

**SOUTHEASTERN ILLINOIS COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Southeastern Illinois Community College District No. 533
Harrisburg, Illinois 62946

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Southeastern Illinois Community College District No. 533, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Southeastern Illinois Community College District No. 533'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 and the discretely presented component unit of Southeastern Illinois Community College District No. 533, as of June 30, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southeastern Illinois Community College District No. 533 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. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

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 Southeastern Illinois Community College District No. 533's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Southeastern Illinois Community College District No. 533'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 Southeastern Illinois Community College District No. 533's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, State Universities Retirement System of Illinois Trend Data and Other Post-Employment Benefit System of Illinois Trend Data and Schedule of Contributions on pages 6-13 and 50-53 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 the 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Southeastern Illinois Community College District No. 533's basic financial statements. The accompanying supplemental information on pages 54-62 and 65-71 and the schedule of expenditures of federal awards on pages 83-84, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and the schedule of expenditures of federal awards 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 on pages 63-64 and page 72 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 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, 2023, on our consideration of Southeastern Illinois Community College District No. 533'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 Southeastern Illinois Community College District No. 533'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 Southeastern Illinois Community College District No. 533's internal control over financial reporting and compliance.



Kemper CPA Group LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Harrisburg, Illinois
December 4, 2023

**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**

To the Board of Trustees
Southeastern Illinois Community College District No. 533
Harrisburg, Illinois 62946

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 Southeastern Illinois Community College District No. 533 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Southeastern Illinois Community College District No. 533's basic financial statements and have issued our report thereon dated December 4, 2023.

The financial statements of the discretely presented component unit, Southeastern Illinois College Foundation, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Southeastern Illinois College Foundation.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southeastern Illinois Community College District No. 533'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 Southeastern Illinois Community College District No. 533's internal control. Accordingly, we do not express an opinion on the effectiveness of Southeastern Illinois Community College District No. 533'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 entity'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 Southeastern Illinois Community College District No. 533'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Kemper CPA Group LLP". The signature is written in a cursive, flowing style.

Kemper CPA Group LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Harrisburg, Illinois
December 4, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SOUTHEASTERN ILLINOIS COLLEGE
COMMUNITY COLLEGE DISTRICT #533
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

This section of Southeastern Illinois College's Financial Statements represents management's discussion and analysis of the College's financial activity during the fiscal year ended June 30, 2023. Since this discussion and analysis is designed to focus on current activities and currently known facts, please read it in conjunction with the basic financial statements (pages 14-16) and the footnotes (pages 17-49). Responsibility for the completeness and fairness of this information rests with the College.

Using this Annual Report

These financial statements incorporate data from all the primary governmental and proprietary funds (see pages 14-16) and for financial reporting purposes we are considered a special purpose government engaged in only business-type activities. We focus on economic resources measurement and use the accrual basis of accounting just like a private sector business. The Statement of Net Position is to be considered the statement of financial position for the College showing all assets and liabilities. The Statement of Revenues, Expenses and Changes in Net Position presents all transactions and events that affect net position using the economic resources measurement focus. These activities are supported by property taxes, state revenues, tuition and other revenues. This approach is intended to summarize and simplify the user's evaluation of the cost of various College services to students and the public.

For detailed information pertaining to the Foundation (the College's discretely presented component unit), refer to Note 11 Discretely Presented Component Unit beginning on page 41 and the separately issued Foundation financial statements for the year ended June 30, 2023.

Financial Highlights

For the year ended June 30, 2023, the College recorded total operating revenues of \$1,966,008 and total operating expenses of \$16,705,966. The difference produced an operating loss of \$14,739,958. Net non-operating revenue (expenses) of \$20,714,866 offsets this loss and results in an overall increase in net position of \$5,974,908.

The largest sources of non-operating revenue included local property taxes of \$5,719,066, state grants and contracts of \$5,291,332, federal grants and contracts of \$3,993,853, and gifts and other non-operating revenue of \$2,869,008.

As of June 30, 2023, the College's net position increased from \$28,172,144 to \$34,147,052, an increase of \$5,974,908. The increase to net position for the prior year was \$8,593,158. Revenues decreased over the prior year by \$5,279,687. Total expenditures decreased over the prior year by \$2,661,437.

Cash and cash equivalents, both restricted and unrestricted, on page 14 of the Statement of Net Position equal \$27,089,666. This was an increase of \$4,448,438 compared to the June 30, 2022, balance of \$22,641,228. The Statement of Cash Flows on page 16 identifies the source and use of cash throughout the year.

Institutional funds in addition to grant funds were utilized for necessary equipment expenditures throughout the year. Purchases included the installation of additional security cameras on the main campus as well as a new CCTV security camera system for the Carmi campus at a cost of \$72,633. With increased interest in truck driving classes, the college purchased a 2015 Freightliner and related equipment totaling \$83,610. In addition, donation of a 2012 International Truck with FMV of \$20,000 was received during the year. A bulk fuel tank was installed to help minimize the diesel costs associated with the truck driving program at a cost of \$30,179.

**SOUTHEASTERN ILLINOIS COLLEGE
COMMUNITY COLLEGE DISTRICT #533
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Institutional and PHS funds allowed for additions and enhancements to the softball and baseball complex. Completion of the newly constructed restrooms and concession area that began in FY2022 was completed at a cost of \$483,301. Installation of infield turf on the baseball field that also began in FY2022 was completed at a total cost of \$383,500. Gravel and rip rap for the area was an additional \$47,218.

Institutional and donated funds helped with construction of the first phase of the Stanford D. Williams Career and Training Center at the Carmi extension site. The facility will accommodate vocational training labs for welding, auto/diesel mechanics, construction and industrial trades, truck driving, and short term needs for industry. At the end of the fiscal year the project was still in-progress but has since been completed in August 2023 at a cost of \$3,000,000. The second phase, a joint venture with the Capital Development Board, is currently underway with a completion date of January 2025. Total cost for that phase is estimated at \$3,136,856.

Additional ongoing projects that SIC shares funding with the CDB include: (1) Replace Boilers, Pumps and Condensing Units in Buildings A, B, and C. Total estimated cost of the project is \$937,800. (2) Repair Exterior of Buildings Campus Wide which includes tuckpointing, repairs or replacements of windows, doors, skylights, flashings and gutters. Total estimated cost is \$794,995.

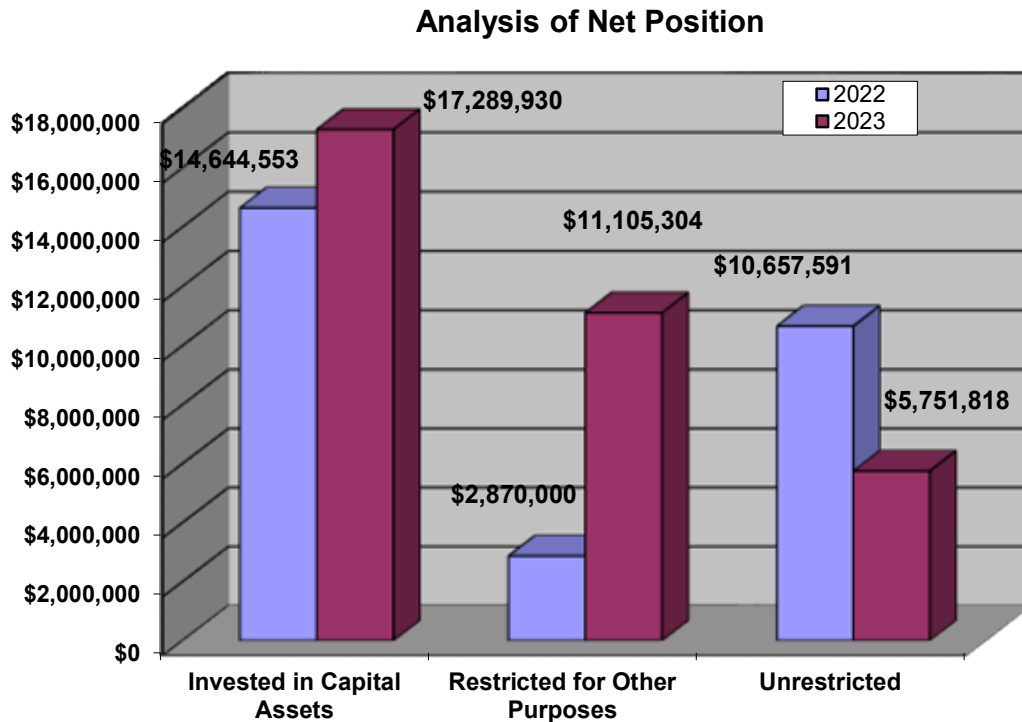
Financial Analysis of the College as a Whole

This schedule is prepared from the College's Statement of Net Position (page 14), which is presented on the accrual basis of accounting whereby assets are capitalized and depreciated.

Analysis of Net Position

Assets	2022	2023
Current		
Current Assets	\$33,735,505	\$34,970,225
Non-current Assets	\$18,640,067	\$21,350,576
Total Assets	\$52,375,572	\$56,320,801
Total Deferred Outflows	\$190,432	\$408,178
Liabilities		
Current Liabilities	\$3,485,743	\$3,708,171
Non-current Liabilities	\$13,183,329	\$8,851,971
Total Liabilities	\$16,669,072	\$12,560,142
Total Deferred Inflows	\$7,724,788	\$10,021,785
Net Position		
Invested in Capital Assets	\$14,644,553	\$17,289,930
Restricted for Other Purposes	\$2,870,000	\$11,105,304
Unrestricted	\$10,657,591	\$5,751,818
Total Net Position	\$28,172,144	\$34,147,052

**SOUTHEASTERN ILLINOIS COLLEGE
COMMUNITY COLLEGE DISTRICT #533
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**



Operating expenses for the College shown on page 15 for the fiscal year ending June 30, 2023, were \$16,705,966 compared to \$19,367,403 incurred in the previous year.

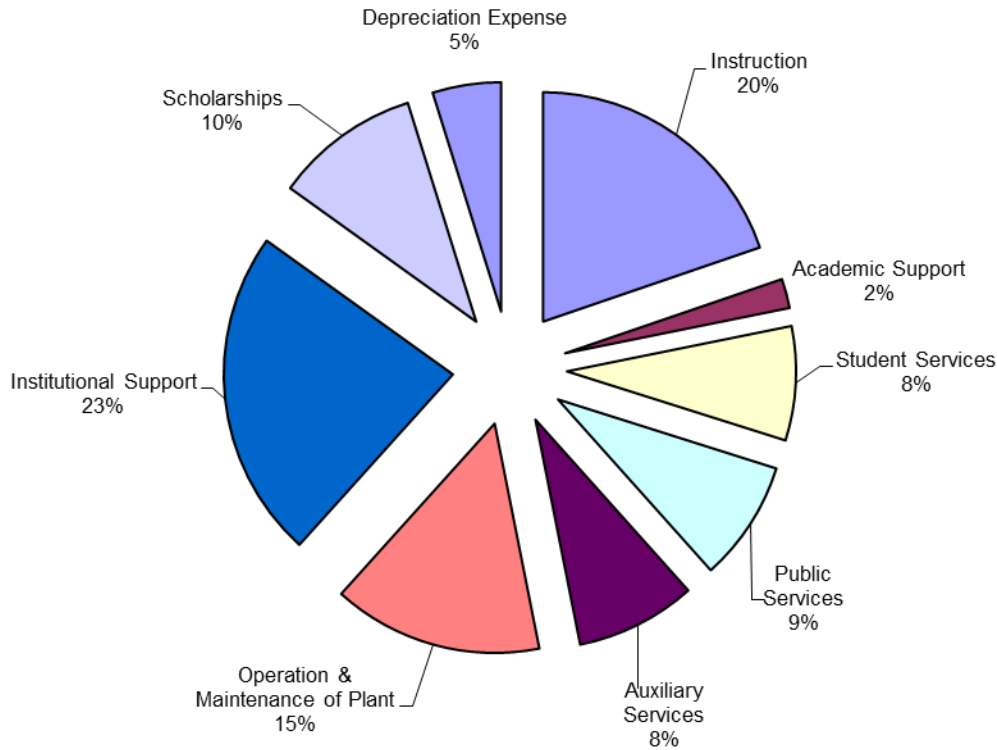
Operating Expenses

	2022	2023
Operating Expenses:		
Instruction	\$3,490,190	\$2,987,090
Academic Support	357,177	312,971
Student Services	1,045,519	1,215,189
Public Services	671,790	1,285,880
Auxiliary Services	1,059,928	1,284,140
Operation & Maintenance of Plant	2,216,713	2,239,284
Institutional Support	5,472,894	3,509,960
Scholarships	1,206,599	1,551,787
On Behalf Payments	3,190,890	1,589,020
Depreciation Expense	655,703	730,645
Total Operating Expenses	<u>\$19,367,403</u>	<u>\$16,705,966</u>

The following is a graphic illustration of operating expenses excluding on behalf payments of pension and health insurance – see above and note 6 beginning on page 28:

**SOUTHEASTERN ILLINOIS COLLEGE
COMMUNITY COLLEGE DISTRICT #533
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Operating Expenses



The operating revenues for the year on page 15 were \$1,966,008 compared to \$1,808,875 for FY 2022. Net Non-operating revenues (expenses) were \$20,714,866 compared to \$26,151,686 for FY 2022. On behalf payments of \$1,589,020 is our pensionable and retirement health insurance program contributions recognized as revenue and expense - see note 6 beginning on page 28.

Operating Results

Revenues	2022	2023
Operating Revenues		
Student Tuition, Fees (net of scholarship allowance)	\$1,039,502	\$1,128,897
Auxiliary Services	750,907	781,871
On Behalf Payments		
Other Operating Revenue	18,466	55,240
Total Operating Revenues	1,808,875	1,966,008
Less Operating Expenses	19,367,403	16,705,966
Net Operating Income (Loss)	<u>\$(17,558,528)</u>	<u>\$(14,739,958)</u>

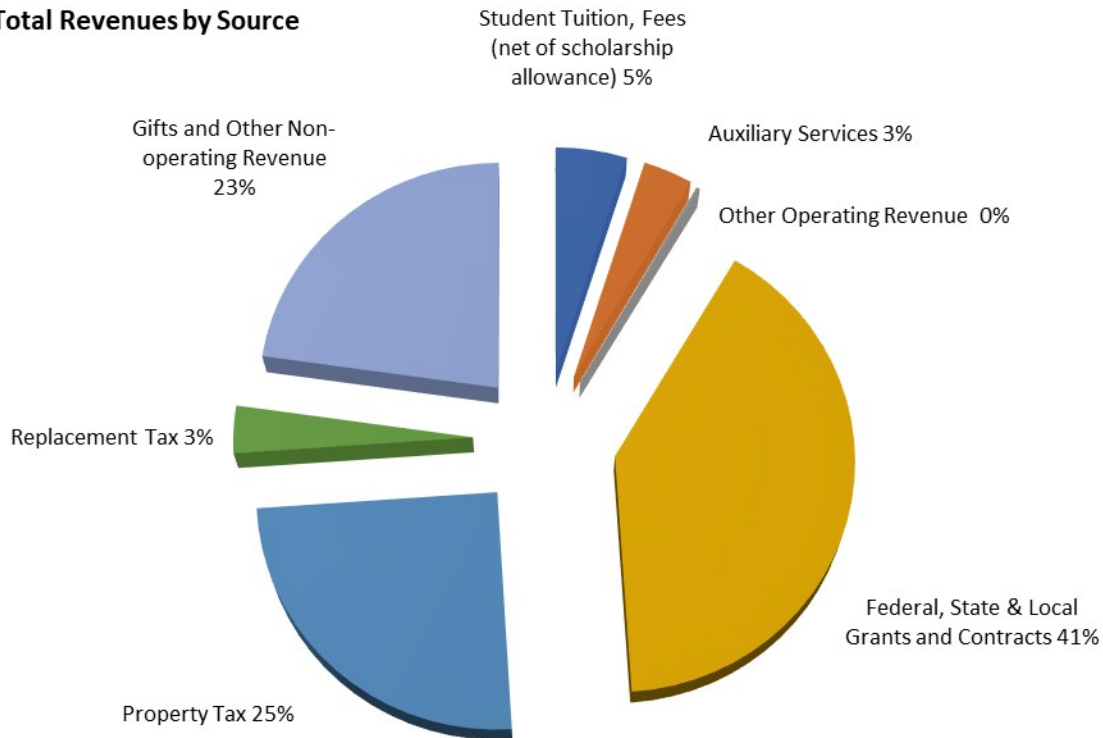
**SOUTHEASTERN ILLINOIS COLLEGE
COMMUNITY COLLEGE DISTRICT #533
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Non-operating Revenues

