERS	<u>4,898,033</u>
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TOTAL CURRENT FUNDS EXPENDITURES	<u><u>\$ 48,762,610</u></u>
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Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprise; Restricted Purposes; Audit; Liability, Protection, and Settlement; and PBC Operations and Maintenance Funds.

(See independent auditor's report.)

ICCB STATE GRANTS COMPLIANCE SECTION

1415 West Diehl Road, Suite 400
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Kankakee Community College
Illinois Community College
District No. 520
Kankakee, Illinois

Opinions

We have audited the accompanying balance sheet of the Kankakee Community College - Illinois Community College District No. 520, Kankakee, Illinois (the College) State Adult Education and Family Literacy Grant Programs as of June 30, 2024, 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 Kankakee Community College - Illinois Community College District No. 520's State Adult Education and Family Literacy Grant Programs of Kankakee Community College District No. 520 as of June 30, 2024, 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, 2024, 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 CPA LLC

Naperville, Illinois
December 4, 2024

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

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

June 30, 2024

	State Basic	State Performance	Total
ASSETS			
Cash	\$ 4,472	\$ 249	\$ 4,721
Accounts receivable	-	1,106	1,106
TOTAL ASSETS	\$ 4,472	\$ 1,355	\$ 5,827
LIABILITIES AND PROGRAM BALANCES			
LIABILITIES			
Accrued liabilities	\$ 4,472	\$ 1,355	\$ 5,827
Total liabilities	4,472	1,355	5,827
PROGRAM BALANCES			
None	-	-	-
Total program balances	-	-	-
TOTAL LIABILITIES AND PROGRAM BALANCES	\$ 4,472	\$ 1,355	\$ 5,827

(See independent auditor's report.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

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

For the Year Ended June 30, 2024

	State Basic	State Performance	Total
REVENUES			
State sources	\$ 181,266	\$ 49,090	\$ 230,356
Total revenues	181,266	49,090	230,356
EXPENDITURES			
Academic support			
Salaries	144,945	40,204	185,149
Benefits	19,189	8,886	28,075
Travel	1,408	-	1,408
Supplies	13,537	-	13,537
Occupancy (rent and utilities)	2,187	-	2,187
Telecommunications	-	-	-
Total expenditures	181,266	49,090	230,356
CHANGES IN PROGRAM BALANCES	-	-	-
PROGRAM BALANCES, JULY 1, 2023	-	-	-
PROGRAM BALANCES, JUNE 30, 2024	\$ -	\$ -	\$ -

(See independent auditor's report.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

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

For the Year Ended June 30, 2024

	Audited Expenditure Amount	Audited Expenditure Percentage
STATE BASIC		
Instruction (45% minimum required)	\$ 121,469	67%
General administration (15% maximum allowed)	21,375	12%

(See independent auditor's report.)

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS - STATE GRANT PROGRAMS

June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Kankakee Community College - Illinois Community College District No. 520 (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, 2024. 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.

KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS - STATE GRANT PROGRAMS (Continued)

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.

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

SIKICH.COM

**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
Kankakee Community College
Illinois Community College
District No. 520
Kankakee, Illinois

We have examined management of Kankakee Community College - Illinois Community College District No. 520's (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of the College during the period July 1, 2023 through June 30, 2024. 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 Kankakee Community College is fairly stated, in all material respects.

Sikich CPA LLC

Naperville, Illinois
December 4, 2024

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

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

For the Year Ended June 30, 2024

CATEGORIES	Total Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted
Baccalaureate	-	2,854.0	3.00	11,994.0	186.00	11,048.0	189.00	25,896.0
Business occupational	69.0	125.0	225.00	606.0	63.00	625.0	357.00	1,356.0
Technical occupational	-	441.0	-	2,923.0	-	3,604.0	-	6,968.0
Health occupational	-	1,087.0	-	2,852.0	-	3,995.0	-	7,934.0
Remedial developmental	-	56.0	-	530.0	-	503.0	-	1,089.0
Adult basic education/adult secondary education	596.5	-	1,377.5	-	1,415.0	-	3,389.0	-
TOTAL CREDIT HOURS VERIFIED	665.5	4,563.0	1,605.5	18,905.0	1,664.0	19,775.0	3,935.0	43,243.0

