



**Southwestern Illinois College  
Community College District #522**

**Annual Financial Report  
For the Fiscal Year Ended June 30, 2023**



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June 30, 2023

**To the Members of the Board of Trustees and to the Citizens of Community College District No. 522:**

I am pleased to submit the Annual Financial Report for the fiscal years ending June 30, 2023 and June 30, 2022 respectively. Southwestern Illinois College (SWIC) is a comprehensive community college operating in accordance with the provisions of the Illinois Public Community Act. SWIC is recognized by the Illinois Community College Board and is an educational institution committed to providing the best learning opportunities at an economical value. We are a starting point for higher education, a bridge to developing career skills, and a pathway to personal achievement.

Founded in 1946, SWIC was originally known as Belleville Junior College. The institution was opened to serve veterans of World War II. Today, SWIC proudly serves the largest veteran and active-duty military student population in the state among public institutions.

For the last 75 years, SWIC has prided itself on fulfilling this motto by providing an affordable, high-quality education to its students. Serving approximately 15,000 students annually, our Triple-A success formula of Accountability, Affordability and Accessibility has allowed us to continue this commitment during these difficult economic times.

Southwestern Illinois College is accredited by the Higher Learning Commission through 2025. SWIC has held this accreditation since 1961. Regional accreditation is critical to the institution's success. Being an accredited institution allows the college to apply for grants, provide Title IV financial aid and Veterans benefits. Each of these benefits is critical to our core mission of helping students learn.

In addition to devotion to our students, we are committed to fiscal responsibility. We strive to achieve a balanced budget, closely examine spending and implement cost-saving efficiencies to maintain a standard of academic excellence and beneficial student and community services.

We thank the Board of Trustees for its continued interest and support in planning and conducting the financial operations of District No. 522 in a highly responsible and accountable manner and with fiscal integrity. We also thank the staff of the Finance Office and our external auditors, CliftonLarsonAllen, LLP, for their contributions and assistance in preparing this report.

President

## Principal Officials

### Board of Trustees

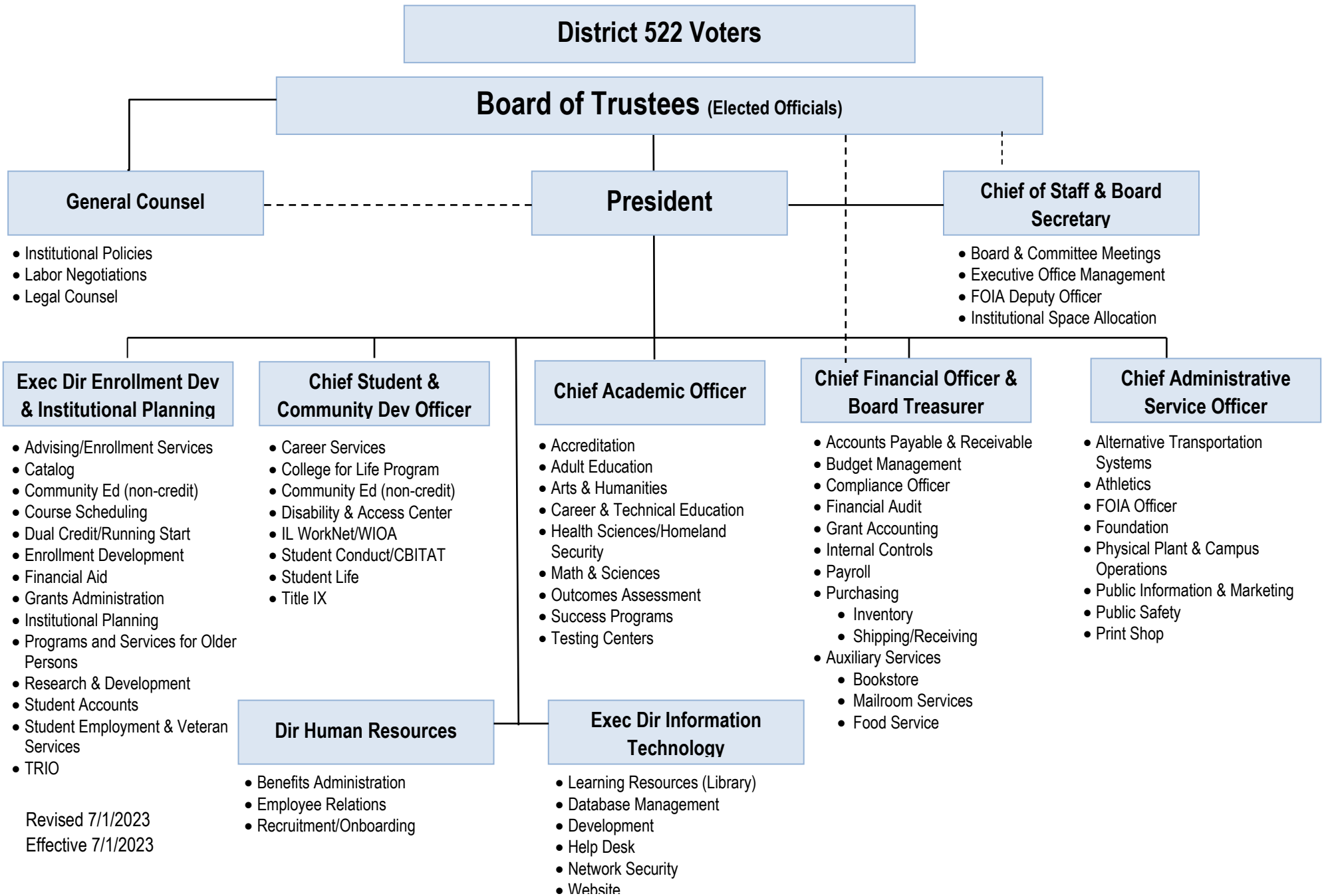
<u>Name</u>	<u>Role</u>	<u>Term expires</u>
Nick Raftopoulos	Chair	April 2029
Steve Campo	Vice Chair	April 2027
Matthew Burke	Trustee	April 2027
Sean McPeak	Trustee	April 2029
Mark Morton	Trustee	April 2029
Dane Tippet	Trustee	April 2029
Tracy Vallett	Trustee	April 2027
(vacant)	Student Trustee	