Federal, State & Local Grants and Contracts	\$11,835,618	\$9,285,185
Property Tax	5,570,163	5,719,066
Replacement Tax	729,038	760,700
Interest Income (Expense), Net	(211,665)	491,887
Gifts and Other Non-operating Revenue	5,037,642	2,869,008
On Behalf Payments	3,190,890	1,589,020
Non-operating Revenues, Net	26,151,686	20,714,866
Increase (Decrease) in Net Assets	8,593,158	5,974,908
Net Assets, Beginning of Year	19,578,986	28,172,144
Net Assets, End of Year	\$28,172,144	\$34,147,052

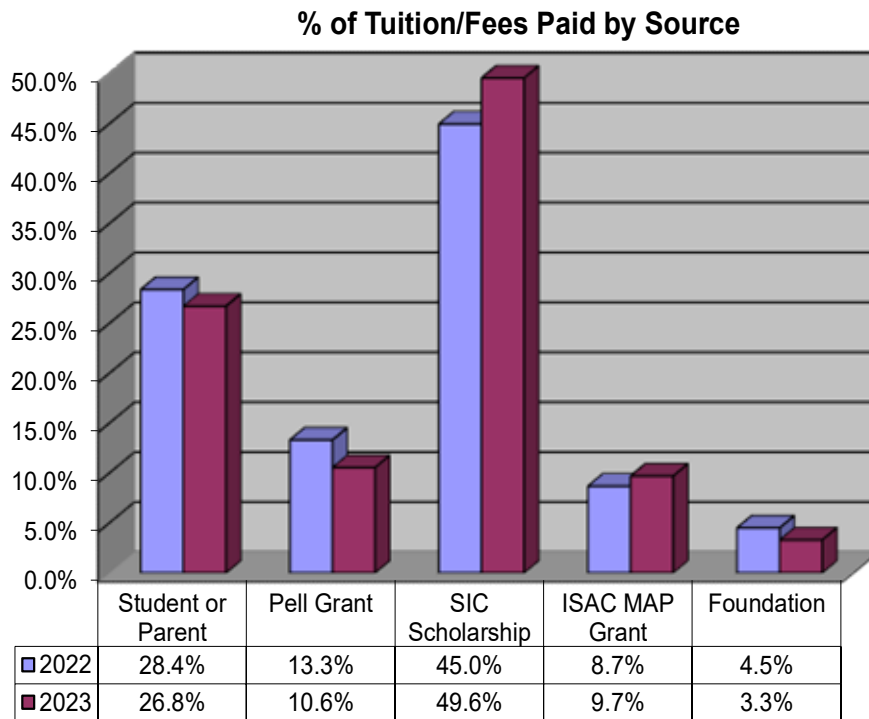
The following is a graphic representation of the source of operating and non-operating revenues excluding on behalf revenue:

Total Revenues by Source



**SOUTHEASTERN ILLINOIS COLLEGE
COMMUNITY COLLEGE DISTRICT #533
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

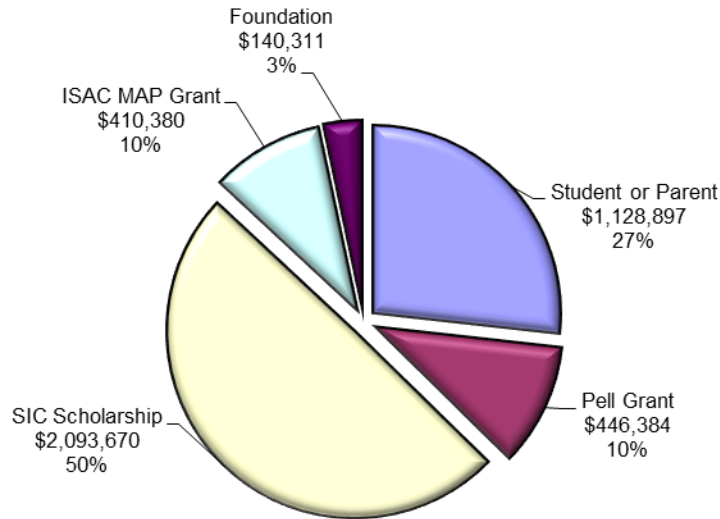
The following graph is a comparison of current and prior year of tuition and fee payments by the source of the payment:



**SOUTHEASTERN ILLINOIS COLLEGE
COMMUNITY COLLEGE DISTRICT #533
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Twenty-seven percent (27%) of total tuition and fees are paid by students. The remaining seventy-three percent (73%) is paid by student scholarships, Federal or State grants or the Southeastern Illinois College Foundation. The following is a graphic illustration of tuition and fee payment by source for FY2023:

Source of Tuition/Fee Payment



Significant Transactions and Changes in Individual Funds

The operating funds balance, represented by the combination of the Education and the Operations and Maintenance Funds experienced a \$1,635,375 decrease in FY2023 as opposed to the increase in FY2022 of \$738,618. Total operating revenue increased by \$1,149,431. Revenue from Student Tuition & Fees had the largest increase at \$641,438 with Other Revenue increasing by \$394,220 and Local Revenue by \$113,111. Total operating expenditures increased by \$2,236,322. All Program Areas increased except Student Services. Institutional Support saw the most significant increase at \$1,657,468 followed by Scholarships at \$340,140 and Operations & Maintenance at \$203,957. Individually, the Education Fund balance decreased \$1,198,623 and the Operation and Maintenance Fund decreased \$436,752.

The Liability, Protection and Settlement Fund balance increased \$380,897 in FY2023. The fund ends with a new reserve balance of \$2,593,569 for future liabilities and preventative risk management. Local property taxes are the source of revenues for this fund and are limited due to minimal growth of property value in the district. Due to potential volatility of the number and/or expense of claims possibly made against the district, this balance provides a reasonable surplus for unforeseen liabilities as well as for risk management initiatives to reduce the likelihood of such expenditures.

**SOUTHEASTERN ILLINOIS COLLEGE
COMMUNITY COLLEGE DISTRICT #533
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The Working Cash Fund balance remained the same at \$3,550,030. There presently is no repayment liability within FY2024.

The Capital Projects Fund balance decreased by \$589,664 to a balance of \$337,253. Several of the projects completed included renovating the current loading dock as well as construction of restrooms and a concession area located at the baseball and softball fields. Additional future projects scheduled for FY2024 include SIC's Main Campus Exterior Repairs, Main Campus HVAC Upgrades, and construction of Phase II of the Carmi Vocational Facility. These projects are partially funded by the ICCB Capital Development Board.

The Auxiliary Fund balance saw little change, decreasing by \$5,481 in FY2023 to a fund balance of \$1,779,499. The cafeteria and bookstore operations both ended the year with a slight profit. Beginning in FY2024, the child study center will no longer function as a part of SIC's auxiliary operations and instead will be operating independently under private ownership.

In FY2023, the college accepted the largest estate gift to date from the estate of Col. William C. Hise. In FY2024, the Restricted Purposes fund increased by \$2,620,868, largely due to the College receiving the final distribution from the Hise Estate in the amount of \$2,195,000.

Beginning in FY 2012 the Southeastern Illinois College Foundation was considered a component unit of Southeastern Illinois College as defined on page 17 and 18 of the notes to the financial statements. The Foundation's financial information is discretely presented on pages 14 and 15. The Total Net Position of the foundation at the end of FY2023 was \$4,893,429 compared to FY2022 of \$5,047,355, a decrease of \$153,926. See Note 11 starting on page 41 for further details.

BASIC FINANCIAL STATEMENTS

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**STATEMENT OF NET POSITION
JUNE 30, 2023**

	Southeastern Illinois College	Component Unit Southeastern Illinois College Foundation
ASSETS		
Current Assets		
Cash and cash equivalents - unrestricted	\$ 14,064,940	\$ 500,232
Restricted cash and cash equivalents	13,024,726	229,030
Receivables -		
Tuition and fees, net of allowance for doubtful accounts of \$232,805	175,131	-
Outside agencies	1,328,661	-
Fees, Child Study Center, net of allowance for doubtful accounts of \$0	6,407	-
Property taxes	5,755,254	-
Other	5,107	2,030
Inventories	365,535	-
Prepaid expenses	49,464	-
Assets held for sale	195,000	-
Unconditional promises to give, restricted for scholarships	-	5,314
Total Current Assets	<u>34,970,225</u>	<u>736,606</u>
Non-Current Assets		
Long-term investments	-	4,082,639
Property held for investment	-	69,500
Leased assets, net	57,362	-
Capital assets, net	21,293,214	17,508
Total Non-Current Assets	<u>21,350,576</u>	<u>4,169,647</u>
TOTAL ASSETS	<u>56,320,801</u>	<u>4,906,253</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred other post employment benefits	293,686	-
Federal, trust, or grant pension contributions	114,492	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>408,178</u>	<u>-</u>
LIABILITIES		
Current Liabilities		
Accounts payable	1,247,786	12,824
Due to primary government	-	-
Accrued expenses	923,347	-
Due to student groups	135,562	-
Unearned grants	264,413	-
Lease purchase payable	53,476	-
Bonds payable - current portion	1,348,000	-
Total Current Liabilities	<u>3,972,584</u>	<u>12,824</u>
Non-Current Liabilities		
Lease purchase payable	25,517	-
Bonds payable, net of premium	6,794,140	-
Other post employment benefits	2,032,314	-
Total Non-Current Liabilities	<u>8,851,971</u>	<u>-</u>
TOTAL LIABILITIES	<u>12,824,555</u>	<u>12,824</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred other post employment benefits	3,824,357	-
Deferred Heritage Festival booth rental fees	4,415	-
Deferred property taxes	5,755,254	-
Deferred tuition	173,346	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>9,757,372</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	17,289,930	-
Restricted for:		
Expendable - debt service	299,231	-
Expendable - restricted bonds payable	10,806,073	-
With donor restrictions	-	4,798,604
Without donor restrictions	-	94,825
Unrestricted	<u>5,751,818</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 34,147,052</u>	<u>\$ 4,893,429</u>

The accompanying notes are an integral part of these financial statements.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	Southeastern Illinois College	Component Unit Southeastern Illinois College Foundation
REVENUES		
Operating Revenues:		
Student tuition and fees, net of scholarship allowances of \$3,090,745	\$ 1,128,897	\$ -
Donations	-	479,201
Auxiliary enterprises revenue:		
Bookstore	268,865	-
Child study center fees	146,346	-
Other	366,660	-
Sales and services	55,240	-
Total operating revenues	<u>1,966,008</u>	<u>479,201</u>
EXPENSES		
Operating Expenses:		
Instruction	2,987,090	-
Academic support	312,971	-
Student services	1,215,189	814,782
Public services	1,285,880	-
Auxiliary services	1,284,140	-
Operation and maintenance of plant	2,239,284	-
Institutional support	3,509,960	-
Scholarships	1,551,787	-
Depreciation	730,645	-
On behalf payments	1,589,020	-
Total operating expenses	<u>16,705,966</u>	<u>814,782</u>
Operating income (loss)	<u>(14,739,958)</u>	<u>(335,581)</u>
NON-OPERATING REVENUES (EXPENSES)		
Property taxes	5,719,066	-
Replacement tax	760,700	-
State grants and contracts	5,291,332	-
Federal grants and contracts	3,993,853	-
Interest income	780,444	-
Interest expense	(288,557)	-
Gifts and other non-operating revenue	2,869,008	-
On behalf payments	1,589,020	-
Unrealized capital gains (losses)	-	181,655
Total non-operating revenues (expenses), net	<u>20,714,866</u>	<u>181,655</u>
Increase (decrease) in net position	5,974,908	(153,926)
Net Position - beginning of year	<u>28,172,144</u>	<u>5,047,355</u>
Net Position - end of year	<u>\$ 34,147,052</u>	<u>\$ 4,893,429</u>

The accompanying notes are an integral part of these financial statements.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Tuition and fees	\$ 957,604
Payments to and benefits for employees	(7,617,753)
Payments to suppliers	(7,307,719)
Auxiliary enterprise charges	783,679
Sales and services	55,240
Net cash used by operating activities	<u>(13,128,949)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Property taxes	5,719,066
Replacement taxes	760,700
Grants and contracts	12,857,025
Gifts and other non-operating revenue	2,672,946
Net cash provided by noncapital financing activities	<u>22,009,737</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal paid on lease purchase	(51,409)
Interest paid on lease purchase	(5,393)
Principal paid on bonds	(1,415,000)
Interest paid on bonds	(299,839)
Purchase of capital assets	(3,441,153)
Net cash used by capital and related financing activities	<u>(5,212,794)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	780,444
Net cash provided by investing activities	<u>780,444</u>
Net increase in cash and cash equivalents	4,448,438
Cash and cash equivalents - beginning of year	<u>22,641,228</u>
Cash and cash equivalents - end of year	<u><u>\$ 27,089,666</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	\$ (14,739,958)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation expense	730,645
On behalf revenues	1,589,020
Increase in tuition and fees receivable	(39,851)
Decrease in Child Study Center fees receivable	3,163
Increase in inventories	(24,094)
Increase in prepaid expense	(37,378)
Increase in federal, trust, or grant pension contributions	(41,643)
Increase in deferred post employment benefits	(990,274)
Increase in accounts payable	209,532
Increase in accrued expenses, excluding accrued interest payable	79,168
Increase in amounts due to student groups	1,105
Increase in unearned grants	264,413
Decrease in deferred Heritage Festival booth rental fees	(1,355)
Increase in deferred tuition	(131,442)
Net cash used by operating activities	<u><u>\$ (13,128,949)</u></u>
Cash and cash equivalents - unrestricted	\$ 14,064,940
Cash and cash equivalents - restricted	13,024,726
Total cash and cash equivalents	<u><u>\$ 27,089,666</u></u>

The accompanying notes are an integral part of these financial statements.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: Summary of Significant Accounting Policies

Southeastern Illinois Community College District No. 533 (the College) is organized under the Illinois Public Community College Act with partial funding by the Illinois Community College Board. The College's district encompasses parts of eight counties in Southeastern Illinois. The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The College reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

A. Reporting Entity

The accompanying financial statements include all entities for which the Board of Trustees of the College has financial accountability.

In defining the financial reporting entity, the College has considered whether there are any potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units," and GASB Statement No. 61, "Financial Reporting Entity". The primary criterion for including a potential component unit within the reporting entity is the financial accountability that the elected officials of the primary government have for the component unit, as well as the presence of a financial benefit or burden relationship between the primary government and the component unit.

The criteria used in assessing financial accountability consist of (1) the primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government; and (2) the primary government may be financially accountable if the organization is fiscally dependent.

Fiscal dependency is determined if a component unit possesses one or more of the following characteristics: (1) it is unable to determine its budget without having the primary government approve or modify the budget; (2) it is unable to levy taxes or set rates or charges without approval by the primary government; or (3) it is unable to issue debt without approval of the primary government.

A financial benefit or burden relationship exists between the primary government and the component unit if any one of the following conditions exist: (1) the primary government is legally entitled to or can otherwise access the organization's resources; (2) the primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (3) the primary government is obligated in some manner for the debt of the organization.