	In-District	Chargeback/ Contractual Agreement	Total
Reimbursable credit hours (unrestricted)	39,759.0	207.0	39,966.0
Reimbursable credit hours (restricted)	3,798.5	-	3,798.5

	Dual Credit	Dual Enrollment	Total
Reimbursable credit hours (unrestricted)	3,467.0	2,971.0	6,438.0

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 2023 EQUALIZED ASSESSED VALUATION \$ 3,266,611,914

**KANKAKEE COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 520
KANKAKEE, ILLINOIS**

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS

For the Year Ended June 30, 2024

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	25,896.0	25,896.0	-	189.0	189.0	-
Business occupational	1,356.0	1,356.0	-	357.0	357.0	-
Technical occupational	6,968.0	6,968.0	-	-	-	-
Health occupational	7,934.0	7,934.0	-	-	-	-
Remedial developmental	1,089.0	1,089.0	-	-	-	-
Adult basic education/adult secondary education	-	-	-	3,389.0	3,389.0	-
TOTAL	43,243.0	43,243.0	-	3,935.0	3,935.0	-

Form of Continuing Disclosure Undertaking

**PROPOSED FORM OF
CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by Community College District No. 520, Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois and State of Illinois (the “*District*”), in connection with the issuance of \$_____ General Obligation Community College Bonds, Series 2025 (the “*Bonds*”). The Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the District on the 16th day of September, 2025, as supplemented by a notification of sale (together, the “*Resolution*”).

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means information of the type contained under the following headings and subheadings of, and in the following appendices and exhibits to, the Official Statement:

FINANCIAL INFORMATION

- Trend of EAV
- EAV by County
- Tax Rates
- Tax Extensions and Collections
- Summary of Outstanding Bonded Debt
- Debt Repayment Schedule
- Debt Statement (with respect to the District’s debt only)
- Debt Ratios (with respect to the District’s debt only)

SUMMARY OF OPERATING RESULTS

- General Fund Revenue Sources
- General Fund Summary
- Operations and Maintenance Capital Projects (Restricted) Fund
- Working Cash Fund Summary
- Budget Summary

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the District prepared pursuant to the principles and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent’s successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Financial Obligation of the District means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; *provided* that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated _____, 2025, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the District remains legally liable for the payment of such Bonds; *provided, however*, that the District will not be required to make such filings under new CUSIP Numbers unless the District has been notified in writing by the Participating Underwriter or the District's financial advisor that new CUSIP Numbers have been assigned to the Bonds. The District will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided

to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made

to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. **TERMINATION OF UNDERTAKING.** The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution.

9. **FUTURE CHANGES TO THE RULE.** As set forth in Section 1 of this Agreement, the District has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the District shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the District shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. **DISSEMINATION AGENT.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. **RECORDKEEPING.** The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

COMMUNITY COLLEGE DISTRICT NO. 520,
COUNTIES OF KANKAKEE, WILL, GRUNDY,
LIVINGSTON, FORD AND IROQUOIS AND
STATE OF ILLINOIS

By _____
Chair, Board of Trustees

Date: _____, 2025

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ending June 30, 2025. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

EXHIBIT III
CUSIP NUMBER

YEAR OF MATURITY	CUSIP NUMBER (484548)
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Appendix D

Official Notice of Sale and Bid Form

OFFICIAL NOTICE OF SALE

AND

BID FORM

FOR

COMMUNITY COLLEGE DISTRICT NO. 520

**COUNTIES OF KANKAKEE, WILL, GRUNDY, LIVINGSTON, FORD AND IROQUOIS AND
STATE OF ILLINOIS**

\$4,900,000* GENERAL OBLIGATION COMMUNITY COLLEGE BONDS, SERIES 2025

DATE AND TIME:

October 20, 2025
10:00 a.m.
Central Daylight Saving Time

PLACE:

PMA Securities, LLC
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563
Attention: Jen Currier
Phone: (630) 657-6443
E-mail: compbidIL@pmanetwork.com

FORM OF BIDDING:

Electronic or via e-mail, as described herein

*Preliminary, subject to change.