### Officers of the College

<u>Name</u>	<u>Title</u>
Nick Mance	President
Beverly Fiss	Board Secretary, Chief of Staff
Jacob Wheeler	Board Treasurer, Chief Financial Officer
Garrett Hoerner	Board Attorney
Bernie Ysura	Chief Administrative Service Officer
Gina Segobiano	Chief Academic Officer
Danielle Chambers	Chief Student and Community Development Officer
Robert Tebbe	Executive Director of Enrollment Development and Institutional Planning
Linda Andres	Executive Director of Information Technology
Jane Kim Thompson	Director of Human Resources

### Department Issuing Report

Finance Office



Revised 7/1/2023  
Effective 7/1/2023

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## **Financial Section**



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Southwestern Illinois College  
Community College District #522  
Belleville, Illinois

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of Southwestern Illinois College, Community College District #522 (the District), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Districts 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, the discretely presented component unit, and the aggregate remaining fund information of the District, as of June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Southwestern Illinois College Foundation 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Uniform Financial Statements, the Certificate of Chargeback Reimbursement, the Combining Schedules, the Internal Service Fund financial statements, the Consolidated Year-End Financial Report and the Schedule of Expenditures of Federal Awards, 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 GAAS. In our opinion, the Uniform Financial Statements, the Certificate of Chargeback Reimbursement, the Combining Schedules, the Internal Service Fund financial statements, the Consolidated Year-End Financial Report 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 comprises the introductory section and the documentation of residency verification steps but does not include the basic financial statements and our auditors' 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 audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
March 18, 2024

## Management's Discussion and Analysis

This section of Southwestern Illinois College, Community College District #522's (District), Annual Financial Report presents management's discussion and analysis of the District's financial activity during the fiscal year ended June 30, 2023 with comparison to prior years. Since this management's discussion and analysis is designed to focus on current activities, resulting changes and currently known facts, please read it in conjunction with the transmittal letter (pages iii-v), the District's basic financial statements (pages 14-21) and the footnotes (pages 22-54). Responsibility for the completeness and fairness of this information rests with the District.

### Using This Annual Report

The financial statement focuses on the District as a whole. The District's basic financial statements (pages 14-21) are designed to emulate corporate presentation models whereby all District activities are consolidated into one total. The focus of the Statement of Net Position is designed to reflect the District's financial position at a certain time. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of District activities, which are supported mainly by property taxes, student tuition and fees, and by other governmental revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to students and the public.

### Financial Highlights

#### Net Position

The schedule below is a summary of the District's statement of net position (page 14) which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

### Statement of Net Position Comparative Summary

	2023	2022	Increase (Decrease) 2023-2022	2021	Increase (Decrease) 2022-2021
Current assets	\$ 209.4	\$ 200.1	\$ 9.3	\$ 186.4	\$ 13.7
Non-current assets					
Capital assets, net of depreciation	67.0	57.1	9.9	56.6	0.5
Deferred outflows	0.8	0.9	(0.1)	1.1	(0.2)
Total assets	277.2	258.1	19.1	244.1	14.0
Current liabilities	21.6	20.1	1.5	18.7	1.4
Non-current liabilities	14.0	33.6	(19.6)	40.5	(6.9)
Deferred inflows	73.1	63.4	9.7	61.2	2.2
Total liabilities and Deferred inflows	108.7	117.1	(8.4)	120.4	(3.3)
Net position					
Investment in capital assets	65.0	54.4	10.6	53.6	0.8
Restricted	20.0	67.9	(47.9)	52.4	15.5
Unrestricted	83.5	18.7	64.8	17.7	1.0
Total net position	\$ 168.5	\$ 141.0	\$ 27.5	\$ 123.7	\$ 17.3

#### During the year ending June 30, 2023

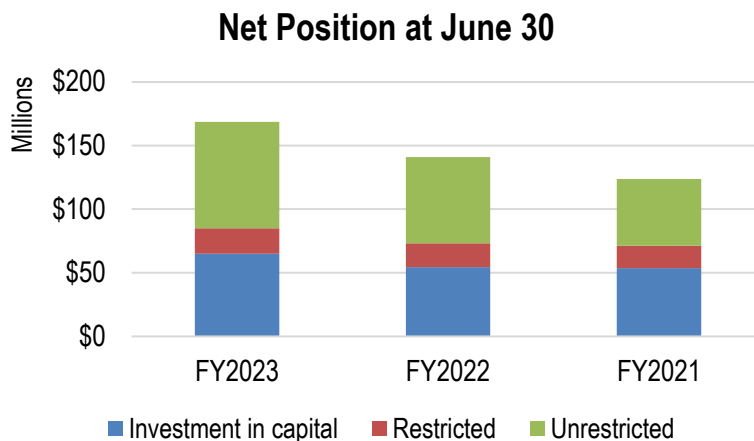
The District's current assets totaled \$209.4 million, an increase of \$9.8 million (4.9%) from one year ago. Current assets comprised of 66.8% cash and 24.9% property taxes receivable with the remaining 8.3% in other receivables and prepaid expenses. The change in current assets is driven by an increase in cash of \$8.6 million (6.6%) and an increase in prepaid items of \$1.3 million. Total receivables decreased by \$0.4 million (0.7%).

Total liabilities and deferred inflows of resources were \$108.7 million, which was \$8.4 million (7.1%) lower than one year ago. Liabilities are comprised of 48.5% deferred inflows from property taxes, 19.8% current liabilities, 18.7% deferred inflows related to OPEB and 12.9% non-current liabilities. The change in liabilities is the result of \$15.1M decrease in Net OPEB liability and \$4.6 million (34.9%) decrease in long term debt, partially offset by an increase in deferred inflows related to OPEB of \$9.4 million (85.7%).

#### During the year ending June 30, 2022

Total assets of \$258.1 million at June 30, 2022 reflected an increase of \$14.1 million (5.8%) over the prior year, resulting from an increase in the Cash and Cash Equivalents and Property Tax receivable offset by a decrease in Governmental receivables. The increase in construction-in-progress offset by the normal depreciation of property, building and equipment resulted in a net increase of \$0.5 million.

Total liabilities and deferred inflows of \$117.1 million at June 30, 2022 decreased \$3.3 million (2.7%) from the prior year. The decrease was driven by scheduled bond repayments during the year partially offset by \$1.4 million (7.6%) increase in current liabilities a \$2.2 million (3.6%) increase in deferred inflows.



Southwestern Illinois College strengthened its net position during fiscal year 2023, as assets and deferred outflows exceeded liabilities and deferred inflows (net position) by \$168.5 million. The increase of \$27.5 million (19.5%) from the previous year occurred in unrestricted (\$15.7 million, 23.1%) and investment in capital (\$10.5 million, 19.3%) while net position for restricted purposes had modest growth (\$1.3 million, 6.8%).