Where no financial accountability exists, a legally separate, tax-exempt organization is reported as a component unit if all three of the following criteria are met: (1) the economic resources received or held by the organization are for the direct benefit of the primary government or its constituents; (2) the primary government is entitled to or has the ability to otherwise access a majority of the organization's economic resources; and (3) the economic resources received or held by the organization are significant to the primary government.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Concluded)

Using these criteria, the Southeastern Illinois College Foundation (“Foundation”) has been determined to be a legally separate, tax-exempt component unit of the College. The Foundation was organized and operates exclusively for educational and charitable purposes designed to promote the welfare of the College. The board of the Foundation consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources, or income thereof, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College’s financial statements. Complete financial statements for the Foundation can be obtained from the Foundation office.

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

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

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

The accounting and reporting policies of the College conform to generally accepted accounting principles applicable to government units and Illinois community colleges. The GASB is the accepted standard setting body for establishing accounting and financial reporting principles. These authoritative pronouncements are consistent with the accounting practices prescribed or permitted by the Illinois Community College Board (ICCB), as set forth in the ICCB Fiscal Management Manual. The following is a summary of the more significant policies.

C. Classification of Revenues

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) certain federal, state, and local grants and contracts and federal appropriations, and (4) gifts and contributions.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Budgets

Although the College adopts an expanded operational budget, the budget legally required by the Illinois Community College Board contains only a statement of the cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such year.

E. Use of Estimates

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

F. Cash and Cash Equivalents

Cash includes deposits held at banks and small amounts of cash on hand and petty cash funds. Illinois Funds Money Market Fund is considered to be cash equivalent due to their liquidity or short-term nature.

G. Receivable from Outside Agencies

Receivables consist of tuition and fee charges to students, auxiliary enterprise fees for services provided to students, faculty, and staff, the majority of each residing in Illinois, and property tax receivables. These receivables are recorded net of estimated uncollectible amounts, which is based on management's assessment of collectability of specific students' accounts and the aging of the accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. All accounts, or portions thereof, deemed to be uncollectible or to require an excessive collection cost are written-off to the allowance for doubtful accounts.

The receivable from outside agencies is made up of amounts due from various governmental agencies. The amounts from the governmental agencies are considered to be 100% collectible.

H. Tuition Received in Advance

Summer and fall tuition received in advance includes tuition and fees collected during the fiscal year which relate to the period after June 30, 2023 and are reported as deferred tuition at June 30, 2023.

I. Inventories

Inventories consisting of textbooks, college apparel, food, and miscellaneous school supplies are stated at the lower of average cost or net realizable value.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Capital Assets

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

Depreciation is computed by the straight-line method over the estimated lives as follows:

<u>Type of Property and Equipment</u>	<u>Estimated Useful Life</u>
Land improvements	20 Years
Buildings	50 Years
Equipment	5-15 Years

K. Deferred Outflows/Inflows of Resources

Deferred inflows of resources are defined under GASB Statement No. 63 as acquisitions of net assets that are applicable to a future reporting period and should be reported as having a similar impact on net position as liabilities. At June 30, 2023, deferred inflows of resources included tax levies accrued that are levied for use in the next fiscal year, student tuition and fees that were collected or accrued for the next academic year, Heritage Fest booth fees, deferred grants, and the unamortized portion of the net difference between projected and actual earnings on OPEB investments.

Deferred outflows are defined under GASB Statement No. 63 as a consumption of net assets by the College that is applicable to a future reporting period and should be reported as having a similar impact on net position as assets. For the College, pension payments related to employees with federally funded positions and made subsequent to the pension liability measurement date are considered to be deferred outflows in accordance with GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. Changes in assumptions and differences between expected and actual experience of the College's other postemployment benefit (OPEB) plans are considered to be deferred outflows. Changes in proportion and differences between employer contributions and actual contributions and its proportionate share of contributions to the plan relative to all employers is also considered to be a deferred outflow.

L. Amortization of Bond Issuance Premium/Discount

The College amortizes bond issuance premiums and discounts by the effective interest method over the period the related bond issue is outstanding. The bond premium/discount is amortized by using the same interest rate as the related bond issue, and the current period amortization is shown as a decrease (for a premium) or increase (for a discount) to current period interest expense.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Net Position

Net Investment in Capital Assets – This represents the College’s total investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – Expendable – This includes assets/resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties, reduced by any liabilities and deferred inflows of resources related to those assets. Sources of restricted revenue include federal, state, and private grants and contracts. Externally restricted funds may be utilized only in accordance with the purpose established by the source of such funds and are in contrast with unrestricted funds over which the Board of Trustees retains full control to use in achieving any of its institutional purposes. When both restricted and unrestricted resources are available for use, it is the College’s policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted Net Position – This represents assets/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 Board of Trustees to meet current expenses for any lawful purpose.

N. Insurance Coverage

Significant losses are covered by commercial insurance for all major programs: property, liability, and workman’s compensation. During the year ended June 30, 2023, there were no significant reductions in coverage. Also, there have been no settlement amounts exceeding insurance coverage in the past three years.

O. Pensions

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

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

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: Summary of Significant Accounting Policies (Continued)

O. Pensions (Concluded)

The College recognizes its proportionate share of the State's pension expense relative to the College's employees as non-operating revenue and pension expense, with the expense further allocated to the related function by employees.

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the other postemployment benefits (OPEB) obligations, deferred outflows of resources and deferred inflows of resources related to OPEB, and benefits expense, information about the net position of the OPEB plans and additions to and deductions from the OPEB plans' net positions have been determined on the same basis as they are reported by the OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

R. Federal Financial Assistance Programs

The College participates in federally funded PELL Grants, FSEOG Grants, and Federal Work-Study Programs. Federal programs are audited in accordance with the Title 2 *U.S Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Federal Awarding Agency Regulatory Implementation of Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audit of States, Local Governments and Non-Profit Organizations*, and the *Compliance Supplement*.

S. Property Taxes

Property tax revenues are reported in accordance with the National Council on Governmental Accounting (NCGA) Interpretation No. 3, Revenue Recognition – Property Taxes, GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, and GASB Interpretation No. 5, Property Tax Revenue Recognition in Governmental Funds. Consequently, under the accrual basis of accounting, property tax revenue is recognized in the period for which the tax levies are extended to finance. Property tax receivables are reported when the College has an enforceable legal claim to the taxes, which is considered to be the lien date.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: Summary of Significant Accounting Policies (Concluded)

T. Component Unit

The Foundation is required to report information regarding its financial position and activities based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give as applicable, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of donated noncash assets are recorded at their fair values in the period received.

Expenses are reported as decreases in net assets without donor restrictions. Gain and losses on investments and other assets or liabilities are reported as increases or decreases in the appropriate net position class as determined by donor stipulation and in accordance with the law.

U. Date of Management's Review

The College has evaluated subsequent events through December 4, 2023, the date which the financial statements were available to be issued.

NOTE 2: Cash and Cash Equivalents

As of June 30, 2023, the carrying balance of the College's cash deposits was \$27,089,666, which includes \$28,876 of cash on hand, and the bank balance was \$25,309,087, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution in the College's name.

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. As of June 30, 2023, \$23,184,467 of the College's bank balance was exposed to custodial credit risk.

The Illinois Funds Money Market Fund is a money market fund created in 1975 by the Illinois General Assembly. Its primary purpose is to provide custodians of public funds with an alternative investment vehicle which enable them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2: Cash and Cash Equivalents (Concluded)

The monies invested by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements.

The time deposits are collateralized 101% over FDIC's \$250,000 insurance with U.S. Treasury obligations and marked to market on a daily basis to maintain sufficiency. The repurchase agreements are collateralized at 100% with U.S. Treasury obligations and the collateral is checked daily to determine sufficiency.

The individual participants maintain separate investment accounts representing a proportionate share of the pool of assets and its respective collateral; therefore no collateral is identified with each individual participant's account. Given the nature of the Illinois Funds Money Market Fund, the carrying value approximates market value.

NOTE 3: Changes in Capital Assets

The following is a schedule of the College's investment in capital assets. The investment in capital assets is determined by reducing historical cost by accumulated depreciation. Depreciation expense for June 30, 2023 was \$762,130, which includes \$31,485 of auxiliary depreciation.

	Balance 07-01-22	Additions	Deletions	Transfers	Balance 06-30-23
Capital assets not being depreciated:					
Land	\$ 266,405	\$ -	\$ -	\$ -	\$ 266,405
Construction in progress	583,538	2,779,428	(249,258)	-	3,113,708
	<u>849,943</u>	<u>2,779,428</u>	<u>(249,258)</u>	<u>-</u>	<u>3,380,113</u>
Capital assets being depreciated:					
Land improvements	1,793,546	460,897	(68,210)	-	2,186,233
Leased assets	111,248	-	-	-	111,248
Buildings	24,778,253	313,677	-	-	25,091,930
Equipment	2,995,737	238,920	(90,288)	-	3,144,369
	<u>29,678,784</u>	<u>1,013,494</u>	<u>(158,498)</u>	<u>-</u>	<u>30,533,780</u>
Total capital assets at historical cost	<u>30,528,727</u>	<u>3,792,922</u>	<u>(407,756)</u>	<u>-</u>	<u>33,913,893</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3: Changes in Capital Assets (Concluded)

	Balance 07-01-22	Additions	Deletions	Transfers	Balance 06-30-23
Less accumulated depreciation:					
Land					
improvements	1,128,510	49,714	-	-	1,178,224
Leased assets	39,980	13,906	-	-	53,886
Buildings	8,428,771	488,095	-	-	8,916,866
Equipment	2,291,399	210,415	(87,473)	-	2,414,341
	<u>11,888,660</u>	<u>762,130</u>	<u>(87,473)</u>	<u>-</u>	<u>12,563,317</u>
Capital Assets, Net	<u>\$ 18,640,067</u>	<u>\$ 3,030,792</u>	<u>\$ (320,283)</u>	<u>\$ -</u>	<u>\$ 21,350,576</u>

NOTE 4: Changes in Long-Term Debt

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

Bond payable at July 1, 2022	\$ 9,571,488
Bonds retired	(1,415,000)
Bond premium amortization	(14,348)
Bond payable at June 30, 2023	<u>\$ 8,142,140</u>
Lease purchases payable at July 1, 2022	\$ 130,401
Lease principal paid	(51,408)
Lease purchases payable at June 30, 2023	<u>\$ 78,993</u>

The following is a description of the bond issues and the debt service requirement to maturity:

June 1, 2017 – Alternate Revenue Bonds, Series 2017A

Purpose: Expendable - unrestricted

Maturity Date – December 1, 2026

Total Issue \$4,500,000

Interest Rate 3.875% - 4.25%

Fiscal Year	Principal	Interest	Total
2024	\$ 625,000	\$ 171,041	\$ 796,041
2025	1,535,000	129,191	1,664,191
2026	1,640,000	64,600	1,704,600
2027	700,000	14,875	714,875
	<u>\$ 4,500,000</u>	<u>\$ 379,707</u>	<u>\$ 4,879,707</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4: Changes in Long-Term Debt (Continued)

May 14, 2019 – General Obligation Bonds, Series 2019
Maturity Date – December 1, 2027
Purpose: Remodeling and upgrades to physical facilities
Total Issue \$2,870,000
Interest Rate 2.875% - 3.25%

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 89,356	\$ 89,356
2025	-	89,356	89,356
2026	-	89,356	89,356
2027	1,045,000	74,334	1,119,334
2028	1,825,000	29,656	1,854,656
	<u>\$ 2,870,000</u>	<u>\$ 372,058</u>	<u>\$ 3,242,058</u>

September 3, 2019 – General Obligation Bonds, Series 2019A
Purpose: Expendable - unrestricted
Maturity Date – December 1, 2023
Total Issue \$3,473,000
Interest Rate 1.880%

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 723,000	\$ 6,796	\$ 729,796
	<u>\$ 723,000</u>	<u>\$ 6,796</u>	<u>\$ 729,796</u>

SAN – Backup System lease purchase agreement with Peoples National Bank
Dated August 5, 2019
Maturity Date – July 31, 2023
Lease amount - \$110,296
Lease term – 4 annual payments
Interest at 3.980%

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 29,130	\$ 1,325	\$ 30,455
	<u>\$ 29,130</u>	<u>\$ 1,325</u>	<u>\$ 30,455</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4: Changes in Long-Term Debt (Concluded)

At June 30, 2023, the College's future cash flow requirements for retirement of bond principal and interest obligations and other long-term debt obligations by fiscal year were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,401,518	\$ 270,635	\$ 1,672,153
2025	1,560,475	219,865	1,780,340
2026	1,640,000	153,956	1,793,956
2027	1,745,000	89,209	1,834,209
2028	1,825,000	29,656	1,854,656
	<u>\$ 8,171,993</u>	<u>\$ 763,321</u>	<u>\$ 8,935,314</u>

Included in long-term debt payable, but not included in the above schedule of future cash flow requirements, is \$49,410 of unamortized bond issuance premium.

NOTE 5: Property Taxes

The 2022 property tax extension has been deferred to comply with Government Accounting Standards Board Statement No. 33 since it was levied to finance activities of the 2023/2024 academic year. In accordance with these guidelines, property tax revenue is to be recognized in the period the levy is intended to finance.

The College must file its tax levy ordinance by the last Tuesday in December of each year. The College's property tax is levied each year on all taxable real property located within the District. These taxes attach an enforceable lien on real property as of January 1 and are payable in two installments; due dates vary by county. The College receives significant property tax receipts from July through November.

The following are the tax rates permitted and the actual rates levied per \$100 of assessed valuation.

	<u>Maximum Rate</u>	<u>Actual Rate</u>	
		<u>2022 Levy Payable 2023</u>	<u>2021 Levy Payable 2022</u>
Education	.28000	0.27487	0.27534
Operations and Maintenance	.10000	0.09817	0.09966
Tort Immunity	Unlimited	0.22529	0.22535
Audit	.00500	0.00492	0.00499
Social Security	Unlimited	0.01560	0.01611
Bond and Interest	Unlimited	0.24054	0.26888
		<u>0.85939</u>	<u>0.89033</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

Southeastern Illinois Community College District No. 533 contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (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 and community colleges, 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 Annual Comprehensive Financial Report (ACFR) as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 (effective January 1, 1998) established an alternative defined benefit program known as the portable benefit package. Tier 1 of the traditional and portable plan 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 reciprocal system service. 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 whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2022 can be found in the SURS ACFR.

Contributions

The State is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within 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 2022 and fiscal year 2023, respectively, was 12.32% and 12.83% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6: Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Contributions (Concluded)

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), Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

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

Net Pension Liability

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

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the NPL to be recognized for Southeastern Illinois Community College District No. 533 is \$0. The proportionate share of the State’s NPL associated with the Southeastern Illinois Community College District No. 533 is \$38,977,677 or 0.1340%. The Southeastern Illinois Community College District No. 533’s proportionate share changed by (0.0097%) from 0.1438% since the last measurement date on June 30, 2021. This amount is not recognized in Southeastern Illinois Community College District No. 533’s financial statements. The NPL and total pension liability as of June 30, 2022, was determined based on the June 30, 2021, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2021.