OFFICIAL NOTICE OF SALE

COMMUNITY COLLEGE DISTRICT NO. 520
COUNTIES OF KANKAKEE, WILL, GRUNDY, LIVINGSTON, FORD AND IROQUOIS AND
STATE OF ILLINOIS
\$4,900,000* GENERAL OBLIGATION COMMUNITY COLLEGE BONDS, SERIES 2025

NOTICE IS HEREBY GIVEN that the Board of Trustees (the “Board”) of Community College District No. 520, Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois and State of Illinois (the “District”), will receive bids either (i) electronically via **Parity®** or (ii) sent via e-mail to compbidIL@pmanetwork.com (each as more fully described below), for the purchase of its \$4,900,000* General Obligation Community College Bonds, Series 2025 (the “Bonds”), on an all or none basis at the following time and place:

DATE AND TIME: 10:00 a.m.
Central Daylight Saving Time
October 20, 2025

PLACE: Offices of the District’s Municipal Advisor:
PMA Securities, LLC (the “Municipal Advisor”)
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563

AWARD OF BONDS: Bids will be publicly announced at the above time and place. Unless all bids are rejected, award will be made by the designated officials of the Board and the District to the bidder offering the *lowest true interest cost* (“TIC”) to the District.

The Bonds

The Bonds are issued pursuant to the Public Community College Act of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board on September 16, 2025, as supplemented by a notification of sale (together, the “Bond Resolution”). Proceeds of the Bonds will be used to (i) increase the working cash fund of the District, (ii) pay certain interest on the Bonds through June 1, 2026, and (iii) pay costs associated with the issuance of the Bonds.

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds, except for the interest due on the Bonds up to and including June 1, 2026, which will be paid from Bond proceeds. The Bond Resolution will be filed with the County Clerks of The Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois, Illinois (the “County Clerks”), and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

The proposed form of opinion of Bond Counsel regarding the Bonds is set forth in Appendix A to the Preliminary Official Statement.

Bidding Instructions

Each proposal must be submitted on the Official Bid Form without alteration or change until 10:00 a.m. Central Daylight Saving Time either:

(i) via **Parity®** in accordance with this Official Notice of Sale. To the extent any instructions or directions set forth in **Parity®** conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about **Parity®**, potential bidders may contact the Municipal Advisor or i-Deal LLC at 1359 Broadway, New York, NY 10018, telephone (212) 849-5021; or

(ii) via e-mail to compbidIL@pmanetwork.com.

The bidder bears all risk of transmission failure.

Any bidder intending to bid via e-mail shall notify the Municipal Advisor of such intention no later than the close of business on Friday, October 17, 2025.

Determination of Winning Bid

The Bonds will be awarded to the single and best bidder (the “Purchaser”) whose bid will be determined upon the basis of the **lowest TIC** at the rates designated in said bid from the dated date to the respective maturity dates after deducting the bid premium or adding the bid discount, if any. The TIC will be calculated as the rate which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds (commencing on June 1, 2026 and semiannually on each June 1 and December 1 thereafter), produces an amount on the date of the Bonds (expected to be November 10, 2025) equal to the purchase price set forth in the bid. In the event of more than one proposal specifying the lowest TIC, the Bonds will be awarded to the bidder whose proposal is selected by lot from among all such proposals.

Bidding Parameters

The Bonds will be dated the date of issuance thereof and will mature on the dates and in the amounts as described in the Official Bid Form attached hereto.

The Bonds are not subject to optional redemption prior to maturity.