The increase in net invested in capital assets is due primarily to construction-in-progress offset by normal depreciation of capital assets. The increase of unrestricted funds was due to supplemental revenue streams including Higher Education Emergency Relief Funds with which the District offset various allowable operating expenses.

### Operating Results

Operating revenue includes activities that have the characteristics of exchange transactions, such as student tuition and fees (net of scholarship discounts and allowances) and sales and services of auxiliary enterprises. Operating expenses are those expenses for the purpose of providing education and operational activities of the District. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenditures.

Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts, and federal appropriations and (4) gifts and contributions.

The schedule below is a summary of the District's statement of revenues, expenditures and changes in net position (page 15) which is presented on an accrual basis.

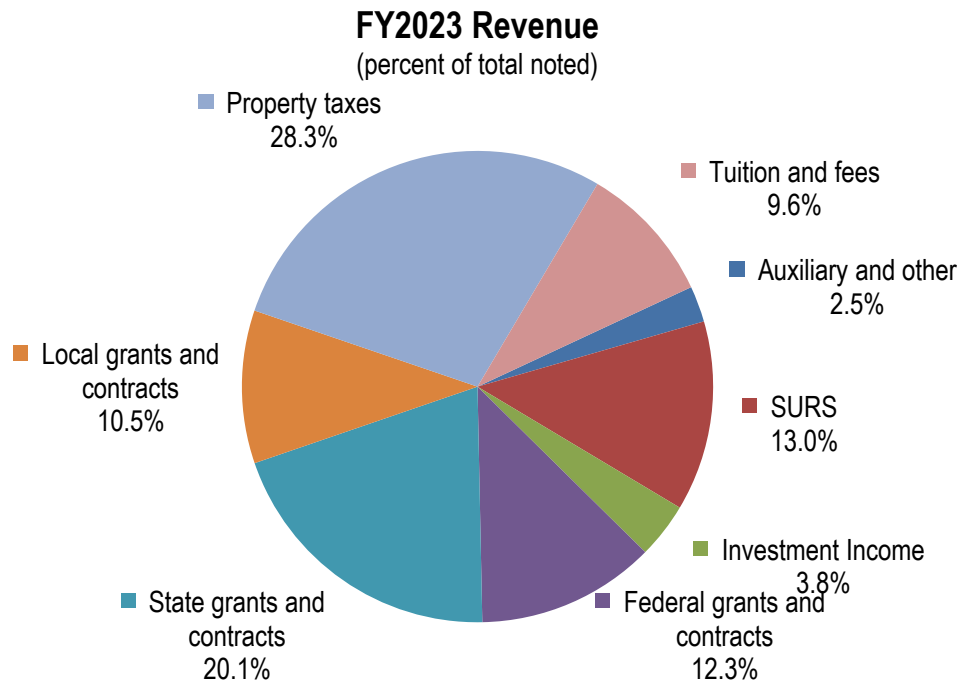
### **Revenue, Expenditures and Change in Net Position Summary**

	<b>2023</b>	<b>2022</b>	<b>Increase (decrease) 2023-2022</b>	<b>2021</b>	<b>Increase (decrease) 2022-2021</b>
Operating revenue	\$ 15.0	\$ 14.8	\$ 0.2	\$ 14.9	\$ (0.1)
Less Operating expenses	(96.5)	(103.9)	7.4	(103.7)	(0.2)
Operating loss	(81.5)	(89.1)	7.6	(88.8)	(0.3)
Non-operating revenue	109.8	106.7	3.1	109.8	(3.1)
Less: Non-operating expenses	(0.2)	(0.3)	0.1	(0.2)	(0.1)
Non-operating revenue, net non-operating expenses	109.6	106.4	3.2	109.6	(3.2)
Income (loss) before contributions					
to capital	28.1	17.3	10.8	20.8	(3.5)
Capital contributions	(0.6)	-	-	-	-
<b>Change in net position</b>	<b>27.5</b>	<b>17.3</b>	<b>10.8</b>	<b>20.8</b>	<b>(3.5)</b>
Net position - beginning of year	141.0	123.7	10.8	102.9	(3.5)
Net position - end of year	\$ 168.5	\$ 141.0	\$ 21.7	\$ 123.7	\$ (7.1)

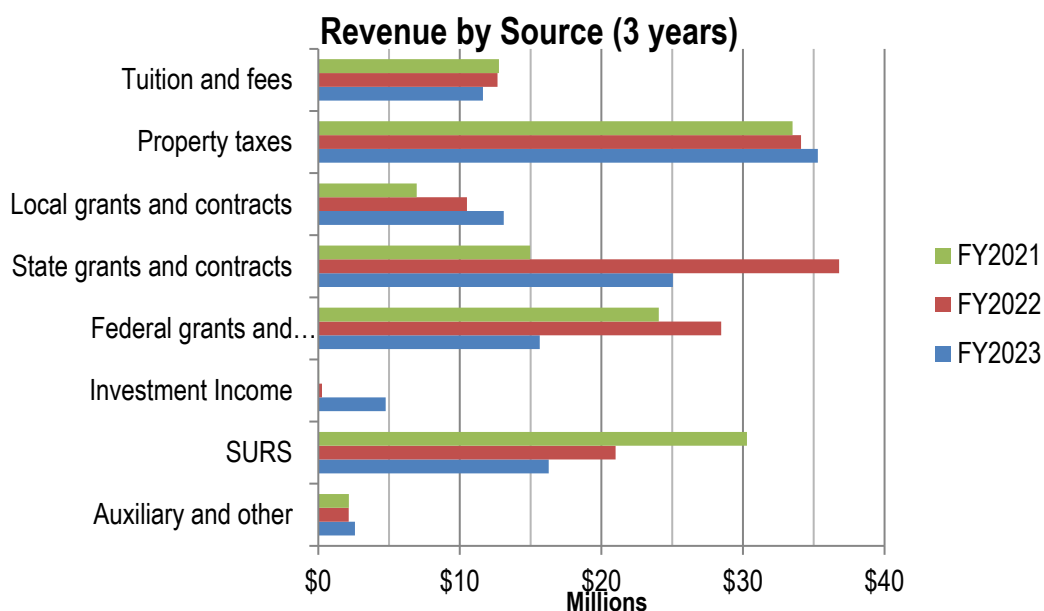
A summary of revenues for the current year by source are depicted in the graph below. Operating revenues (Tuition & fees and Auxiliary and other) make up 11.8% of total revenues which cover approximately 15.3% of operating expenses. The District's operating expenses are primarily funded through the remaining non-operating revenue streams. Non-operating revenue, net of non-operating expenses, for the year ended June 30, 2023, was \$109.9 million.