Defined Benefit Pension Expense

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

Employer Proportionate Share of Defined Benefit Pension Expense

The employer proportionate share of collective defined benefit pension expenses is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2021. As a result, Southeastern Illinois Community College District No. 533 recognized revenue and defined benefit pension expense of \$2,551,298 for the fiscal year ended June 30, 2023.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6: Defined Benefit Pension Plan (Continued)

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

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 31,973,496	\$ 28,674,599
Changes in assumption	279,362,441	982,954,268
Net differences between projected and actual earnings on pension plan investments	31,628,935	-
Total	<u>\$ 342,964,872</u>	<u>\$ 1,011,628,867</u>

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

Year Ending June 30	Net Deferred Outflows of Resources
2023	\$ (332,941,204)
2024	(528,966,820)
2025	(249,490,775)
2026	442,534,804
2027	-
Thereafter	-
Total	<u>\$ (668,663,995)</u>

Southeastern Illinois College's Deferral of Fiscal Year 2023 Contributions

Southeastern Illinois Community College District No. 533 paid \$114,492 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2023. These contributions were made subsequent to the pension liability measurement date of June 30, 2022, and are recognized as deferred outflows of resources as of June 30, 2023.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6: Defined Benefit Pension Plan (Continued)

Assumptions and Other Inputs

Actuarial Assumptions

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

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

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 the arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6: Defined Benefit Pension Plan (Continued)

Assumptions and Other Inputs (Concluded)

Actuarial Assumptions (Concluded)

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	38.0%	7.62%
Stabilized Growth		
Public Credit Fixed Income	9.0%	4.20%
Credit Real Assets	4.5%	4.98%
Options Strategies	2.5%	4.91%
Private Credit	1.0%	7.45%
Non-Traditional Growth		
Private Equity	10.5%	11.91%
Non-Core Real Assets	2.5%	9.43%
Inflation Sensitive		
U.S. TIPS	5.0%	1.23%
Principal Protection		
Core Fixed Income	8.0%	1.79%
Crisis Risk Offset		
Systemic Trend Following	10.0%	4.33%
Alternative Risk Premia	5.0%	3.59%
Long Duration	4.0%	2.16%
Total	100%	6.08%
Inflation		2.25%
Expected Arithmetic Return		8.33%

Discount Rate

A single discount rate of 6.39% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 3.69% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6: Defined Benefit Pension Plan (Concluded)

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

Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.39%, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

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

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

NOTE 7: Defined Contribution Pension Plan

Plan Description

Southeastern Illinois Community College District No. 533 contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State of Illinois (State) makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities and community colleges, certain 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.

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 extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in wither the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2022, can be found in SURS Annual Comprehensive Financial Report – Notes to the Financial Statements.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7: Defined Contribution Pension Plan (Concluded)

Contributions

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

Forfeitures

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

Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense

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

Employer Proportionate Share of Defined Contribution Pension Expense

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2022. Southeastern Illinois Community College District No. 533's share of pensionable contributions was 0.0572%. As a result, Southeastern Illinois Community College District No. 533 recognized revenue and defined contribution pension expense of \$51,314 from this special funding situation during the year ended June 30, 2023, of which \$5,069 constituted forfeitures.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8: Post-Employment Benefits

Plan Description

Southeastern Illinois Community College District No. 533 contributes to the Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program “CIP”) that was established under the State Employees Group Insurance Act of 1971, as amended, 5 ILCS 375/6.9(f), which became effective July 1, 1999. The purpose of the CCHISF is to receive and record all revenues from the administration of health benefit programs under Article 15 of the Illinois Pension Code.

The CCHISF is a cost-sharing, multiple-employer defined benefit OPEB Trust Fund, which has a special funding situation as described in 40 ILCS 15/1.4. A non-employer (the State) is required by statute to contribute a defined percentage of participant payroll directly to the OPEB plan, which is administered through a trust.

CCHISF has no component units. CCHISF is considered a fiduciary component unit of the State of Illinois due to fiscal dependency on the State. The financial statements of the CCHISF are included in the financial statements of the State of Illinois as a pension (and other employee benefit) trust fund. This fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing health benefits to retirees, as established under the plan and associated administrative cost.

Benefits Provided

Through the trust the State provides health, dental, vision, and life insurance benefits for retirees and their dependents. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and their dependents under the State’s self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed care health plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employees’ Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retire on or after January 1, 1998, the annuitant’s contribution is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits.

Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

The State pays for a portion of the employer costs for the benefits provided. The total cost of the State’s portion of the health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expenditure by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and the dependents.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8: Post-Employment Benefits (Continued)

Benefits Provided (Concluded)

A summary of post-employment benefit provision, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department of Central Management Services, may be obtained by writing to the Department of Central Management Services, Stratton Office Building, 401 South Spring Street, Springfield, IL 62706.

Contributions

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from the district.

Administrative costs are paid by the CCHISF. At June 30, 2023, the College's policy was not to subsidize health insurance premiums of their retirees.

Employers participating in a cost-sharing OPEB plan, and any non-employer contributing entities that meet the definition of a special funding situation, are required to recognize their proportionate share of the collective OPEBs amounts for the OPEB benefits provided to members through the CCHISF plan. During fiscal year 2022, the College recognized OPEB contributions of \$27,997.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8: Post-Employment Benefits (Continued)

Actuarial Assumptions

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

Inflation	2.25%
Salary increases	Depends on age and service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of services to 3.00% at 34 or more years of services for employees over 50. Salary increase includes a 3.00% wage inflation assumption
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend rates for plan year 2023 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, declining gradually to an ultimate rate of 4.25% in 2039.

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

Projected benefit payments are required to be discounted to their actuarial present values 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 bonds 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 the CIP fund is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.69% as of June 30, 2022, and 1.92% as of June 30, 2021.

The increase in the single discount rate from 1.92% to 3.69% caused the College's total OPEB liability to decrease by approximately \$2,915,652 from 2021 to 2022.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8: Post-Employment Benefits (Continued)

Actuarial Assumptions (Concluded)

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of the future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of the benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

During the plan year ending June 30, 2022, the collective trust earned \$16,000 in interest and due to the significant benefit payable, the market value of assets at June 30, 2022 of the collective trust is a negative \$123.6 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumptions was set to zero.

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the discount rate assumption

The following presents the College's proportionate share of the collective net OPEB liability as of June 30, 2022 calculated using a single discount rate of 3.69%, as well as what the College's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current discount rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Employer's proportionate share of the collective net OPEB liability	\$ 2,224,730	\$ 2,032,314	\$ 1,867,771

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8: Post-Employment Benefits (Continued)

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates assumption

The following table shows the College's net OPEB liability as of June 30, 2022, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower.

	1% Decrease(b)	Healthcare Cost Trend Rates(a)	1% Increase(c)
Employer's proportionate share of the collective net OPEB liability	\$ 1,816,184	\$ 2,032,314	\$ 6,367,049

(a) Current healthcare trend rates – Pre-Medicare per capita costs: 9.18% in 2023, 8.00% in 2023, decreasing by 0.25% per year to an ultimate rates of 4.25% in 2039. Post-Medicare per capita costs: 2.98% in 2023, 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 5.86% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2039.

(b) One percentage point decrease in current healthcare trend rates – Pre-Medicare per capita costs: 8.18% in 2023, 7.00% in 2023, decreasing by 0.25% per year to an ultimate rates of 3.25% in 2039. Post-Medicare per capita costs: 1.98% in 2023, 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 4.86% in 2034 decreasing ratably to an ultimate trend rate of 3.25% in 2039.

(c) One percentage point increase in current healthcare trend rates – Pre-Medicare per capita costs: 10.18% in 2023, 9.00% in 2023, decreasing by 0.25% per year to an ultimate rates of 5.25% in 2039. Post-Medicare per capita costs: 3.98% in 2023, 0.00% from 2024 to 2028, 20.42% from 2029 to 2033, 6.86% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2039.

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

The collective net OPEB liability was measured as of June 30, 2022. At June 30, 2022, the CCHISF reported a net OPEB liability of \$684,560,152.

At June 30, 2023, the College reported a liability for its proportionate share of the net OPEB liability that is reflected as a reduction for State OPEB support provided to the College. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the collective net OPEB liability was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of the College, actuarially determined. At June 30, 2022, the College's proportion was \$2,032,314 (0.296879%), which was an increase of 0.011781% from its proportion measured as of June 30, 2021 of \$4,947,966 (0.285098%). The State's support and total are for disclosure purposes only. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follow:

Employer's proportionate share of the net OPEB liability	\$ 2,032,314
State's proportionate share of the net OPEB liability associated with the employer	<u>2,032,314</u>
Total	<u>\$ 4,064,628</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8: Post-Employment Benefits (Concluded)

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

For the year ending June 30, 2023, the College recognized OPEB expense and revenue of \$(962,278) for support provided on-behalf by the State. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 293,686	\$ 846,522
Changes of assumptions	-	2,739,495
Net difference between projected and actual earnings on OPEB plan investments	-	105
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	238,235
Total Deferred Amounts Related to OPEB	<u>\$ 293,686</u>	<u>\$ 3,824,357</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the College's OPEB expense as follows:

Year Ending June 30,	Net Deferred Inflows of Resources
2024	\$ 955,273
2025	946,394
2026	855,887
2027	617,167
2028	155,950
Total	<u>\$ 3,530,671</u>

Request for information

CCHISF has no component units and is not a component unit of any other entity. However, because CCHISF is not legally separate from the State of Illinois, the financials statements of the CCHISF are included in the financial statement of the State of Illinois as a pension (and other employee benefit) trust fund. The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's office, Division of Financial Reporting, 325 West Adams Street, Springfield, Illinois, 62704-1871.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9: Commitments

Federal & State Grants

The College has received a number of Federal and State grants for specific purposes which are subject to review and audit by grantor agencies. Such audits may result in requests for reimbursement to granting agencies for expenditures disallowed under the terms of the grants. Based on prior experience, College management believes that such disallowances, if any, will not be material.

Construction in Progress

As of June 30, 2023, the balance of \$2,779,428 in construction in progress consisted of the following projects: restrooms and concessions (formerly listed as ADA accessible athletic facilities); PHS weatherization project; PHS loading dock; telecommunication room; gym flooring; Carmi main entrance access control; and Carmi Vocational Center.

Vacation & Sick Pay

As of June 30, 2023, employees had earned but not taken annual vacation and sick pay, which at salary rates in effect at the end of the year, totaled approximately \$473,220. The College has appropriately reported this liability in their accrued expenses.

NOTE 10: Assets Held For Sale

During the fiscal year ended June 30, 2023, the College received a donation of the Hise Mansions (formerly the Lafayette Inn in Harrisburg, Illinois) from the estate of Col. William C. Hise. The College is holding the mansions and are actively attempting to sell them at a value of \$195,000.

NOTE 11: Discretely Presented Component Unit

Summary of Significant Accounting Policies

Nature of Organization

The Southeastern Illinois College Foundation is a not-for-profit charitable organization. The Foundation is dedicated to serving the needs of Southeastern Illinois College and its students.

Basis of Accounting

The financial statements of Southeastern Illinois College Foundation have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11: Discretely Presented Component Unit (Continued)

Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU 2016-14, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Cash

Cash consists of checking and savings accounts, and cash balances maintained by investment brokers.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The following is a brief description of each program:

Scholarships – Payout of scholarships administered by the Southeastern Illinois College Foundation.

College Support – The category includes the awarding of annual stipends and donations from Southeastern Illinois College Foundation to Southeastern Illinois College.

Fundraising – Expenses incurred in executing large fundraising events including the Rodney J. Brenner Memorial Buddy Bass Tournament and Junior Falcon Productions.

Management and General – This administrative category includes: personnel expenses, money management fees, awards and plaques, and board and committee meetings.

The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include personnel services, which are allocated based on management's estimate of time and effort. Directly identifiable expenses are charged to the appropriate program. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Southeastern Illinois College Foundation.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11: Discretely Presented Component Unit

Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Foundation recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities and changes in net assets. Conditional contributions or promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts on multi-year pledges is recorded as additional contribution revenue as either with or without donor restrictions based on any donor-imposed restrictions, if any, on the related contributions.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Promises To Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Investments

Investments, primarily consisting of equity securities and mutual funds, are stated at fair value. Investments in equity securities and mutual funds with readily determinable values are valued based on quoted market prices in active markets in which the securities are traded. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the consolidated statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

Investment Expenses

Expenses related to investment revenues, including custodial fees and investment advisory fees, amounted to \$30,306 and have been netted against investment income in the accompanying statement of activities.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11: Discretely Presented Component Unit (Continued)

Summary of Significant Accounting Policies (Continued)

Donated Assets

Donated marketable securities, property and equipment, and other noncash donations are recorded as contributions at their fair values at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. It is the Foundation's policy to imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are not restricted as to their use by the donor. Accordingly, those donations are recorded as increases in net assets with donor restrictions. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions each year for the amount of depreciation expense relating to the donated property and equipment.

Southeastern Illinois College provides office space and the necessary administrative services to the Foundation at no charge. The rental value of the office space is recorded at fair rental value equivalent to similar facility space. Other amounts have been recorded based on the actual cost to the College for the services.

In-kind Donations

The Foundation's offices are located on the campus of Southeastern Illinois College. No rent is paid by the Foundation for the use of the office space. The fair value of the annual rental is estimated to be \$1,214 and is included in contributions and expenses in the statement of activities.

Property and Equipment

It is the Foundation's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Property and equipment are depreciated using the straight-line method. Buildings are depreciated over estimated useful lives of 40 years, land improvements over 15 years, and equipment over 7 years.

Income Tax Status

The Foundation has been granted exempt status under Code Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for federal income tax has been made in the accompanying financial statements. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Foundation qualifies for the fifty percent (50%) charitable contributions deduction for individual donors. The Foundation's federal Exempt Organization Business Income tax Returns (Form 990) for 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11: Discretely Presented Component Unit (Continued)

Summary of Significant Accounting Policies (Concluded)

Endowment Funds

Financial accounting standards provide guidance on reporting on net asset classifications of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). Accounting standards also require additional disclosures about an organization's endowment funds (both donor-restricted and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of Illinois enacted UPMIFA effective June 30, 2009, the provisions of which apply to endowment funds existing on or established after that date. The Board of Trustees has determined that the majority of the Foundation's net assets with donor restrictions meet the definition of endowment funds under UPMIFA. Based on the Foundation's interpretation of UPMIFA, the Foundation has reviewed all of its endowment funds and classified them as appropriate under UPMIFA.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

Date of Management's Review

Southeastern Illinois College Foundation has evaluated subsequent events through December 4, 2023, the date which the financial statements were available to be issued. Management believes no such events require any additional disclosures.

Accounts Receivable

The Foundation had outstanding accounts receivable of \$2,030 at June 30, 2023. The entire amount was comprised of scholarship donations receivable.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11: Discretely Presented Component Unit (Continued)

Unconditional Promises to Give

The Foundation has two promises to give. All promises were made for the purpose of paying scholarships. These two promises to give are restricted for scholarships to be awarded to deserving students who meet certain criteria established by the donors.

As of June 30, 2023, the Foundations has promises to give totaling \$5,314. All of these promises to give are due during fiscal year 2024 and are unconditional. Management believes that they are fully collectible. Accordingly, no allowance for uncollectible promises to give has been recorded as of June 30, 2023.

Property Held for Investment

The Foundation holds property for investment purposes. Property purchased by the Foundation is valued at historical cost as of the date of acquisition. Property donated to the Foundation is valued at fair value as of the date of donation. Property held for investment purposes consists of the following at June 30, 2023:

Undeveloped real estate	\$ 69,500
Total property held for investment	<u>\$ 69,500</u>

Investments in Securities

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under the current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

1. Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.
2. Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. They include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
3. Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11: Discretely Presented Component Unit (Continued)

Investments in Securities (Concluded)

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgement, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

The Foundation invests in equity mutual funds, equity securities, and fixed income securities. Fair values for investments are determined by reference to published NAV per unit at the end of the last trading day of the year, which is the basis for transactions at that date. There were no changes in valuation techniques in the year ended June 30, 2023. The Foundation recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the year ended June 30, 2023.