Any bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

All interest rates must be in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%), and not more than one rate for a single maturity shall be specified. The rate bid for each maturity shall not exceed 5.00%. All bids must be for all of the Bonds and must be for not less than 100.00% of the par amount thereof.

Attorneys' fees, rating agency fees, Municipal Advisor fees, the cost of preparing and printing the Bonds, the fees of the registrar and paying agent for the Bonds, the cost of distributing this Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by the Purchaser on behalf of the District from proceeds of the Bonds and by submitting a bid, the Purchaser agrees to send (an) additional wire(s) at closing to distribute such costs if so requested by the District.

A good faith deposit will not be required prior to bid opening. The Purchaser is required to submit a certified or cashier's check on a solvent bank or trust company or a wire transfer for TWO PERCENT OF PAR payable to the Treasurer of the Board as evidence of good faith of the Purchaser (the "Deposit") not later than 3:30 P.M. Central Daylight Saving Time on the Sale Date (as hereinafter defined). The Deposit will be retained by the District pending delivery of the Bonds. The District may hold the proceeds of the Deposit or invest the same (at the District's risk) in obligations that mature at or before the delivery of the Bonds, until applied as follows: (a) at the delivery of the Bonds and upon compliance with the Purchaser's obligation to take up and pay for the Bonds, the full amount of the Deposit held by the District, without adjustment for interest, shall be applied toward the purchase price of the Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the District; and (b) if the Purchaser fails to take up and pay for the Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the District as liquidated damages.

Establishment of Issue Price

(a) The Purchaser shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public (as hereinafter defined) or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the District by the Municipal Advisor, identified herein, and any notice or report to be provided to the District may be provided to the Municipal Advisor. Within one hour of the award, the Purchaser will provide the District and the Municipal Advisor the expected initial offering price of the Bonds, which the Purchaser used to formulate its bid.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds)

will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

- (1) the District will disseminate this Official Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
- (2) all bidders will have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the District shall so advise the Purchaser. In such event, any bid proposal submitted will not be subject to cancellation or withdrawal, and the District agrees to use the rules selected by the Purchaser on its bid form to determine the issue price for the Bonds. On the bid form, each bidder must select one of the following rules to establish the issue price of the Bonds: (i) the “10% Test” which will establish the issue price of a maturity of the Bonds as the first price at which 10% of such maturity of the Bonds is sold to the Public and/or (ii) the “Hold-the-Offering-Price Rule” which will establish the issue price of a maturity of the Bonds as the initial offering price of that maturity, in each case applied on a maturity-by-maturity basis. If the Purchaser selects the Hold-the-Offering-Price Rule, the Purchaser shall promptly advise the District, at or before the time of award of the Bonds, which maturities of the Bonds have not satisfied the 10% Test and will be subject to the Hold-the-Offering-Price Rule. ***Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule or the 10% Test, as selected on the bid form, in order to establish the issue price of the Bonds. In addition if the 10% Test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Purchaser shall provide the District with a representation as to the price or prices as of the date of closing at which the Purchaser reasonably expects to sell the remaining Bonds of such maturity.***

(d) **If the Competitive Sale Requirements are not satisfied and the Purchaser selects the Hold-the-Offering-Price Rule**, then the Purchaser shall (i) confirm that the Underwriters (as hereinafter defined) have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields set forth in the bid submitted by the Purchaser and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or

- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Purchaser will advise the District promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public. Within one hour of the award, the Purchaser will inform the District of the Initial Offering Price for each maturity of the Bonds.

(e) **If the Competitive Sale Requirements are not satisfied and the Purchaser selects the 10% Test**, then until the 10% Test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the District the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the Purchaser's reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. In addition if the 10% Test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Purchaser shall provide the District with a representation as to the price or prices as of the date of closing at which the Purchaser reasonably expects to sell the remaining Bonds of such maturity.