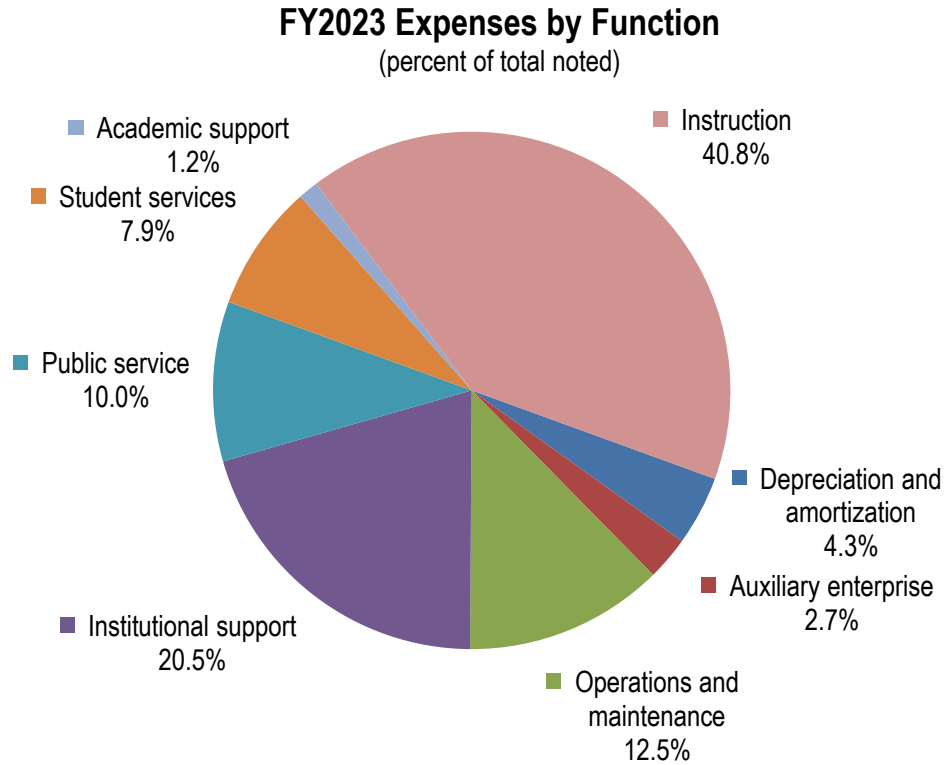
Tuition and fees is reported net of a scholarship allowance of \$9.2 million. The allowance is calculated using an alternate method defined by Governmental Accounting Standards Board (GASB). The College provided financial assistance to students with \$2.4 million in institutional aid, \$0.8 million from athletics, and \$13.8 million from granting sources including \$12.6 million in Loans and Pell grants from the Department of Education. Additionally, the SWIC Foundation contributed \$0.2 million toward financial aid to SWIC students.



The graph below shows revenue amounts by source over the past three years. Revenues from tuition and fees declined for the third consecutive year reflecting lower enrollment and modest price increases. Property taxes increased for the third consecutive year in spite of minimal levy increases due to accelerated assessment values. While funding from local government sources remains strong, state and federal funding both declined in fiscal year 2023 due to the end of emergency funding related to the pandemic. SURS contributions continue to decrease.



A summary of operating expenditures for the current year by function are depicted in the graph below. Total operating expenditures of \$96.5 million is \$7.9 million (7.6%) lower than the prior year. Functions contributing directly to student success include Instruction, Academic support and Student services. These three functions had a combined expense of \$48.3 million or 50.3% of the total operating expense for the year.

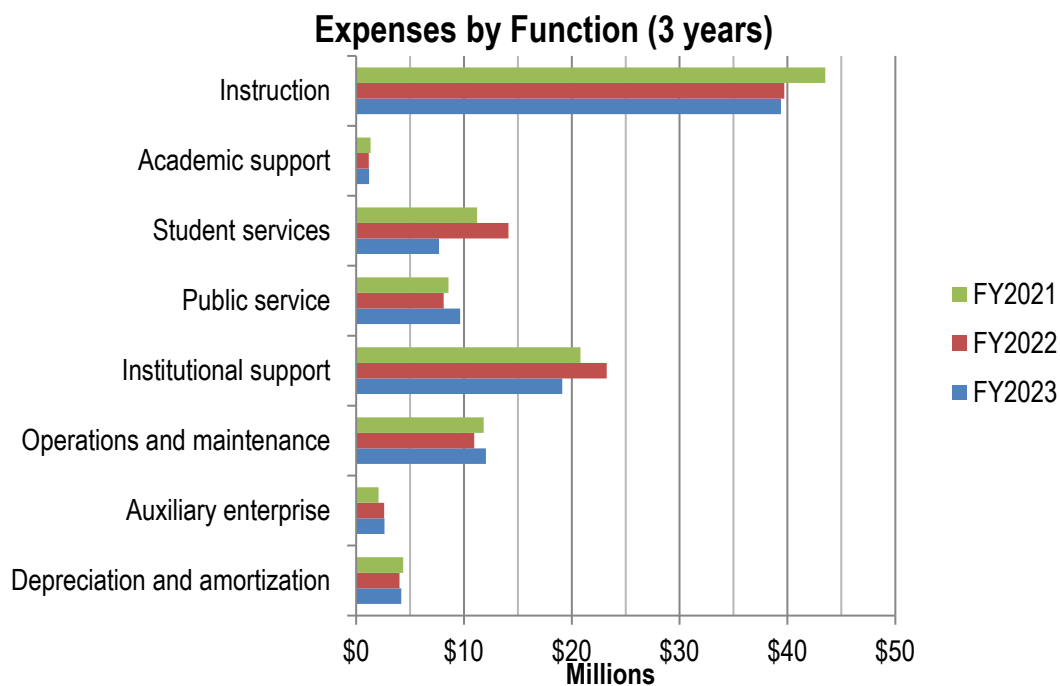


While operating expenses by program provide an important piece of financial information for managing and reporting purposes, operating expenses by object are also a valuable financial management tool. Note 8 (page 32) provides a summary of expenditures by function and object for the years reported. The following schedule is a summary of operating expenses by object for the current and prior years.