Fair value measurements for investments reported at fair value on a recurring basis at June 30, 2023 were determined based on:

<u>Investments</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Identical Assets (Level 2)	Quoted Prices in Active Markets for Identical Assets (Level 3)	Total
Mutual funds	\$ 1,344,422	\$ -	\$ -	\$ 1,344,422
Stocks, options, & ETFs	1,838,196	-	-	1,838,196
Preferred/fixed rate cap sec	182,199	-	-	182,199
Fixed income securities	-	717,822	-	717,822
	<u>\$ 3,364,817</u>	<u>\$ 717,822</u>	<u>\$ -</u>	<u>\$ 4,082,639</u>

Donor-Designated Endowment Funds

The Foundation's endowment consists of funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions. Funds designated by the Board of Trustees to function as endowments are voluntary and may be reversed by the governing board at any time. Accordingly, they are reported as part of the without donor restrictions class of net assets.

Absent explicit donor stipulations to the contrary, the Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11: Discretely Presented Component Unit (Continued)

Donor-Designated Endowment Funds (Concluded)

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

Endowment Fund Type	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted	\$ -	\$ 4,752,492	\$ 4,752,492
Board-designated	(440,244)	-	(440,244)
	<u>\$ (440,244)</u>	<u>\$ 4,752,492</u>	<u>\$ 4,312,248</u>

Changes in endowment net assets as of June 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, July 1, 2022	\$ 40,257	\$ 5,007,098	\$ 5,047,355
Contributions	1,056	39,844	40,900
Investment income	35,570	131,852	167,422
Realized gain (loss)	22,812	9,467	32,279
Unrealized gain (loss)	180,563	31,398	211,961
Transfers to SIC	(679,266)	-	(679,266)
Investment fees	(30,306)	-	(30,306)
To correct beginning balance of endowment	(639,313)	161,217	(478,096)
Amounts appropriated for expenditures	<u>628,384</u>	<u>(628,384)</u>	<u>-</u>
Endowment net assets, June 30, 2023	<u>\$ (440,244)</u>	<u>\$ 4,752,492</u>	<u>\$ 4,312,248</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11: Discretely Presented Component Unit (Concluded)

Liquidity and Availability

The Southeastern Illinois College Foundation's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash held at Legence Bank	\$ 500,232
Cash held in Money Market with Wells Fargo	128,060
Cash held in Money Market with Ameriprise	100,970
Cash and Cash Equivalents	<u>\$ 729,262</u>

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the Foundation's Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the fee that may be accessed for management purposes of 1% per annum. Donor-restricted endowment funds are not available for general expenditures.

As part of the Foundation's liquidity management plan, cash in excess of the Foundation's daily requirements are invested in short-term investments, CDs, and money market funds as determined by the Foundation's Board.

At June 30, 2023, the carrying amount of the Foundation's deposits at financial institutions was \$500,232. The bank balance was \$561,226.

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. As of June 30, 2023, none of the Foundation's bank balance of \$561,226 was exposed to custodial credit risk.

Property and Equipment

The following is a summary of property and equipment as of June 30, 2023:

Equipment	\$ 36,960
Less accumulated depreciation	(19,452)
	<u>\$ 17,508</u>

Depreciation expense, for the year ended June 30, 2023, was \$2,122.

Net Assets

The following net assets were available for the following purposes as of June 30, 2023: \$4,798,604 of net assets with donor restrictions were available for scholarships for Southeastern Illinois College students and to support Southeastern Illinois College.

REQUIRED SUPPLEMENTARY INFORMATION

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
RETIREMENT SYSTEM OF ILLINOIS TREND DATA - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2023**

SCHEDULE OF SHARE OF NET PENSION LIABILITY	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	
SOUTHEASTERN ILLINOIS COLLEGE										
(a) Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	
(b) Proportion Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Portion of Nonemployer Contributing Entities' Total Proportion of										
(c) Collective Net Pension Liability Associated with Employer	38,071,682	40,000,273	43,559,675	38,298,102	\$ 39,014,776	\$ 40,897,381	\$ 44,129,485	\$ 41,013,109	\$ 38,977,677	
Total (b) + (c)	<u>\$ 38,071,682</u>	<u>\$ 40,000,273</u>	<u>\$ 43,559,675</u>	<u>\$ 38,298,102</u>	<u>\$ 39,014,776</u>	<u>\$ 40,897,381</u>	<u>\$ 44,129,485</u>	<u>\$ 41,013,109</u>	<u>\$ 38,977,677</u>	
Employer DB Covered Payroll	\$ 6,397,386	\$ 6,150,675	\$ 6,078,388	\$ 5,322,458	\$ 5,085,629	\$ 5,164,429	\$ 5,360,246	\$ 5,011,172	\$ 5,344,455	
Proportion of Collective Net Pension Liability associated with Employer as a Percentage of DB Covered Payroll	596.79%	650.34%	716.63%	719.56%	767.16%	791.91%	823.27%	818.43%	729.31%	
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%	
SCHEDULE OF CONTRIBUTIONS										
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
SOUTHEASTERN ILLINOIS COLLEGE										
Federal, Trust, Grant and Other Contribution	\$ 63,025	\$ 58,448	\$ 44,512	\$ 38,400	\$ 36,006	\$ 32,026	\$ 34,542	\$ 39,573	\$ 52,867	\$ 109,328
Contribution in Relation to Required Contribution	<u>63,025</u>	<u>58,448</u>	<u>44,512</u>	<u>38,400</u>	<u>\$ 36,006</u>	<u>\$ 32,026</u>	<u>\$ 34,542</u>	<u>\$ 39,573</u>	<u>\$ 52,867</u>	<u>\$ 109,329</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer Covered Payroll	724,425	499,129	350,764	306,464	288,973	260,586	265,300	311,598	429,115	852,128
Contributions as a Percentage of Covered Payroll	8.70%	11.71%	12.69%	12.53%	12.46%	12.29%	13.02%	12.70%	12.32%	12.83%
SOUTHEASTERN ILLINOIS COLLEGE										
On-Behalf Payments for Community College Health Insurance Program	\$ 29,702	\$ 30,114	\$ 30,114	\$ 26,604	\$ 25,504	\$ 26,204	\$ 27,393	\$ 26,508	\$ 27,997	\$ 30,282

* Note: The System implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

Fiscal Year 2023 Total DB Contributions: \$ 476,809

Fiscal Year 2023 Total RSP Contributions: \$ 37,693

**SOUTHEASTERN ILLINOIS COLLEGE
HARRISBURG, ILLINOIS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2023**

Changes of Benefit Terms.

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2022.

Changes of Assumptions.

In accordance with *Illinois Compiled Statutes*, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest, and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2017 to June 30, 2020 was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below and remain the same for the June 30, 2022, actuarial valuation.

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

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
OTHER POST-EMPLOYMENT BENEFIT SYSTEM OF ILLINOIS TREND DATA - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2023**

	2022	2021	2020	2019	2018	2017	2016
Employer's Proportion (percentage) of Collective Net OPEB Liability	29.687900%	28.509800%	28.836000%	0.291918%	0.292056%	0.306650%	0.332270%
Employer's Proportion (amount) of Collective Net OPEB Liability	\$ 2,032,314	\$ 4,947,966	\$ 5,429,140	\$ 5,512,985	\$ 5,505,996	\$ 5,592,175	\$ 6,047,163
Non-Employer Proportion (amount) of Collective Net OPEB Liability	2,032,314	4,947,966	5,429,140	5,512,985	5,505,996	-	6,300,629
TOTAL	<u>\$ 4,064,628</u>	<u>\$ 9,895,932</u>	<u>\$ 10,858,280</u>	<u>\$ 11,025,970</u>	<u>\$ 11,011,992</u>	<u>\$ 5,592,175</u>	<u>\$ 12,347,792</u>
Employer's Covered-Employee Payroll	\$ 852,128	\$ 429,115	\$ 311,598	\$ 260,586	\$ 288,973	\$ 306,464	\$ 350,764
Employer's Proportionate Share (amount) of the Collective Net OPEB Liability as a Percentage of the Employer's Covered Payroll	238.50%	1153.06%	1742.35%	2115.61%	1905.37%	1824.74%	1724.00%
Plan's Fiduciary Net Position as a Percent of Total OPEB Liability	-8.00%	-19.47%	-21.37%	-21.70%	-21.67%	-11.00%	-32.27%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
SCHEDULE OF STATE CONTRIBUTIONS - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2023**

	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contribution **	\$ 27,997	\$ 26,508	\$ 27,393	\$ 26,204	\$ 25,504	\$ 26,604	\$ 30,114
Contributions in Relation to the Employer's Covered-Employee Payroll	3.29%	6.18%	8.79%	10.06%	8.83%	8.68%	8.59%
Annual Contribution Deficiency (Excess) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** *Statutorily Required Contributions = Actual Contributions*

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
NOTES TO REQUIRED OPEB SUPPLEMENTARY INFORMATION - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2023**

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Sponsor's Fiscal year End	June 30, 2023

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you-go basis. Retired members contribute a percentage of premium rates based on service at retirement. The sponsor contributes claims and expenses in excess of retired member contributions. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Retirees' Share of Benefit-Related Costs	Healthcare premium rates for members depend on the date of retirement and the years of service earned at retirement. Members who retired before January 1, 1998, are eligible for single coverage at no cost to the member. Members who retire after January 1, 1998, are eligible for single coverage provided they pay a portion of the premium equal to 5 percent for each of service under 20 years. Eligible dependents receive coverage provided they pay 100 percent of the required dependent premium. Premiums for plan year 2022 and 2023 are based on actual premiums. Premiums after 2023 were projected based on the same healthcare cost trend rates applied to per capita claim costs.
Asset Valuation Method	Not applicable
Investment Rate of Return	Not applicable
Inflation	2.25%
Salary Increases	Depends on age and service and ranges from 12.75% at less than 1 year of service to 3.50% at 20 or more years of service, for under 50 years of age, and ranges from 12.00% at less than 1 year of service to 3.00% at 20 or more years of service, for over 50 years of age. Salary increase includes a 3.00% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2021, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: Pub-2010 Healthy Retiree Mortality Table. Disabled Annuitants: Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-2010 Employee Mortality Table and PubT-2010 Employee Mortality Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2023 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.77% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Other	Incurred but not paid healthcare claims liability was based on information provided by the plan sponsor. Total OPEB liability includes incurred but not paid liability of \$309,104,274 as of June 30, 2021, and \$18,815,357 as of June 30, 2022.

SUPPLEMENTAL INFORMATION

Financial Statements

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**COMBINED BALANCE SHEET - ALL FUND TYPES
JUNE 30, 2023**

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE	TOTALS (MEMO- RANDOM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	
ASSETS						
Cash and cash equivalents - unrestricted	\$ 12,577,048	\$ -	\$ -	\$ -	\$ 1,487,892	\$ 14,064,940
Cash and cash equivalents - restricted	135,562	12,230,011	321,900	337,253	-	13,024,726
Receivables -						
Tuition and fees, net of allowance for doubtful accounts of \$232,805	175,131	-	-	-	-	175,131
Outside agencies	267,931	1,042,536	-	-	18,194	1,328,661
Fees, Child Study Center, net of allowance for doubtful accounts of \$0	-	-	-	-	6,407	6,407
Southeastern Illinois College Foundation	5,107	-	-	-	-	5,107
Property taxes	2,501,050	1,679,075	1,575,129	-	-	5,755,254
Inventories	-	83,250	-	-	282,285	365,535
Prepaid expenses	8,343	41,121	-	-	-	49,464
Assets held for sale	-	195,000	-	-	-	195,000
Leased asset (net)	57,362	-	-	-	-	57,362
Property, plant, and equipment (net)	-	-	-	-	79,038	79,038
TOTAL ASSETS	<u>\$ 15,727,534</u>	<u>\$ 15,270,993</u>	<u>\$ 1,897,029</u>	<u>\$ 337,253</u>	<u>\$ 1,873,816</u>	<u>\$ 35,106,625</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 1,107,578	\$ 202,862	\$ -	\$ -	\$ 24,735	\$ 1,335,175
Accrued expenses	793,248	25,616	22,669	-	15,411	856,944
Due to student groups	135,562	-	-	-	-	135,562
Lease purchase payable	29,237	-	-	-	49,756	78,993
Total Liabilities	<u>2,065,625</u>	<u>228,478</u>	<u>22,669</u>	<u>-</u>	<u>89,902</u>	<u>2,406,674</u>
Deferred Inflows of Resources						
Deferred grants	-	264,413	-	-	-	264,413
Deferred Heritage Festival booth rental fees	-	-	-	-	4,415	4,415
Deferred property taxes	2,501,050	1,679,075	1,575,129	-	-	5,755,254
Deferred tuition	382,971	-	-	-	-	382,971
Total Deferred Inflows of Resources	<u>2,884,021</u>	<u>1,943,488</u>	<u>1,575,129</u>	<u>-</u>	<u>4,415</u>	<u>6,407,053</u>
Fund Balances						
Net investment in capital assets	-	-	-	-	79,038	79,038
Retained earnings unreserved	-	-	-	-	1,700,461	1,700,461
Fund balances -						
Restricted	135,562	13,099,027	299,231	337,253	-	13,871,073
Unrestricted	10,642,326	-	-	-	-	10,642,326
Total Fund Balances	<u>10,777,888</u>	<u>13,099,027</u>	<u>299,231</u>	<u>337,253</u>	<u>1,779,499</u>	<u>26,292,898</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 15,727,534</u>	<u>\$ 15,270,993</u>	<u>\$ 1,897,029</u>	<u>\$ 337,253</u>	<u>\$ 1,873,816</u>	<u>\$ 35,106,625</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023**

	GOVERNMENTAL FUND TYPES				TOTALS (MEMO- RANDOM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	
Revenues					
Local governments	\$ 3,162,219	\$ 1,575,868	\$ 1,741,679	\$ -	\$ 6,479,766
State governments	4,278,516	592,437	-	10,000	4,880,953
Federal governments	1,935	3,971,477	-	-	3,973,412
Student tuition and fees	4,251,706	-	-	-	4,251,706
Other sources	621,551	2,905,547	5,567	170	3,532,835
Total Direct Revenues	12,315,927	9,045,329	1,747,246	10,170	23,118,672
On behalf payments - Community College Health Insurance Program	-	(962,278)	-	-	(962,278)
On behalf payments - State Universities Retirement System	-	2,551,298	-	-	2,551,298
Total Revenues	12,315,927	10,634,349	1,747,246	10,170	24,707,692
Expenditures					
Instruction	3,086,313	1,056,284	-	-	4,142,597
Academic support	312,955	-	-	-	312,955
Student services	643,930	576,087	-	-	1,220,017
Public services	3,794	1,280,415	-	-	1,284,209
Auxiliary services	37,757	-	-	-	37,757
Operation and maintenance of plant	2,585,475	550,336	-	-	3,135,811
Institutional support	4,879,506	872,602	1,714,955	604,205	8,071,268
Scholarships	1,689,100	1,669,687	-	-	3,358,787
Total Direct Expenditures	13,238,830	6,005,411	1,714,955	604,205	21,563,401
On behalf payments - Community College Health Insurance Program	-	(962,278)	-	-	(962,278)
On behalf payments - State Universities Retirement System	-	2,551,298	-	-	2,551,298
Total Expenditures	13,238,830	7,594,431	1,714,955	604,205	23,152,421
Revenues over (under) expenditures	(922,903)	3,039,918	32,291	(594,035)	1,555,271
Other Financing Sources (Uses)					
Transfers in	2,463,618	95,728	-	4,371	2,563,717
Transfers out	(3,176,090)	(133,870)	-	-	(3,309,960)
Total Other Financing Sources (Uses)	(712,472)	(38,142)	-	4,371	(746,243)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,635,375)	3,001,776	32,291	(589,664)	809,028
Fund Balance - July 1, 2022	12,413,263	10,097,251	266,940	926,917	23,704,371
Fund Balance - June 30, 2023	\$ 10,777,888	\$ 13,099,027	\$ 299,231	\$ 337,253	\$ 24,513,399

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ALL BUDGETED GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023**