(f) The District acknowledges that, in making the representations set forth above, the Purchaser will rely on (i) the agreement of each Underwriter to comply with requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule if applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that:

- (i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale

of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

- (A)(i) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold to the Public or it is notified by the Purchaser that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser and (ii) to comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser and as set forth in the related pricing wires, which shall be until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of award,
- (B) to promptly notify the Purchaser of any sales of Bonds that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter participating in the initial sale of the Bonds to the Public, and
- (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Purchaser shall assume that each order submitted by the Underwriter is a sale to the Public.

(ii) any agreement among Underwriters or selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or until it is notified by the Purchaser or such Underwriter that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser or such Underwriter and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser or the Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of the award.

(h) Sales of any Bonds to any person that is a Related Party to an Underwriter participating in the initial sale of the Bonds to the Public shall not constitute sales to the Public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) “Public” means any person other than an Underwriter or a Related Party,
- (ii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the Purchaser are subject, directly or indirectly, to

(A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other),

- (iii) “Sale Date” means the date that the Bonds are awarded by the District to the Purchaser, and

“Underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Closing Transcript

At the time of delivery, the District will furnish to the Purchaser the approving legal opinion of Bond Counsel and, in due course, a complete certified transcript of all proceedings in connection with the issuance of the Bonds which shall include a non-litigation certificate showing that there is no litigation pending or threatened as to the validity or security of the Bonds.

Bond Insurance at Purchaser’s Option

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. The Purchaser, upon being advised of the successful bid, shall notify the Municipal Advisor of its intent to obtain bond insurance. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser. Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

Tax Exemption

Subject to compliance by the District with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX EXEMPTION” in the Preliminary Official Statement for a more complete discussion.

Qualified Tax-Exempt Obligations

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

Book-Entry Only

The Bonds will be issued as fully-registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. A single Bond certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry-only form only through DTC participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. The Purchaser shall be required to deposit the Bond certificates with DTC as a condition to delivery of the Bonds. The District will make payments of principal and interest on the Bonds to DTC or its nominee as registered owner of the Bonds in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds.

In the event that the securities depository relationship with DTC for the Bonds is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered Bond certificates in the denominations of \$5,000 or an integral multiple thereof in the aggregate principal amount of the Bonds of the same maturity then outstanding to the beneficial owners of the Bonds.

CUSIP Numbers

It is intended that CUSIP numbers will be printed on the Bonds, but neither the failure to print or type such number on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and make payment for the Bonds. All expenses in relation to the printing of CUSIP numbers, including CUSIP Service Bureau charges for the assignment of said numbers, shall be the responsibility of and shall be paid by the Purchaser.

Continuing Disclosure

The District covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the District for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required

under Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The form of the Undertaking is set forth in Appendix C in the Preliminary Official Statement. Please see the section entitled “CONTINUING DISCLOSURE” in the Preliminary Official Statement for a description of the District’s compliance during the last five years with undertakings previously entered into by it pursuant to the Rule.

The Purchaser’s obligation to purchase the Bonds shall be conditional upon the District delivering the Undertaking on or before the date of delivery of the Bonds.

Official Statement

The District declares the Preliminary Official Statement provided in connection with the sale of the Bonds to be final as of its date for purposes of the Rule, except for the omission of the offering prices or yields, the interest rates, any other terms or provisions required by the District specified in the bid, ratings, other terms of the Bonds depending on such matters, and the identity of the Purchaser. Upon the sale of the Bonds, the District will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. By submission of its bid, the Purchaser will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Promptly after the Sale Date, but in no event later than seven business days after the Sale Date, the District will provide the Purchaser with an electronic copy of the final Official Statement. The Purchaser agrees to supply to the District all information necessary to complete the Official Statement within 24 hours after the award of the Bonds.

Conditions of Closing

The District reserves the right to reject any or all bids and to determine the best bid in its sole discretion, and to waive any informality in any bid. Additionally, the District reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the Parity® webpage and through *Thompson Municipal News*.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the District in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the District in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds will be delivered to the Purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be November 10, 2025. Should delivery, however, be delayed beyond forty-five (45) days from the Sale Date for any reason beyond the control of the District except failure of performance by the Purchaser, the District may cancel the award or the Purchaser may withdraw the Deposit and thereafter the Purchaser’s interest in and liability for the Bonds will cease.