### Expenditures by Object Summary

	2023	2022	Increase (decrease) 2023-2022	2021	Increase (decrease) 2022-2021
Salary & Benefits	\$ 67.8	\$ 62.0	\$ 5.8	\$ 77.0	\$ (15.0)
Contractual services	8.6	6.1	2.5	4.2	1.9
Materials & supplies	5.9	7.4	(1.5)	3.8	3.6
Travel & meeting	2.3	1.7	0.6	0.7	1.0
Fixed charges	3.0	2.5	0.5	1.7	0.8
Utilities	2.7	2.0	0.7	1.6	0.4
Other expenditures	4.0	15.4	(11.4)	12.7	2.7
Capital Outlay	2.2	1.6	0.6	2.0	(0.4)
	<u>\$ 96.5</u>	<u>\$ 98.7</u>	<u>\$ (2.2)</u>	<u>\$ 103.7</u>	<u>\$ (5.0)</u>

The graph below shows expenditure amounts by function over the past three years. Declines in instruction expenses are consistent with lower tuition and fee revenue (and lower enrollment levels). Increases in fiscal year 2022 followed by decreases in fiscal year 2023 in Student services and Institutional support functions reflect the spending of funds awarded through the Higher Education Emergency Relief Fund (HEERF).



Management uses an annual budget process to guide and monitor financial activity. The schedule below shows the budget and actual revenues and expenditures for the operating funds (Education and Operations and Maintenance). Additional detail with regard to performance to budget can be found in the Supplemental Information.

### Operating Funds Performance to Budget Summary

	Budget	Education Fund	Operations & Maintenance Fund	Total	Variance Favorable (Unfavorable)
<b>Revenues</b>					
Property taxes	\$ 24.9	\$ 19.3	\$ 8.5	\$ 27.8	\$ 2.9
State & Federal government	12.2	10.7	1.3	12.0	(0.2)
Student tuition and fees	23.8	20.8	-	20.8	(3.0)
Investment income	0.2	3.1	-	3.1	2.9
Facilities revenue	0.1	-	0.2	0.2	0.1
Other sources	0.9	1.2	-	1.2	0.3
Total Revenues	<u>62.1</u>	<u>55.1</u>	<u>10.0</u>	<u>65.1</u>	<u>3.0</u>
<b>Expenditures</b>					
Instruction	29.6	25.9	-	25.9	3.7
Academic support	1.3	1.0	-	1.0	0.3
Student services	5.4	3.6	-	3.6	1.8
Public service	0.2	0.4	-	0.4	(0.2)
Institutional support	17.7	14.5	0.4	14.9	2.8
Operation and maintenance of plant	5.2	-	6.5	6.5	(1.3)
Capital outlay	2.2	1.0	0.3	1.3	0.9
Total expenditures	<u>61.6</u>	<u>46.4</u>	<u>7.2</u>	<u>53.6</u>	<u>8.0</u>
Excess (deficiency) of revenue over expenditures	0.5	8.7	2.8	11.5	11.0
Transfers in (out)	(13.6)	(2.6)	(3.4)	(6.0)	7.6
Excess (deficiency) of revenues over expenditures and other financing sources	<u>\$ (13.1)</u>	<u>\$ 6.1</u>	<u>\$ (0.6)</u>	<u>\$ 5.5</u>	<u>\$ 18.6</u>

The schedule below is a summary of the District's capital assets. The increase in capital assets in fiscal year 2023 is due to the construction-in-progress and equipment purchases exceeding regular depreciation expense. There was little change in Net Capital Assets in fiscal year 2022 due to the limited capital asset purchases and regular depreciation expense. Additional information regarding Capital Assets can be found in Note 4 (page 28) of the Financial Statements.

### Capital Asset Summary

	<b>2023</b>	<b>2022</b>	<b>Increase (decrease) 2023-2022</b>	<b>2021</b>	<b>Increase (decrease) 2022-2021</b>
Land	\$ 6.5	\$ 6.5	\$ -	\$ 6.5	\$ -
Land improvements	16.8	16.8	-	16.8	-
Buildings	53.5	53.5	-	53.5	-
Building improvements	47.1	47.6	(0.5)	47.5	0.1
Equipment	25.5	23.0	2.5	20.8	2.2
Construction in progress	12.7	2.1	10.6	0.6	1.5
Total Capital Assets	<u>162.1</u>	<u>149.5</u>	<u>12.6</u>	<u>145.7</u>	<u>3.8</u>
Less: Accumulated Depreciation	(95.2)	(92.5)	(2.7)	(89.4)	(3.1)
Net Capital Assets	<u>\$ 66.9</u>	<u>\$ 57.0</u>	<u>\$ 9.9</u>	<u>\$ 56.3</u>	<u>\$ 0.7</u>

Additional information regarding Long-Term Debt can be found in Note 6 (page 30) of the Financial Statements.

### Long Term Debt Summary

	<b>2023</b>	<b>2022</b>	<b>Increase (decrease) 2023-2022</b>	<b>2021</b>	<b>Increase (decrease) 2022-2021</b>
Bonds and capital lease payable	\$ 8.4	\$ 13.4	\$ (5.0)	\$ 17.7	\$ (4.3)
Total	<u>\$ 8.4</u>	<u>\$ 13.4</u>	<u>\$ (5.0)</u>	<u>\$ 17.7</u>	<u>\$ (4.3)</u>