	GENERAL FUND		SPECIAL REVENUE FUNDS		DEBT SERVICE		CAPITAL PROJECTS	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
Revenues								
Local governments	\$ 2,666,300	\$ 3,162,219	\$ 1,572,600	\$ 1,575,868	\$ 1,715,781	\$ 1,741,679	\$ -	\$ -
State governments	4,245,872	4,278,516	2,488,185	592,437	-	-	-	10,000
Federal governments	-	1,935	5,223,233	3,971,477	-	-	-	-
Student tuition and fees	4,030,396	4,251,706	-	-	-	-	-	-
Other sources	169,256	621,551	120,867	2,905,547	300	5,567	100,000	170
Total Direct Revenues	11,111,824	12,315,927	9,404,885	9,045,329	1,716,081	1,747,246	100,000	10,170
On behalf payments - Comm College Health Insurance Program	-	-	-	(962,278)	-	-	-	-
On behalf payments - State Universities Retirement System	-	-	-	2,551,298	-	-	-	-
Total Revenues	11,111,824	12,315,927	9,404,885	10,634,349	1,716,081	1,747,246	100,000	10,170
Expenditures								
Instruction	3,242,454	3,086,313	1,987,022	1,056,284	-	-	-	-
Academic support	321,089	312,955	-	-	-	-	-	-
Student services	802,819	643,930	738,985	576,087	-	-	-	-
Public services	7,350	3,794	1,178,375	1,280,415	-	-	-	-
Auxiliary services	42,094	37,757	-	-	-	-	-	-
Operation and maintenance of plant	3,051,979	2,585,475	386,764	550,336	-	-	-	-
Institutional support	4,543,708	4,879,506	2,606,943	872,602	786,781	1,714,955	296,763	604,205
Scholarships	1,541,500	1,689,100	2,046,083	1,669,687	-	-	-	-
Total Direct Expenditures	13,552,993	13,238,830	8,944,172	6,005,411	786,781	1,714,955	296,763	604,205
On behalf payments - Comm College Health Insurance Program	-	-	-	(962,278)	-	-	-	-
On behalf payments - State Universities Retirement System	-	-	-	2,551,298	-	-	-	-
Total Expenditures	13,552,993	13,238,830	8,944,172	7,594,431	786,781	1,714,955	296,763	604,205
Revenues over (under) Expenditures	(2,441,169)	(922,903)	460,713	3,039,918	929,300	32,291	(196,763)	(594,035)
Other Financing Sources (Uses)								
Lease purchase proceeds		-						
Transfers in	3,025,806	2,463,618	85,371	95,728	-	-	206,000	4,371
Transfers out	(3,937,817)	(3,176,090)	(98,461)	(133,870)	-	-	-	-
Total Other Financing Sources (Uses)	(912,011)	(712,472)	(13,090)	(38,142)	-	-	206,000	4,371
Revenues and Other Financing Sources								
Over (Under) Expenditures and								
Other Financing Sources (Uses)	<u>\$ (3,353,180)</u>	<u>(1,635,375)</u>	<u>\$ 447,623</u>	<u>3,001,776</u>	<u>\$ 929,300</u>	<u>32,291</u>	<u>\$ 9,237</u>	<u>(589,664)</u>
Fund Balance - July 1, 2022		<u>12,413,263</u>		<u>10,097,251</u>		<u>266,940</u>		<u>926,917</u>
Fund Balance - June 30, 2023		<u>\$ 10,777,888</u>		<u>\$ 13,099,027</u>		<u>\$ 299,231</u>		<u>\$ 337,253</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023**

	PROPRIETARY FUND TYPE	
	ENTERPRISE	
	AUXILIARY FUND	
	BUDGET	ACTUAL
Operating Revenues		
Auxiliary Fund	\$ 664,950	\$ 719,111
Grants	(22,550)	83,199
Total Operating Revenues	642,400	802,310
Operating Expenses		
Auxiliary Fund		
Salaries	497,877	460,292
Contractual services	88,032	89,086
Supplies and materials	549,846	564,476
Conference and meeting expense	143,014	140,735
Fixed charges	53,802	56,718
Other	1,000	443
Scholarships	320,076	273,830
Total Operating Expenses	1,653,647	1,585,580
Operating Income (Loss)	(1,011,247)	(783,270)
Non-operating Revenues (Expenses)	1,000	31,546
Income (Loss) Before Operating Transfers	(1,010,247)	(751,724)
Operating Transfers In (Out)	713,735	746,243
Net Income (Loss)	\$ (296,512)	(5,481)
Retained Earnings - July 1, 2022		1,784,980
Retained Earnings - June 30, 2023		\$ 1,779,499

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023**

	PROPRIETARY FUND TYPE ENTERPRISE AUXILIARY FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Auxiliary enterprise charges	\$ 811,083
Grants and contracts	20,440
Payments to suppliers	(820,160)
Payments to employees	(462,467)
Payments for scholarships	(273,830)
Net Cash Used by Operating Activities	<u>(724,934)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Interfund transfers in	752,113
Interfund transfers out	(5,870)
Net Cash Provided by Noncapital Financing Activities	<u>746,243</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	(13,166)
Principal paid on lease purchase	(23,331)
Net Cash Used by Capital and Related Financing Activities	<u>(36,497)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on cash deposits	31,546
Net Cash Provided by Investing Activities	<u>31,546</u>
Net Increase in Cash and Cash Equivalents	16,358
Cash and Cash Equivalents - July 1, 2022	<u>1,471,534</u>
Cash and Cash Equivalents - June 30, 2023	<u><u>\$ 1,487,892</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (783,270)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation expense	31,485
Decrease in accounts receivable	30,568
Increase in inventory	(394)
Increase in accounts payable	202
Decrease in accrued expenses	(2,175)
Decrease in Heritage Festival booth rentals	(1,355)
Net Cash Used by Operating Activities	<u><u>\$ (724,939)</u></u>

SUPPLEMENTAL INFORMATION

Financial Statements

Governmental Fund Types

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2023

	EDUCATION FUND	OPERATIONS AND MAINTENANCE FUND	TOTALS
Assets and Deferred Outflows of Resources			
Assets			
Cash and Cash Equivalents - Unrestricted	\$ 10,451,350	\$ 2,125,698	\$ 12,577,048
Cash and Cash Equivalents - Restricted	135,562	-	135,562
Receivables -			
Tuition and fees, net of allowance for doubtful accounts of \$262,437	175,131	-	175,131
Outside agencies	197,267	70,664	267,931
Southeastern Illinois College Foundation	5,107	-	5,107
Property taxes	1,838,810	662,240	2,501,050
Leased assets, net	57,362	-	57,362
Prepaid expenses	8,343	-	8,343
	<u>12,868,932</u>	<u>2,858,602</u>	<u>15,727,534</u>
Total Assets	<u>\$ 12,868,932</u>	<u>\$ 2,858,602</u>	<u>\$ 15,727,534</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 356,331	\$ 751,247	\$ 1,107,578
Accrued expenses	767,850	25,398	793,248
Due to student groups	135,562	-	135,562
Lease payable	29,237	-	29,237
Total Liabilities	<u>1,288,980</u>	<u>776,645</u>	<u>2,065,625</u>
Deferred Inflows of Resources			
Deferred property taxes	1,838,810	662,240	2,501,050
Deferred tuition	382,971	-	382,971
Total Deferred Inflows of Resources	<u>2,221,781</u>	<u>662,240</u>	<u>2,884,021</u>
Fund Balances			
Unrestricted	9,222,610	1,419,716	10,642,326
Restricted	135,562	-	135,562
Total Fund Balances	<u>9,358,172</u>	<u>1,419,716</u>	<u>10,777,888</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,868,933</u>	<u>\$ 2,858,601</u>	<u>\$ 15,727,534</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	EDUCATION FUND	OPERATIONS AND MAINTENANCE FUND	TOTALS
Revenues			
Local governments	\$ 2,145,651	\$ 1,016,568	\$ 3,162,219
State governments	3,689,548	588,968	4,278,516
Federal governments	1,935	-	1,935
Student tuition and fees	4,251,706	-	4,251,706
Other sources	550,697	70,854	621,551
Total Revenues	10,639,537	1,676,390	12,315,927
Expenditures			
Instruction	3,086,313	-	3,086,313
Academic support	312,955	-	312,955
Student services	643,930	-	643,930
Public services	3,794	-	3,794
Auxiliary services	37,757	-	37,757
Operation and maintenance of plant	-	2,585,475	2,585,475
Institutional support	2,982,698	1,896,808	4,879,506
Scholarships	1,689,100	-	1,689,100
Total Expenditures	8,756,547	4,482,283	13,238,830
Revenues over (under) Expenditures	1,882,990	(2,805,893)	(922,903)
Other Financing Sources (Uses)			
Transfers in	94,477	2,369,141	2,463,618
Transfers out	(3,176,090)	-	(3,176,090)
Total Other Financing Sources (Uses)	(3,081,613)	2,369,141	(712,472)
Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(1,198,623)	(436,752)	(1,635,375)
Fund Balance - July 1, 2022	10,556,795	1,856,468	12,413,263
Fund Balance - June 30, 2023	\$ 9,358,172	\$ 1,419,716	\$ 10,777,888

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2023**

	AUDIT FUND	LIABILITY, PROTECTION, AND SETTLE- MENT FUND	RESTRICTED PURPOSES FUND	WORKING CASH FUND	TOTALS
Assets					
Cash and Cash Equivalents - Restricted	\$ 1,780	\$ 2,629,891	\$ 6,048,310	\$ 3,550,030	\$ 12,230,011
Receivables -					
Outside agencies	-	-	1,042,536	-	1,042,536
Property taxes	33,170	1,645,905	-	-	1,679,075
Inventories	-	-	83,250	-	83,250
Prepaid expenses	-	41,121	-	-	41,121
Assets held for sale	-	-	195,000	-	195,000
Total Assets	\$ 34,950	\$ 4,316,917	\$ 7,369,096	\$ 3,550,030	\$ 15,270,993
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 77,408	\$ 125,454	\$ -	\$ 202,862
Accrued expenses	-	35	25,581	-	25,616
Total Liabilities	-	77,443	151,035	-	228,478
Deferred Inflows of Resources					
Deferred property taxes	33,170	1,645,905	-	-	1,679,075
Deferred grants	-	-	264,413	-	264,413
Total Deferred Inflows of Resources	33,170	1,645,905	264,413	-	1,943,488
Fund Balances					
Restricted	1,780	2,593,569	6,953,648	3,550,030	13,099,027
Total Fund Balances	1,780	2,593,569	6,953,648	3,550,030	13,099,027
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 34,950	\$ 4,316,917	\$ 7,369,096	\$ 3,550,030	\$ 15,270,993

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	AUDIT FUND	LIABILITY, PROTECTION AND SETTLE- MENT FUND	RESTRICTED PURPOSES FUND	WORKING CASH FUND	TOTALS
Revenues					
Local governments	\$ 31,549	\$ 1,544,319	\$ -	\$ -	\$ 1,575,868
State governments	-	-	592,437	-	592,437
Federal governments	-	-	3,971,477	-	3,971,477
Other sources	11	70,334	2,795,809	39,393	2,905,547
Total Direct Revenues	31,560	1,614,653	7,359,723	39,393	9,045,329
On behalf payments - Community College Health Insurance Program	-	-	(962,278)	-	(962,278)
On behalf payments - State Universities Retirement System	-	-	2,551,298	-	2,551,298
Total On Behalf Payments	-	-	1,589,020	-	1,589,020
Total Revenues	31,560	1,614,653	8,948,743	39,393	10,634,349
Expenditures					
Instruction	-	-	1,056,284	-	1,056,284
Student services	-	-	576,087	-	576,087
Public services	-	-	1,280,415	-	1,280,415
Operation and maintenance of plant	-	550,336	-	-	550,336
Institutional support	50,220	683,420	138,962	-	872,602
Scholarships	-	-	1,669,687	-	1,669,687
Total Direct Expenditures	50,220	1,233,756	4,721,435	-	6,005,411
On behalf payments - Community College Health Insurance Program	-	-	(962,278)	-	(962,278)
On behalf payments - State Universities Retirement System	-	-	2,551,298	-	2,551,298
Total On Behalf Payments	-	-	1,589,020	-	1,589,020
Total Expenditures	50,220	1,233,756	6,310,455	-	7,594,431
Revenues over (under) Expenditures	(18,660)	380,897	2,638,288	39,393	3,039,918
Other Financing Sources (Uses)					
Transfers in	18,671	-	77,057	-	95,728
Transfers out	-	-	(94,477)	(39,393)	(133,870)
Total Other Financing Sources (Uses)	18,671	-	(17,420)	(39,393)	(38,142)
Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	11	380,897	2,620,868	-	3,001,776
Fund Balance - July 1, 2022	1,769	2,212,672	4,332,780	3,550,030	10,097,251
Fund Balance - June 30, 2023	\$ 1,780	\$ 2,593,569	\$ 6,953,648	\$ 3,550,030	\$ 13,099,027

SUPPLEMENTAL INFORMATION

Other

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**SCHEDULE OF VALUATIONS AND TAX EXTENSIONS - UNAUDITED
JUNE 30, 2023**

	2022 LEVY PAYABLE IN 2023		2021 LEVY PAYABLE IN 2022		2020 LEVY PAYABLE IN 2021	
	RATE	EXTENSION	RATE	EXTENSION	RATE	EXTENSION
Fund						
Education	0.27487	\$ 1,845,752	0.27534	\$ 1,757,025	0.28000	\$ 1,707,725
Operations and Maintenance	0.09817	659,211	0.09966	635,960	0.10000	609,902
Tort Immunity	0.22529	1,512,822	0.22535	1,438,024	0.22853	1,393,808
Audit	0.00492	33,038	0.00499	31,843	0.00500	30,495
Social Security	0.01560	104,754	0.01611	102,803	0.01365	83,252
Bond and Interest	0.24054	1,615,226	0.26888	1,715,802	0.28117	1,714,861
	<u>0.85939</u>	<u>\$ 5,770,803</u>	<u>0.89033</u>	<u>\$ 5,681,457</u>	<u>0.90835</u>	<u>\$ 5,540,043</u>
District Valuation		<u>\$ 671,499,942</u>		<u>\$ 638,129,349</u>		<u>\$ 609,901,670</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

Assessed Valuation - 2022 Levy	
Gallatin	\$ 82,915,793
Hamilton	10,886,200
Hardin	40,507,507
Johnson	16,121,990
Pope	68,463,878
Saline	291,918,715
White	173,045,459
Williamson	<u>1,912,114</u>
	<u>\$ 685,771,656</u>
 Debt Limit, 2.875% of Assessed Valuation	 \$ 19,715,935
 Less: Total Indebtedness	 <u>8,221,133</u>
 Legal Debt Margin	 <u>\$ 11,494,802</u>

UNIFORM FINANCIAL STATEMENT

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY
FOR THE YEAR ENDED JUNE 30, 2023**