Additional Information

The Preliminary Official Statement and the Official Bid Form, together with other pertinent information, may be obtained from the District, Attention: Beth Nunley, Vice President for Business Affairs and Board Treasurer, 100 College Drive, Kankakee, Illinois 60901, Telephone: (815) 802-8122, or from the Municipal Advisor, Attention: Jen Currier, 2135 CityGate Lane, 7th Floor, Naperville, Illinois 60563, Telephone: (630) 657-6443.

By order of the Board of Trustees of the District, dated this 10th day of October, 2025.

/s/ Beth Nunley

Vice President for Business Affairs and Board Treasurer
Community College District No. 520
Counties of Kankakee, Will, Grundy, Livingston, Ford and
Iroquois and State of Illinois

OFFICIAL BID FORM

Board of Trustees
Community College District No. 520
Counties of Kankakee, Will, Grundy, Livingston,
Ford and Iroquois and State of Illinois

October 20, 2025

Ladies and Gentlemen:

Subject to all the provisions of the Official Notice of Sale, which is expressly made a part of this bid, we offer to purchase the General Obligation Community College Bonds, Series 2025 (the "Bonds"), as described below:

Par amount of Bonds:	\$4,900,000*
Dated date:	Date of Issuance
Purchase price:	\$_____
(not less than 100.00% of the par amount of the Bonds)	

The Bonds shall bear interest as follows (each rate (i) a multiple of 1/8 or 1/20 of 1% and (ii) not exceeding 5.00%):

<u>Maturity</u> <u>(December 1)</u>	<u>Amount (\$)*</u>	<u>Rate</u>	<u>Term Bonds</u> <u>(Year)</u>
2028	2,395,000	_____	_____
2029	2,505,000	_____	_____

*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If the principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a Bond.

If insured, please insert the name of insurer _____ and amount of the premium \$_____. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder (the "Purchaser"). Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

Any bidder electing to designate a maturity as a term bond shall so specify on the bid form. The term bond shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

The Bonds are not subject to optional redemption prior to maturity.

The Bonds are to be accompanied by the unqualified approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and a certificate evidencing that no litigation is pending against the District which will affect the validity or security of the Bonds.

Attorneys' fees, rating agency fees, Municipal Advisor fees, the cost of preparing and printing the Bonds, the fees of the registrar and paying agent for the Bonds, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by the Purchaser on behalf of the District from proceeds of the Bonds and by submitting this bid, we agree to send (an) additional wire(s) at closing to distribute such costs if so requested by the District.

If the net interest cost or the true interest cost stated below is incorrectly computed, the undersigned agrees that the purchase price and interest rates above shall prevail.

Net Interest Cost:	\$ _____
True Interest Cost:	_____ %

This bid is a firm offer for the purchase of the Bonds identified in the Official Notice of Sale, on the terms set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale. If the Competitive Sale Requirements are not met, the bidder selects the following rule to establish the issue price of the maturities of the Bonds for which 10% is not sold to the Public on the date hereof applied on a maturity-by-maturity basis (mark one):

_____ 10% Test: the first price at which 10% of a maturity of the Bonds is sold to the Public for the following maturities: _____

_____ Hold-the-Offering-Price Rule: the initial offering price of that maturity for the following maturities: _____

By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. *[If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]*

We understand that if we are the winning bidder, we will deposit with the Treasurer of the Board not later than 3:30 P.M. CDT on the Sale Date a certified or cashier's check or a wire in the amount of two percent (2%) of the par amount of the Bonds payable to said District as a guarantee of good faith, to be applied in accordance with the Official Notice of Sale.