# Basic Financial Statements

**Southwestern Illinois College  
Community College District # 522**

**Statements of Net Position**

As of June 30,

	2023	2022
<b>Assets</b>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 139,772,715	\$ 130,576,479
Restricted cash	-	500,236
Receivables:		
Property taxes	52,148,190	52,368,931
Grants and sponsored programs	3,812,880	4,697,701
Student tuition and fees, net of allowance of \$7,378,556 in 2023 and \$5,845,667 in 2022	9,707,742	9,776,823
Other	2,539,524	1,817,643
Total receivables	68,208,336	68,661,098
Prepaid items	1,388,893	368,881
Total current assets	209,369,944	200,106,694
<u>Noncurrent Assets</u>		
Land	6,515,480	6,515,480
Construction-in-progress	12,748,885	2,140,541
Depreciable and amortizable property, buildings and equipment, net	47,712,792	48,427,622
Total noncurrent assets	66,977,157	57,083,643
<u>Deferred Outflows of Resources</u>		
Deferred outflows related to OPEB liability	257,215	476,564
Subsequent year's pension expense related to federal, trust or grant contributions in the current year	587,666	404,690
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 277,191,982</b>	<b>\$ 258,071,591</b>
<b>Liabilities</b>		
<u>Current Liabilities</u>		
Accounts payable	\$ 4,187,242	\$ 3,163,437
Accrued expenses	1,546,015	1,800,077
Compensated absences, current	2,343,088	2,139,966
Unearned revenues		
Student tuition and fees	5,767,594	5,802,938
Other	3,398,607	2,626,003
Bonds, lease and note payable, current	4,558,448	4,574,935
Total current liabilities	21,800,994	20,107,356
<u>Noncurrent Liabilities</u>		
Compensated absences due in more than one year	29,728	149,173
Net OPEB liability	9,795,081	24,869,544
Bonds, lease and note payable due in more than one year	3,988,637	8,560,154
Total noncurrent liabilities	13,813,446	33,578,871
<u>Deferred Inflows of Resources</u>		
Subsequent year's property taxes	52,732,306	52,425,801
Deferred inflow for OPEB liability	20,380,306	10,972,816
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>108,727,052</b>	<b>117,084,844</b>
<u>Net Position</u>		
Net invested in capital assets	64,966,658	54,434,707
Restricted	19,980,719	18,700,646
Unrestricted	83,517,553	67,851,394
<b>Total net position</b>	<b>\$ 168,464,930</b>	<b>\$ 140,986,747</b>

See accompanying *Notes to Financial Statements*

**Southwestern Illinois College  
Community College District # 522**

**Statements of Revenues, Expenses and Changes in Net Position**

Years ended June 30,

	2023	2022
<b>Operating Revenues</b>		
Student tuition and fees, net of scholarship allowances of \$8,887,107 and \$9,265,841, respectively	\$ 11,922,941	\$ 12,663,719
Auxiliary enterprise revenue	161,701	144,712
Facilities revenue	186,482	168,403
Other operating revenue	2,749,286	1,841,788
<b>Total operating revenues</b>	<b>\$ 15,020,410</b>	<b>\$ 14,818,622</b>
<b>Operating Expenses</b>		
Instruction	\$ 39,398,686	\$ 39,720,747
Academic support	1,203,284	1,174,181
Student services	7,650,074	14,127,283
Public service	9,640,373	8,117,946
Institutionals support	19,756,823	23,234,568
Operation and maintenance of plant and capital outlay	12,037,768	10,868,167
Auxiliary enterprise	2,633,255	2,590,566
Depreciation and amortization	4,191,722	4,024,245
<b>Total operating expenses</b>	<b>96,511,985</b>	<b>103,857,703</b>
Operating surplus (loss)	\$ (81,491,575)	\$ (89,039,081)
<b>Nonoperating revenues (expenses)</b>		
Property taxes	\$ 35,289,383	\$ 34,104,460
Local grants and contracts	13,107,837	10,501,343
State grants and contracts	25,045,118	15,790,870
Federal grants and contracts	15,326,160	25,221,395
Investment income	4,763,824	259,441
Interest expense	(225,547)	(260,504)
Contributions provided by the state	16,281,391	20,796,026
<b>Total nonoperating revenues (expenses)</b>	<b>109,588,166</b>	<b>106,413,031</b>
Income (loss) before contributions	28,096,591	17,373,950
Capital contributions	(618,408)	(41,275)
Change in net position	27,478,183	17,332,675
Net position		
Net position - beginning of year	140,986,747	123,654,072
Net position - end of year	<u>\$ 168,464,930</u>	<u>\$ 140,986,747</u>

See accompanying *Notes to Financial Statements*



**Southwestern Illinois College  
Community College District # 522**

**Statements of Cash Flows**

Years ended June 30,

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>		
Tuition and fees	\$ 11,956,677	\$ 13,873,151
Payments to employees	(43,356,408)	(45,861,958)
Payments to suppliers	(38,479,655)	(33,866,612)
Auxiliary enterprise charges	161,701	144,712
Other receipts	2,213,887	1,707,946
<b>Net cash provided (used) by operating activities</b>	<b>\$ (67,503,798)</b>	<b>\$ (64,002,761)</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Federal, state and local grants and contracts	\$ 55,136,540	\$ 58,799,687
Property taxes	35,816,629	32,232,397
<b>Net cash provided (used) by noncapital financing activities</b>	<b>\$ 90,953,169</b>	<b>\$ 91,032,084</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchases of capital assets	\$ (14,834,054)	\$ (4,548,442)
Loss (gains) on disposal of capital assets	5,015	-
Principal paid on debt and leases	(4,462,609)	(4,406,006)
Interest paid on debt and leases	(225,547)	(385,707)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>\$ (19,517,195)</b>	<b>\$ (9,340,155)</b>
<b>Cash Flows from Investing Activities</b>		
Interest on investments	\$ 4,763,824	\$ 259,441
<b>Net cash provided by investing activities</b>	<b>4,763,824</b>	<b>259,441</b>
<b>Net increase (decrease) in cash</b>	<b>8,696,000</b>	<b>17,948,609</b>
Cash - beginning of year	131,076,715	113,128,106
Cash - end of year	139,772,715	131,076,715
Cash and cash equivalents	139,772,715	130,576,479
Restricted cash	-	500,236
	<b>\$ 139,772,715</b>	<b>\$ 131,076,715</b>

See accompanying *Notes to Financial Statements*

**Southwestern Illinois College  
Community College District # 522**

**Statements of Cash Flows**

Years ended June 30,	2023	2022
<b>Reconciliation of Operating Results to Net Cash Used by Operating Activities</b>		
Operating gains (loss)	\$ (81,491,575)	\$ (89,039,081)
Adjustments to reconcile operating gains (loss) to net cash used by operating activities		
Depreciation and Amortization	4,191,722	4,024,245
Contribution paid by the state	16,281,391	20,796,029
Changes in assets and liabilities		
(Increase) decrease in receivables	(652,800)	(73,064)
(increase) decrease in prepaid items	(1,020,012)	212,609
Increase (decrease) in accounts payable	1,023,805	73,139
Increase (decrease) in accrued expenditures	(15,328,525)	(2,051,316)
Increase (decrease) in unearned revenue	83,677	980,251
Increase (decrease) in compensated absences	(35,344)	46,382
Increase in deferred inflows of resources	9,407,490	834,945
Increase in deferred outflows of resources	36,373	193,103
Total adjustments	13,987,777	25,036,323
<b>Net cash used by operating activities</b>	<b>(67,503,798)</b>	<b>(64,002,758)</b>
Noncash, capital and related financing activities		
SURS contribution paid by the State	\$ 16,281,391	\$ 20,796,026