	Education <u>Fund</u>	Operations and Maintenance <u>Fund</u>	Operations and Maintenance Fund (Restricted)	Bond and Interest <u>Fund</u>	Auxiliary Enterprises <u>Fund</u>	Restricted Purposes <u>Fund</u>	Working Cash <u>Fund</u>
Fund Balance July 1, 2022	\$ 10,556,795	\$ 1,856,468	\$ 926,917	\$ 266,940	\$ 1,784,980	\$ 4,332,780	\$ 3,550,030
Revenues:							
Local Tax Revenue	1,765,301	636,218	-	1,741,679	-	-	-
All Other Local Revenue	380,350	380,350	-	-	-	-	-
ICCB Grants	3,689,548	588,968	-	-	-	325,723	-
All Other State Revenue	-	-	10,000	-	62,759	266,714	-
Federal Revenue	1,935	-	-	-	20,440	3,971,477	-
Student Tuition and Fees	4,251,706	-	-	-	-	-	-
On-Behalf CIP	-	-	-	-	-	(962,278)	-
On-Behalf SURS	-	-	-	-	-	2,551,298	-
All Other Revenue	550,697	70,854	170	5,567	750,658	2,795,809	39,393
Total Revenues	<u>\$ 10,639,537</u>	<u>\$ 1,676,390</u>	<u>\$ 10,170</u>	<u>\$ 1,747,246</u>	<u>\$ 833,857</u>	<u>\$ 8,948,743</u>	<u>\$ 39,393</u>
Expenditures							
Instruction	\$ 3,086,313	\$ -	\$ -	\$ -	\$ 31,229	\$ 1,554,429	\$ -
Academic Support	312,955	-	-	-	16	-	-
Student Services	643,930	-	-	-	-	832,588	-
Public Service/Continuing Education	3,794	-	-	-	30,944	2,114,789	-
Organized Research	-	-	-	-	-	-	-
Auxiliary Services	37,757	-	-	-	1,249,562	-	-
Operations and Maintenance	-	2,585,475	-	-	-	-	-
Institutional Support	2,982,698	1,896,808	604,205	1,714,955	-	138,962	-
Scholarships, Grants, Waivers	1,689,100	-	-	-	273,830	1,669,687	-
Total Expenditures	<u>8,756,547</u>	<u>4,482,283</u>	<u>604,205</u>	<u>1,714,955</u>	<u>1,585,581</u>	<u>6,310,455</u>	<u>-</u>
Net Transfers	<u>(3,081,613)</u>	<u>2,369,141</u>	<u>4,371</u>	<u>-</u>	<u>746,243</u>	<u>(17,420)</u>	<u>(39,393)</u>
Fund Balance June 30, 2023	<u>\$ 9,358,172</u>	<u>\$ 1,419,716</u>	<u>\$ 337,253</u>	<u>\$ 299,231</u>	<u>\$ 1,779,499</u>	<u>\$ 6,953,648</u>	<u>\$ 3,550,030</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Audit Fund</u>	<u>Liability, Protection Settlement Fund</u>	<u>Building Bonds Proceeds Fund</u>	<u>PBC * Rental Fund</u>	<u>PBC * Operations and Maintenance Fund</u>	<u>Total</u>
Fund Balance July 1, 2022	\$ 1,769	\$ 2,212,672	\$ -	\$ -	\$ -	\$ 25,489,351
Revenues:						
Local Tax Revenue	31,549	1,544,319	-	-	-	5,719,066
All Other Local Revenue	-	-	-	-	-	760,700
ICCB Grants	-	-	-	-	-	4,604,239
All Other State Revenue	-	-	-	-	-	339,473
Federal Revenue	-	-	-	-	-	3,993,852
Student Tuition and Fees	-	-	-	-	-	4,251,706
On-Behalf CIP	-	-	-	-	-	(962,278)
On-Behalf SURS	-	-	-	-	-	2,551,298
All Other Revenue	11	70,334	-	-	-	4,283,493
Total Revenues	<u>\$ 31,560</u>	<u>\$ 1,614,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,541,549</u>
Expenditures						
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,671,971
Academic Support	-	-	-	-	-	312,971
Student Services	-	-	-	-	-	1,476,518
Public Service/Continuing Education	-	-	-	-	-	2,149,527
Organized Research	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	-	1,287,319
Operations and Maintenance	-	550,336	-	-	-	3,135,811
Institutional Support	50,220	683,420	-	-	-	8,071,268
Scholarships, Grants, Waivers	-	-	-	-	-	3,632,617
Total Expenditures	<u>50,220</u>	<u>1,233,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,738,002</u>
Net Transfers	<u>18,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance June 30, 2023	<u>\$ 1,780</u>	<u>\$ 2,593,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,292,898</u>

* Public Building Commission

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**UNIFORM FINANCIAL STATEMENT #2
SUMMARY OF FIXED ASSETS AND DEBT
FOR THE YEAR ENDED JUNE 30, 2023**

	Fixed Asset/Debt Account Groups <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Fixed Asset/Debt Account Groups <u>June 30, 2023</u>
Fixed Assets				
Land	\$ 266,405	\$ -	\$ -	\$ 266,405
Construction in Progress	583,530	2,779,428	249,258	3,113,700
Equipment & Furniture	2,791,810	225,754	90,288	2,927,276
Other Fixed Assets	26,565,047	774,574	68,210	27,271,411
Accumulated Depreciation	<u>(11,735,359)</u>	<u>(716,739)</u>	<u>(87,473)</u>	<u>(12,364,625)</u>
Net Fixed Assets	<u>\$18,471,433</u>	<u>\$ 3,063,017</u>	<u>\$ 320,283</u>	<u>\$21,214,167</u>
Fixed Debt				
Bonds Payable	\$ 9,508,000	\$ -	\$ (1,415,000)	\$ 8,093,000
Other Fixed Liabilities	<u>5,078,367</u>	<u>-</u>	<u>(2,967,060)</u>	<u>2,111,307</u>
Total Fixed Liabilities	<u>\$14,586,367</u>	<u>\$ -</u>	<u>\$ (4,382,060)</u>	<u>\$10,204,307</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**UNIFORM FINANCIAL STATEMENT #3
OPERATING FUNDS REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023**

	Education Fund	Operations and Maintenance Fund	PBC Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE				
Local Government Revenue:				
Local Taxes	\$ 1,765,301	\$ 636,218	\$ -	\$ 2,401,519
Chargeback Revenue	-	-	-	-
Other	-	-	-	-
CPPRT	380,350	380,350	-	760,700
	<u>2,145,651</u>	<u>1,016,568</u>	<u>-</u>	<u>3,162,219</u>
TOTAL LOCAL GOVERNMENT				
State Government:				
ICCB Base Operating Grant	1,113,704	-	-	1,113,704
ICCB Equalization Grant	2,355,872	588,968	-	2,944,840
ICCB Career & Technical Education	132,488	-	-	132,488
ICCB Performance Grant	13,590	-	-	13,590
Other ICCB Grants not listed above	73,894	-	-	73,894
Dept. of Corrections	-	-	-	-
Dept. of Veterans Affairs	-	-	-	-
Illinois Student Assistance Commission	-	-	-	-
Other State not listed above	-	-	-	-
	<u>3,689,548</u>	<u>588,968</u>	<u>-</u>	<u>4,278,516</u>
TOTAL STATE GOVERNMENT				
Federal Government:				
Dept. of Education	1,935	-	-	1,935
Dept. of Labor	-	-	-	-
Dept. of Health & Human Services	-	-	-	-
Other	-	-	-	-
	<u>1,935</u>	<u>-</u>	<u>-</u>	<u>1,935</u>
TOTAL FEDERAL GOVERNMENT				
Student Tuition and Fees				
Tuition	2,838,313	-	-	2,838,313
Fees	1,413,393	-	-	1,413,393
Other Student Assessments	-	-	-	-
	<u>4,251,706</u>	<u>-</u>	<u>-</u>	<u>4,251,706</u>
TOTAL TUITION AND FEES				
Other Sources				
Sales and Service Fees	55,240	2,225	-	57,465
Facilities Revenue	-	42,534	-	42,534
Investment Revenue	390,139	18,026	-	408,165
Non-Governmental Grants	-	-	-	-
Other	105,318	8,069	-	113,387
	<u>550,697</u>	<u>70,854</u>	<u>-</u>	<u>621,551</u>
TOTAL OTHER REVENUE				
TOTAL REVENUE	<u>10,639,537</u>	<u>1,676,390</u>	<u>-</u>	<u>12,315,927</u>
Less: Non-Operating Items *				
Tuition Chargeback Revenue	-	-	-	-
Instructional Service Contracts	-	-	-	-
	<u>ADJUSTED REVENUE</u>	<u>\$ 1,676,390</u>	<u>\$ -</u>	<u>\$12,315,927</u>

* Enter as negative

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**UNIFORM FINANCIAL STATEMENT #3
OPERATING FUNDS REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023**

	Education <u>Fund</u>	Operations and Maintenance <u>Fund</u>	PBC Operations and Maintenance <u>Fund</u>	Total Operating <u>Funds</u>
OPERATING EXPENDITURES				
BY PROGRAM				
Instruction	\$ 3,086,313	\$ -	\$ -	\$ 3,086,313
Academic Support	312,955	-	-	312,955
Student Services	643,930	-	-	643,930
Public Service/Continuing Education	3,794	-	-	3,794
Organized Research	-	-	-	-
Auxiliary Services	37,757	-	-	37,757
Operations and Maintenance	-	2,585,475	-	2,585,475
Institutional Support	2,982,698	1,896,808	-	4,879,506
Scholarships, Grants, Waivers	1,689,100	-	-	1,689,100
TOTAL EXPENDITURES	<u>8,756,547</u>	<u>4,482,283</u>	<u>-</u>	<u>13,238,830</u>
Less Non-Operating Items*				
Tuition Chargeback	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	(3,081,613)	2,369,141	-	(712,472)
ADJUSTED EXPENDITURES	<u>\$ 5,674,934</u>	<u>\$ 6,851,424</u>	<u>\$ -</u>	<u>\$12,526,358</u>
BY OBJECT				
Salaries	4,774,230	186,951	\$ -	\$ 4,961,181
Employee Benefits	817,991	-	-	817,991
Contractual Services	596,128	974,984	-	1,571,112
General Materials and Supplies	682,929	123,918	-	806,847
Library Materials**	-	-	-	-
Conference and Meeting Expenses	107,641	697	-	108,338
Fixed Charges	21,688	31,965	-	53,653
Utilities	1,156	539,652	-	540,808
Capital Outlay	33,763	2,624,116	-	2,657,879
Other	1,721,021	-	-	1,721,021
Student Grants & Scholarships**	-	-	-	-
TOTAL EXPENDITURES	<u>8,756,547</u>	<u>4,482,283</u>	<u>-</u>	<u>13,238,830</u>
Less Non-Operating Items*				
Tuition Chargeback	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	(3,081,613)	2,369,141	-	(712,472)
ADJUSTED EXPENDITURES	<u>\$ 5,674,934</u>	<u>\$ 6,851,424</u>	<u>\$ -</u>	<u>\$12,526,358</u>

* Enter as negative

** Non-add line.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**UNIFORM FINANCIAL STATEMENT #4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023**

	Restricted Purposes <u>Fund</u>
REVENUE BY SOURCE:	
TOTAL LOCAL GOVERNMENT	\$ -
State Government	
ICCB - Adult Education	67,105
ICCB - Other	258,618
Dept. of Corrections	-
Illinois Student Assistance Commission	-
On-Behalf CIP	(962,278)
On-Behalf SURS	2,551,298
Other	266,714
TOTAL STATE GOVERNMENT	2,181,457
Federal Government	
Dept. of Education	2,797,416
Dept. of Labor	70,789
Dept. of Health & Human Services	500
Other	1,102,772
TOTAL FEDERAL GOVERNMENT	3,971,477
Other Sources	
Tuition and Fees	-
Other	2,795,809
TOTAL OTHER SOURCES	2,795,809
TOTAL RESTRICTED PURPOSES FUND REVENUES	<u>\$ 8,948,743</u>

EXPENDITURES BY PROGRAM

Instruction	\$ 1,554,429
Academic Support	-
Student Services	832,588
Public Service/Continuing Education	2,114,789
Organized Research	-
Auxiliary Services	-
Operations and Maintenance	-
Institutional Support	138,962
Scholarships, Grants and Waivers	1,669,687
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u>\$ 6,310,455</u>

EXPENDITURES BY OBJECT

Salaries	1,690,875
Employee Benefits (Including SURS On-Behalf)	1,918,107
Contractual Services	333,494
Student Financial Aid	-
General Materials and Supplies	313,259
Library Materials*	-
Travel & Conference//Meeting Expenses	90,649
Fixed Charges	38,000
Utilities	32,390
Capital Outlay	125,444
Other	1,768,237
Scholarships, Grants, Waivers*	-
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u>\$ 6,310,455</u>

* Non-add line

**THEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO
HARRISBURG, ILLINOIS**

**UNIFORM FINANCIAL STATEMENT #5
CURRENT FUNDS * EXPENDITURES BY ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2023**

INSTRUCTION

Instructional Programs	\$ 3,262,067
Other	1,409,904
Total Instruction	<u>\$ 4,671,971</u>

ACADEMIC SUPPORT

Library Center	\$ 201,583
Instructional Materials Center	111,388
Educational Media Services	-
Academic Computing Support	-
Academic Administration and Planning	-
Other	-
Total Academic Support	<u>\$ 312,971</u>

STUDENT SERVICES SUPPORT

Admissions and Records	\$ 39,990
Counseling and Career Services	367,223
Financial Aid Administration	274,315
Other	794,990
Total Student Services Support	<u>\$ 1,476,518</u>

PUBLIC SERVICE/CONTINUING EDUCATION

Community Education	\$ 337,757
Customized Training (Instructional)	777,986
Community Services	-
Other	1,033,784
Total Public Service/Continuing Education	<u>\$ 2,149,527</u>

ORGANIZED RESEARCH \$ -

AUXILIARY SERVICES \$ 1,287,319

OPERATIONS AND MAINTENANCE OF PLANT

Maintenance	\$ 1,210,425
Custodial Services	465,357
Grounds	332,827
Campus Security	430,361
Transportation	(1,117)
Utilities	580,532
Administration	108,975
Other	8,451
Total Operations and Maintenance of Plant	<u>\$ 3,135,811</u>

INSTITUTIONAL SUPPORT

Executive Management	\$ 323,397
Fiscal Operations	328,797
Community Relations	377,304
Administrative Support Services	62,296
Board of Trustees	41,548
General Institutional	3,826,154
Institutional Research	115,017
Administrative Data Processing	562,538
Other	115,057
Total Institutional Support	<u>\$ 5,752,108</u>

SCHOLARSHIPS, STUDENTS GRANTS, & WAIVER \$ 3,632,617

TOTAL CURRENT FUNDS EXPENDITURES \$ 22,418,842

* Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; Liability, Protection, and Settlement; and PBC Operations and Maintenance funds.

CERTIFICATION OF CHARGEBACK REIMBURSEMENTS

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**CERTIFICATION OF CHARGEBACK REIMBURSEMENTS
FOR FISCAL YEAR 2024**

All Fiscal Year 2023 Non-Capital Audited Operating
Expenditures from the Following Funds:

Education Fund	\$ 8,722,784
Operations and Maintenance Fund	1,257,424
Bond and Interest Fund	1,714,955
Restricted Purposes Fund	4,595,991
Audit Fund	50,221
Liability, Protection, and Settlement Fund	<u>1,155,534</u>
Total Non-Capital Audited Expenditures	<u>17,496,909</u>

Depreciation on Capital Outlay Expenditures (Equipment, Buildings, and Fixed Equipment Paid) from Sources other than State and Federal Funds	<u>762,129</u>
-------------------------------------------------------------------------------------------------------------------------------------------------	----------------

Total Costs Included	<u>18,259,038</u>
----------------------	-------------------

Total Certified Semester Credit Hours for FY 2023	<u>24,552.25</u>
---------------------------------------------------	------------------

Per Capita Cost	<u>743.68</u>
-----------------	---------------

All FY 2023 State and Federal Operating Grants for Noncapital Expenditures	<u>3,418,011</u>
----------------------------------------------------------------------------	------------------

FY 2023 State and Federal Grants Per Semester Credit Hour	<u>139.21</u>
-----------------------------------------------------------	---------------

District's Average ICCB Grant Rate (Excluding Equalization Grants) for FY 2024	<u>52.23</u>
-----------------------------------------------------------------------------------	--------------

District's Student Tuition and Fee Rate Per Semester Credit Hour for FY 2024	<u>144.00</u>
------------------------------------------------------------------------------	---------------

Chargeback Reimbursement Per Semester Credit Hour	<u><u>\$ 408.24</u></u>
---------------------------------------------------	-------------------------

Lisa Hite 11-17-23
Chief Fiscal Officer Date

[Signature] 11/17/23
Chief Executive Officer Date

**ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS FINANCIAL COMPLIANCE SECTION**

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**BACKGROUND INFORMATION ON STATE GRANT ACTIVITY
JUNE 30, 2023**

Unrestricted Grants

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment.