Managing Underwriter Signature

Name of Firm:

Direct Contact:

Address:

Phone Number:

E-Mail Address:

—PLEASE ATTACH A LIST OF ACCOUNT MEMBERS—

The foregoing offer is hereby accepted this 20th day of October, 2025, by the Board of Trustees of Community College District No. 520, Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois and State of Illinois, and in recognition thereof is signed by the officials of the District empowered and authorized to make such acceptance.

Chair, Board of Trustees
Community College District No. 520
Counties of Kankakee, Will, Grundy,
Livingston, Ford and Iroquois and State of
Illinois

Vice President for Business Affairs
and Board Treasurer
Community College District No. 520
Counties of Kankakee, Will, Grundy,
Livingston, Ford and Iroquois and State of
Illinois

Exhibit A

Form of Issue Price Certificate

CERTIFICATE OF PURCHASER

The undersigned, on behalf of _____ (the “*Purchaser*”), hereby certifies as set forth below with respect to the sale and issuance of the \$_____ General Obligation Community College Bonds, Series 2025 (the “*Bonds*”), of Community College District No. 520, Counties of Kankakee, Will, Grundy, Livingston, Ford and Iroquois and State of Illinois (the “*District*”).

I. GENERAL

On the Sale Date, the Purchaser purchased the Bonds from the District by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the District. The Purchaser has not modified the terms of the purchase since the Sale Date.

II. PRICE

Competitive Sale Requirements Met – 3 Bids Received

Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Exhibit A* (the “*Expected Offering Prices*”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Exhibit B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given an exclusive opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

3 Bids Not Received – At Least 10% of Each Maturity Sold by Closing

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the “*First Sale Price*”).

3 Bids Not Received – At Least 10% of Certain Maturities Not Sold by Closing; Expected First Sale Price

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the “*First Sale Price*”).

2. Expected First Sale Price.

With respect to each of the _____ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any Price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of this Maturity will be at or below the Expected Sale Price listed on the attached *Exhibit A* (the “*Expected First Sale Price*”).

3 Bids Not Received – At Least 10% of Certain Maturities Not Sold by Closing; Hold-the-Offering-Price Rule

1. As of the date of this certificate, for each of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the “*First Sale Price*”).

2. (a) The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in *Exhibit A* (the “*Initial Offering Prices*”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Exhibit B*.

(b) As set forth in the Official Notice of Sale and the Official Bid Form, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*Hold-the-Offering-Price Rule*”), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule.

(c) No Underwriter (as defined below) has offered or sold any Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.

III. DEFINED TERMS

[1. “*General Rule Maturities*” means those Maturities of the Bonds not listed in *Exhibit A* hereto as the “Hold-the-Offering-Price Maturities.”]

[2. “*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in *Exhibit A* hereto as the “Hold-the-Offering-Price Maturities.”]

[3. “*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (said fifth business day being _____, 2025), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

4. “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

5. “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

6. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. “*Sale Date*” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2025.

8. “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the District (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

IV. USE OF REPRESENTATIONS

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, in connection with rendering its opinion concerning interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

IN WITNESS WHEREOF, I hereunto affix my signature, this ____ day of _____, 2025.

_____,
_____, _____

By: _____
Title: _____

EXHIBIT A

The Bonds are dated _____, 2025, and are due on December 1 of the years and in the amounts, bear interest at the rates and were sold and offered to the Public as described in the attached Certificate of Purchaser at the prices, in percentages and dollars, as follows:

HOLD-THE- OFFER-PRICE MATURITY IF MARKED (*)	YEAR	PRINCIPAL AMOUNT (\$)	INTEREST RATE (%)	[EXPECTED] FIRST SALE PRICE OF AT LEAST 10% (% OF PAR)]	[EXPECTED]		[INITIAL OFFERING PRICE [/TOTAL ISSUE PRICE (\$)]]	[TOTAL ISSUE PRICE (\$)]
					FIRST SALE			
					PRICE OF AT			
					LEAST	[INITIAL OFFERING PRICE (% OF PAR)]		

Total

EXHIBIT B

[PURCHASER'S BID]

[PRICING WIRE OR EQUIVALENT COMMUNICATION]