See accompanying *Notes to Financial Statements*

**Southwestern Illinois College  
Community College District # 522**

**Statements of Fiduciary Net Position**

June 30,

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 904,880	\$ 841,609
Other receivables	6,729	8,694
<b>Total assets</b>	<b>\$ 911,609</b>	<b>\$ 850,303</b>
<b>Liabilities</b>		
Accounts payable	\$ 7,464	\$ 12,694
<b>Total Liabilities</b>	<b>7,464</b>	<b>12,694</b>
<b>Net Position</b>		
Restricted for individuals and organizations	904,145	837,609
<b>Total net position</b>	<b>\$ 904,145</b>	<b>\$ 837,609</b>

**Statements of Changes in Fiduciary Net Position**

Years ended June 30,

	<b>2023</b>	<b>2022</b>
<b>Additions</b>		
Deposits by student clubs and organizations	\$ 144,973	\$ 293,951
<b>Total additions</b>	<b>\$ 144,973</b>	<b>\$ 293,951</b>
<b>Deductions</b>		
Disbursements to student clubs and organizations	\$ 78,437	\$ 206,632
<b>Total deductions</b>	<b>78,437</b>	<b>206,632</b>
Net increase (decrease) in fiduciary net position	66,536	87,319
Net position - beginning of year	837,609	750,290
Net position - end of year	<b>\$ 904,145</b>	<b>\$ 837,609</b>

See accompanying *Notes to Financial Statements*

Southwestern Illinois College  
Community College District # 522

SWIC Foundation Statements of Financial Position

December 31,	2022	2021
<b>Assets</b>		
Cash and cash equivalents	\$ 734,999	\$ 566,447
Investments	9,285,539	11,354,144
Beneficial interest in perpetual trust	65,841	77,144
Accounts receivable	1,500	-
Pledge receivable	200	-
Property and equipment, net	2,797	3,975
Art collections	448,848	448,848
<b>Total Assets</b>	<b>\$ 10,539,724</b>	<b>\$ 12,450,558</b>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 143,281	\$ 1,361
<b>Total liabilities</b>	<b>143,281</b>	<b>1,361</b>
<u>Net assets</u>		
Without donor restrictions	1,376,953	1,488,042
With donor restrictions	9,019,490	10,961,155
<b>Total Net Assets</b>	<b>10,396,443</b>	<b>12,449,197</b>
Total Liabilities and Net Assets	\$ 10,539,724	\$ 12,450,558

See accompanying *Notes to Financial Statements*

Southwestern Illinois College  
Community College District # 522

SWIC Foundation Statement of Activities  
Year ended December 31, 2022

	Without Donor Restriction	With Donor Restrictions	Total
<b>Revenue, Gains and Other Support</b>			
Gifts and grants	\$ 4,902	\$ 408,453	\$ 413,355
Revenue from fundraising events	-	42,700	42,700
Less: Direct cost of fundraising events	-	(19,851)	(19,851)
Net fundraising events	-	22,849	22,849
Contributed Nonfinancial Assets from College	(40,852)	237,129	196,277
Investment income (loss), net	28,141	-	28,141
Net realized gains (loss) on investment	16,819	(194,990)	(178,171)
Net unrealized gains (loss) on investments	(90,556)	(1,955,868)	(2,046,424)
Net assets released from restriction	459,238	(459,238)	-
<b>Total Support and Revenues</b>	<b>\$ 377,692</b>	<b>\$ (1,941,665)</b>	<b>\$ (1,563,973)</b>
<b>Expenses</b>			
<u>Program</u>			
Students grants and scholarships	\$ 292,295	\$ -	\$ 292,295
Interest distributions	254	-	254
Program costs	165,179	-	165,179
<b>Total Program Expenses</b>	<b>457,728</b>	<b>-</b>	<b>457,728</b>
<u>Support</u>			
Management and general costs paid by			
Southwestern Illinois College	314,462.00	-	314,462.00
Fundraising	1,734	-	1,734
Depreciation	1,178	-	1,178
<b>Total Support Expenses</b>	<b>317,374</b>	<b>-</b>	<b>317,374</b>
Total Expenses	775,102	-	775,102
Transfer of Services - Southwestern Illinois College	286,321	-	286,321
<b>Change in net assets</b>	<b>(111,089)</b>	<b>(1,941,665)</b>	<b>(2,052,754)</b>
Net assets - beginning of year	1,488,042	10,961,155	12,449,197
Net assets - end of year	<u>\$ 1,376,953</u>	<u>\$ 9,019,490</u>	<u>\$ 10,396,443</u>

See accompanying *Notes to Financial Statements*

**Southwestern Illinois College  
Community College District # 522**

**SWIC Foundation Statement of Activities**  
Year ended December 31, 2021

	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, Gains and Other Support</b>			
Gifts and grants	\$ 2,689	\$ 305,377	\$ 308,066
Revenue from fundraising events	-	46,544	46,544
Less: Direct cost of fundraising events	-	(19,370)	(19,370)
Net fundraising events	-	27,174	27,174
Contributed Nonfinancial Assets from College	26,268	-	26,268
Investment income (loss), net	(38,714)	330,739	292,025
Net realized gains (loss) on investment	88,075	1,413,009	1,501,084
Net unrealized gains (loss) on investments	(15,554)	(283,986)	(299,540)
Net assets released from restriction	331,993	(331,993)	-
<b>Total Support and Revenues</b>	<b>\$ 394,757</b>	<b>\$ 1,460,320</b>	<b>\$ 1,855,077</b>
<b>Expenses</b>			
<u>Program</u>			
Students grants and scholarships	\$ 298,888	\$ -	\$ 298,888
Interest distributions	-	201	201
Program costs	32,903	-	32,903
<b>Total Program Expenses</b>	<b>331,791</b>	<b>201</b>	<b>331,992</b>
<u>Support</u>			
Management and general costs paid by			
Southwestern Illinois College	381,030	-	381,030
Fundraising	1,200	59	1,259
Depreciation	1,338	-	1,338
<b>Total Support Expenses</b>	<b>383,568</b>	<b>59</b>	<b>383,627</b>
Total Expenses	715,359	260	715,619
Transfer of Service - Southwestern Illinois College	354,762	-	354,762
<b>Change in net assets</b>	<b>34,160</b>	<b>1,460,060</b>	<b>1,494,220</b>
Net assets - beginning of year	1,453,882	9,501,095	10,954,977
Net assets - end of year	<u>\$ 1,488,042</u>	<u>\$ 10,961,155</u>	<u>\$ 12,449,197</u>

See accompanying *Notes to Financial Statements*

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022**

***Note 1. Organization and Significant Accounting Policies***

Organization

Southwestern Illinois College (formerly Belleville Area College), Community College District #522 (District) is an Illinois community college. The District includes all or portions of eight counties in Southwestern Illinois. The District is governed by a Board of Trustees.