Small College Grants

Funds provided to colleges with full-time equivalent enrollments of less than 2,500 students. Intended to help small colleges pay for some of the “fixed costs” of operating a smaller institution.

Equalization Grants

Grants provided to institutions with less than the statewide average local tax dollars available per full-time equivalent student.

**SCHEDULE OF ENROLLMENT DATA AND
RECONCILIATION OF SEMESTER CREDIT HOURS**



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

Board of Trustees
Southeastern Illinois Community College District No. 533
Harrisburg, Illinois 62946

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Southeastern Illinois Community College District No. 533 (the College) for the year ended June 30, 2023 (the Schedule). The College's management is responsible for preparing the Schedule in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Our responsibility is to express an opinion on the Schedule 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 the Schedule referred to above is in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, 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 the Schedule referred to above, 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 to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Schedule is presented in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* in all respects.

The supplementary information on pages 77-79 discussed the College's residency verification steps and is the responsibility of the College's management. This information had not been subjected to the audit procedures applied in the audit of the Schedule, and accordingly, we do not express an opinion or provide any assurance on the information.

Kemper CPA Group LLP

Kemper CPA Group LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Harrisburg, Illinois
December 4, 2023

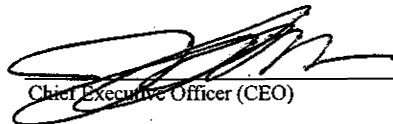
**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
FOR THE YEAR ENDED JUNE 30, 2023**

Categories	Total Semester Credit Hours by Term (In-District and Out-of-District Reimbursable)							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	1,596.5	0.0	6,598.5	0.0	6,332.0	0.0	14,527.0	0.0
Business Occupational	40.0	0.0	654.0	0.0	605.5	0.0	1,299.5	0.0
Technical Occupational	290.5	0.0	1,621.5	0.0	1,755.5	0.0	3,667.5	0.0
Health Occupational	414.0	0.0	1,253.5	0.0	1,557.0	0.0	3,224.5	0.0
Remedial Developmental	56.0	0.0	446.0	59.0	516.0	45.0	1,018.0	104.0
Adult Basic Education/Adult Secondary Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	2,397.0	0.0	10,573.5	59.0	10,766.0	45.0	23,736.5	104.0

	Attending In-District	Attending Out-of-District on Chargeback or a Cooperative/Contractual Agreement	Total
Reimbursable Semester Credit Hours (All Terms)	22,570.25	1,878.00	24,448.25
	Dual Credit	Dual Enrollment	
Reimbursable Semester Credit Hours (All Terms)	2,076.00	4,465.00	
District Prior Year Equalized Assessed Valuation			\$ 638,129,349

Signatures:



Chief Executive Officer (CEO)



Chief Financial Officer (CFO)

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2023**

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB
Baccalaureate	14,527.0	14,527.0	0.0	0.0
Business Occupational	1,299.5	1,299.5	0.0	0.0
Technical Occupational	3,667.5	3,667.5	0.0	0.0
Health Occupational	3,224.5	3,224.5	0.0	0.0
Remedial Developmental	1,018.0	1,018.0	104.0	104.0
Adult Basic Education/Adult Secondary Education	0.0	0.0	0.0	0.0
TOTAL	<u>23,736.5</u>	<u>23,736.5</u>	<u>104.0</u>	<u>104.0</u>

**RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND
COOPERATIVE/CONTRACTUAL AGREEMENT CREDIT HOURS**

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)
In-District Residents	22,570.25	22,570.25
Out-of-District on Chargeback or Contractual Agreement	1,878.00	1,878.00
TOTAL	<u>24,448.25</u>	<u>24,448.25</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2023**

In-District Student

Description: A student who has lived in Saline, Hardin, Pope, Gallatin or eligible portions of Johnson, White, Hamilton or Williamson counties for at least 30 days prior to the beginning of the semester. All students who attend or attended Norris City-Omaha-Enfield high school are also treated as in-district even though some of these students technically live in the Rend Lake College (RLC) district. This arrangement is allowed because of an official agreement between the Presidents of SIC and RLC.

Residency Code: In-district

Acceptable Documentation: Includes driver's license, voter registration card, property tax statement, in-district high school transcript with a graduation date that is within three years, utility or phone bill, automobile license registration, or statement from the student verifying his/her address. This statement must be verified by sending correspondence to the address.

Tuition Charge: Current in-district tuition charge

Student Employed Full-Time in the District

Description: An Illinois resident who lives outside the district but works full-time at a business or industry located in the district.

Residency Code: Out-of-district

Acceptable Documentation: A signed letter from employer verifying that the student works full-time in the district.

Tuition Charge: Current in-district tuition charge

Out-of-District Student

Description: A student who has lived outside the district boundaries but within the state of Illinois for at least 30 days prior to the beginning of the semester.

Residency Code: Out-of-district

Acceptable Documentation: Includes driver's license, voter registration card, property tax statement, high school transcript with a graduation date that is within three years, utility or phone bill, automobile license registration, or statement from the student verifying his/her address. This statement must be verified by sending correspondence to the address.

Tuition Charge: Current out-of-district tuition charge

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2023**

Chargeback Student

Description: A student who lives in Illinois outside the district boundaries but attends SIC because his/her home community college does not offer a specific degree/certificate program.

Residency Code: Out-of-district

Acceptable Documentation: A signed chargeback agreement from home community college.

Tuition Charge: Current in-district tuition charge

Reciprocal Agreement Student

Description: A student who lives in the John A. Logan College, Rend Lake College, or Shawnee College district but attends SIC for the purpose of enrolling in a program or specific course not offered by the home community college. Since this is an agreement made among these four colleges, a chargeback request is not required.

Residency Code: Out-of-district

Acceptable Documentation: A letter of reciprocity from the home community college.

Tuition Charge: Current in-district tuition charge

Out-of-State Student

Description: A student who lives outside the state of Illinois.

Residency Code: Out-of-state

Acceptable documentation: Includes driver's license, voter registration card, property tax statement, high school transcript with a graduation date that is within three years, utility or phone bill, automobile license registration, or statement from the student verifying his/her address. This statement must be verified by sending correspondence to the address.

Tuition Charge: Current out-of-state tuition charge

Job Corps Student

Description: A student who is enrolled at the federal Job Corps facility in Golconda.

Residency Code: Out-of-district

Acceptable Documentation: None is required.

Tuition Charge: Current out-of-district tuition charge

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2023**

International Athlete

Description: A student who lives outside of the United States but who attends SIC for the purpose of playing collegiate sports.

Residency Code: Out-of-country

Acceptable Documentation: None, other than the typical international student admission paperwork which is completed with the Director of Counseling.

Tuition Charge: Current out-of-country tuition rate. Must provide proof of in-district residency 30 days prior to the start of the semester.

Border County Agreements

Description: Students who live out-of-state in the Indiana and Kentucky zip codes noted on the Border County Agreement list.

Residency Code: Out-of-state

Acceptable Documentation: Includes driver's license, voter registration card, property tax statement, high school transcript with a graduation date that is within three years, utility or phone bill, automobile license registration, or statement from the student verifying his/her address. This statement must be verified by sending correspondence to the address.

Tuition Charge: Current out-of-district tuition charge

International Student

Description: A student who lives outside of the United States.

Residency Code: Out-of-country

Acceptable Documentation: None, other than the typical international student admission paperwork which is completed with the International Advisor.

Tuition Charge: Current out-of-state tuition charge

FEDERAL COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees
Southeastern Illinois Community College District No. 533
Harrisburg, Illinois 62946

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Southeastern Illinois Community College District No. 533's compliance with the types of compliance requirements described as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southeastern Illinois Community College District No. 533's major federal programs for the year ended June 30, 2023. Southeastern Illinois Community College District No. 533's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southeastern Illinois Community College District No. 533 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements for Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Southeastern Illinois Community College District No. 533 and to meet our other ethical requirements, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Southeastern Illinois Community College District No. 533's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements listed above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Southeastern Illinois Community College District No. 533's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Southeastern Illinois Community College District No. 533's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Southeastern Illinois Community College District No. 533's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Southeastern Illinois Community College District No. 533's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Southeastern Illinois Community College District No. 533's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Southeastern Illinois Community College District No. 533's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Southeastern Illinois Community College District No. 533's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Southeastern Illinois Community College District No. 533's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on Southeastern Illinois Community College District No. 533's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Southeastern Illinois Community College District No. 533's response was not subjected to the other procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Kemper CPA Group LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Harrisburg, Illinois
December 4, 2023

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster			
(M) Supplemental Educational Opportunity Grant	84.007	P007A201284	\$ 40,083
(M) Federal Work Study	84.033	P033A201284	54,940
(M) PELL Grants - Southeastern Illinois College	84.063	N/A	1,589,638
Total Student Financial Aid Cluster			1,684,661
TRIO Cluster			
TRIO Student Support Services	84.042	P042A200401-21	287,838
TRIO Upward Bound	84.047	P047A220835	179,711
Total TRIO Cluster			467,549
Title III - Higher Education Institutional Aid	84.031	P031A210202	466,951
Passed Through Illinois Community College Board:			
Education Stabilization Fund Under the CARES Act	84.425	22&23TUTOR-SIC	721,343
Federal Adult Education Basic	84.002	AE-53301-23	65,382
V. E. Perkins - Postsecondary Grants	84.048	CTE-533-23	107,119
Total U.S. Department of Education Programs			3,513,005
Department of Treasury Programs			
Coronavirus State and Local Fiscal Recovery Funds			
Passed Through Illinois Community College Board			
COVID-19: ARPA Bridge	21.027	CB-53301-22	119,073
Total Department of Treasury Programs			119,073
Department of Labor Programs			
WIA Cluster			
Passed Through Southern 14 Workforce Investment Board, Inc.			
One-Stop Career Center	17.258	N/A	70,789
Youth Career Pathways	17.259	20-635016	86,391
Total Department of Labor Programs			157,180
Department of Veterans Affairs Programs			
Post-9/11 Veterans Educational Assistance	64.027	N/A	34,966
Total Department of Veterans Affairs Programs			34,966
Small Business Administration Programs			
Passed Through Illinois Department of Commerce and Economic Opportunity			
COVID-19: SBDC Cares	59.037	20-543180	85,491
Total Small Business Administration Programs			85,491
Delta Regional Authority Programs			
Passed Through Southern Illinois Regional Planning & Development Commission			
States' Economic Development Assistance Program	90.201	N/A	59,182
Total Delta Regional Authority Programs			59,182
Department of Commerce Programs			
Passed Through Illinois Manufacturing Excellence Center			
Training Tomorrow's Workforce	11.611	70NANB21H010	3,146
Total Department of Commerce Programs			3,146
Department of Health and Human Services			
Child Care & Development Block Grant - ECE Consortium	93.575	ECE-53301-22	500
Total Department of Health and Human Services			500
U.S. Department of Agriculture			
Passed Through Illinois State Board of Education			
Child and Adult Food Care Program	10.558	20083533051	20,440
Total U.S. Department of Agriculture			20,440
Total Expenditures of Federal Awards			\$ 3,992,983

(M) Denotes Major Program

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO SCHEDULE EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023**

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Southeastern Illinois Community College District No. 533 under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Southeastern Illinois Community College District No. 533, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

NOTE 3: INDIRECT COST RATE

Southeastern Illinois Community College District No. 533 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - AUDITOR'S RESULTS

JUNE 30, 2023

- | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. | Type of report issued on the financial statements: | Unmodified |
| 2. | During the audit of the financial statements, were any material weaknesses in internal control over financial reporting disclosed? | No |
| 2a. | Were any significant deficiencies identified that are not considered material weaknesses? | None Reported |
| 3. | Did the audit disclose any instances of noncompliance that would be required to be reported under <i>Governmental Auditing Standards</i> ? | No |
| 4. | Were any material weaknesses in internal control over major programs disclosed? | No |
| 4a. | Were any significant deficiencies identified that are not considered material weaknesses? | Yes |
| 5. | Type of report issued on compliance for major programs: | Unmodified |
| 6. | Did the audit disclose any audit findings required to be reported in accordance with 2 CFR 200.516(a)? | Yes |
| 7. | Major programs are:
Department of Education
Federal Student Aid Cluster
84.007 Supplemental Educational Opportunity Grant
84.033 Federal Work Study
84.063 PELL Grants | |
| 8. | Dollar threshold to distinguish between Type A and Type B programs: | \$ 750,000 |
| 9. | Does the auditee qualify as a low-risk auditee? | No |

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION II - FINANCIAL STATEMENT FINDINGS

JUNE 30, 2023

NONE

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

JUNE 30, 2023

Finding No. 2023-001

Federal Program Name: Student Financial Assistance Cluster - Federal Work Study, Supplemental Educational Opportunity Grant, and PELL Grants

CFDA No: 84.033, 84.007, and 84.063

Federal Agency: U.S. Department of Education

Criteria or specific requirement: The College is required to report enrollment information under the Pell grant program via the National Student Loan Data System (NSLDS). The administration of the Title IV programs depends heavily on the accuracy and timeliness of the enrollment information reported. The College must review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website. The College is responsible for timely reporting of this information to NSLDS.

Condition: During the testing of students who graduated or withdrew from the College, we found that in a sample of 20 students, 14 students were not reported correctly or timely to NSLDS making up 28 exceptions.

Questioned costs: None

Context: Of 20 graduated and withdrawn students tested, 14 were not reported to the NSLDS as timely or correctly.

Cause: Lack of oversight by College personnel.

Effect: The College was not in compliance with the enrollment requirements as prescribed by the Title IV program.

Auditor's Recommendation: We recommend that procedures be developed to review the roster files received from the NSLDS to ensure correct student information is being reported with each roster file.

Management's Response: Management will be implementing remediation steps to ensure that enrollment information is accurate in the NSLDS. The College's Information Technology (IT) department will work with the Registrar in creating a process where graduates who are not originally reported as graduated can be updated to graduated status in National Student Clearinghouse (NSC)'s website. This may include making a graduates' only submission to NSC to update those graduates whose degrees were conferred after the original submission. Also, the Student Affairs department will now review submission data and give approval prior to submission to NSC. To assist in this review, the IT department will develop a data validation report that lists students who have completed a certificate and/or degree and are no longer attending.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION V - SUMMARY OF PRIOR AUDIT FINDINGS

JUNE 30, 2023

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
2022-001	Lack of Timely Reporting to NSLDS	Repeated in current year.



December 4, 2023

Kemper CPA Group LLP
713 S. Commercial Street
Harrisburg, IL

The findings from the December 4, 2023 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – STUDENT FINANCIAL AID CLUSTER

Material Weaknesses: None

Significant Deficiencies:

2023-001: Lack of Compliance over Enrollment Reporting

Recommendation: We recommend that procedures be developed to review the roster files received from the NSLDS to ensure correct student information is being reported with each roster file.

Action Taken: Southeastern Illinois College will be implementing remediation steps to ensure that enrollment information is accurate in the National Student Loan Data System (NSLDS). The College's Information Technology (IT) department will work with the Registrar in creating a process where graduates who are not originally reported as graduated can be updated to graduated status in National Student Clearinghouse (NSC)'s website. This may include making a graduates' only submission to NSC to update those graduates whose degrees were conferred after the original submission. Also, the Student Affairs department will now review submission data and give approval prior to submission to NSC. To assist in this review, the IT department will develop a data validation report that lists students who have completed a certificate and/or degree and are no longer attending.

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Southeastern Illinois College promotes quality, accessible, and accountable learning that is responsive to student and community needs.