The financial statements are based on accounts prescribed or permitted by the Fiscal Management Manual of the Illinois Community College Board. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as set forth in GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*.

Financial reporting entity

The District is a unit of state and local government governed by a Board of Trustees (Board), which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The District has the statutory authority to adopt its own budget, to levy taxes, and to issue bonded debt within certain dollar limits without the approval of another government and has the right to sue and be sued.

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include (1) the Board of Trustees of the District appointing a voting majority of an organization's governing body, (2) the ability of the District to impose its will on any organization, or (3) the potential for the Organization to provide specific benefits to, or impose specific financial burdens on, the District. Based on these criteria, the District is considered a primary government. GASB has also set forth criteria to be considered in determining the nature and significance of a relationship within the primary government. These criteria include: 1) the economic resources received or held by an organization are entirely or almost entirely for the direct benefit of the District, 2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization, and 3) the economic resources received or held by an organization that the District is entitled to, or has the ability to otherwise access, are significant to the District.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, as well as its component unit, the Southwestern Illinois College Foundation (the Foundation).

The Foundation is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the District in support of its programs. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, which the Foundation holds and invests, is restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022**

***Note 1. Organization and Significant Accounting Policies (continued)***

The Foundation is a private nonprofit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are *Accounting for Contributions Received and Contributions Made, Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The Foundation's financial information has been discretely presented. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences; however significant note disclosures to the Foundation's financial statements have been incorporated into the District's notes (see Note 15) to the financial statements.

Financial statements for the Foundation can be obtained by calling the Foundation at (618) 235-2700, ext. 5215.

**Basis of accounting**

Basis of accounting refers to when revenues received and expenses disbursed are recognized in the accounts and how they are reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred. All significant intra-District transactions have been eliminated. Non-exchange transactions, in which the District 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. Revenues from grants, state appropriations, and other contributions are 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 District must provide local resources to be used for a specified purpose and expenditure requirements in which the resources are provided to the District on a reimbursement basis.

The District has a fiduciary fund type which accounts for assets held by the District as an agent for the students, faculty, and other governmental units. These funds are custodial in nature and are classified as custodial funds.

**Net position**

The District's net position is classified as follows:

**Net investment in capital assets** – This represents the District's total investment in capital assets, net of accumulated depreciation and amortization and outstanding debt incurred to acquire, construct, or improve those assets.

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

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



**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022**

***Note 1. Organization and Significant Accounting Policies (continued)***

Cash and cash equivalents: For purposes of reporting cash flows, the District considers all highly liquid investments purchased with a maturity of three months or less, and investments to be cash equivalents.

Investments: Investments are reported at fair value in accordance with guidelines defined by GASB Statement No. 72. Bank deposits, money market accounts and certificates of deposit are recorded at cost. Investment income consists of interest earned on bank deposits and money market accounts. Investments in securities are reported at market value as determined by the major securities market.

Capital assets: Capital assets are defined by the District as assets with estimated useful lives in excess of one year and initial individual costs in excess of \$5,000. Capital assets, which include property, plant, equipment, and infrastructure assets (*i.e.*, roads, curbs, gutters, sidewalks, and similar items), are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest costs on construction in progress are capitalized when amounts are significant. During the fiscal year ended June 30, 2023 and 2022, the College did not capitalize interest.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-45
Other structures and improvements	10-45
Equipment	5-10

The District does not capitalize or depreciate its art collections or collection of library books. These collections are unencumbered, held for public education, protected, and preserved. Any proceeds from sale of collections are insignificant.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Deferred Outflows of Resources

Deferred outflows are defined as a consumption of net position by the District that is applicable to a future reporting period, and should be reported as having a similar impact on net position as assets. For the District, pension payments related to federal grants and payments related to postemployment benefits other than pensions and made subsequent to the liability measurement date are considered to be deferred outflows.

Deferred Inflows of Resources

Deferred inflows reflect an increase in net position or fund equity that applies to a future period. The District will not recognize the related revenue until a future event occurs. The District has two types of these items. One occurs related to revenue recognition because property tax receivables are recorded in the current year. The other occurs because of postemployment benefits other than pensions.

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

***Note 1. Organization and Significant Accounting Policies (continued)***

Classification of revenues and expenses

Operating revenue includes activities that have the characteristics of exchange transactions, such as student tuition and fees and sales and services of auxiliary enterprise, net of scholarship discounts and allowances. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts, and federal appropriations and (4) gifts and contributions. Operating expenses are those expenses for the purpose of providing education and operational activities of the District. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenditures.

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

Federal Financial Assistance Programs: The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study, Federal family education loans, Student Support Services and other educational programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Uniform Grant Guidance for States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

Allowance for doubtful accounts: Management has reviewed the collectability of its ordinary receivables and has deemed that all are collectible. However, the District has set up an allowance for doubtful accounts relative to the student tuition receivable.

Claims and judgments: Liability resulting from claims and judgments, if any, is recorded as the liability is incurred.

Summer school revenue and expenses: Summer session revenues and expenses are split between the two fiscal years, with appropriate amounts being recognized in the accounting period in which they are earned or incurred and become measurable.

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 statements 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 District, and the amount that is paid by students and/or third parties making payments on the student's behalf.

On-Behalf payments for fringe benefits and salaries: The District recognizes as revenues and expenses contributions made by the State of Illinois to the State Universities Retirement System (SURS) and the Illinois Community College Health Insurance Security Fund on behalf of the District's employees.

**Southwestern Illinois College  
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**Note 2. Cash and Cash Equivalents**

At June 30 the District's deposits had the following balance.

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	139,772,715	130,576,480
Restricted cash	-	500,236
Fiduciary cash and cash equivalents	904,880	841,609
Total deposits	140,677,595	131,918,325
Less: Amounts reclassified as investments	(128,066,557)	(121,463,095)
Carrying amounts of deposits	12,611,038	10,455,230

At June 30, the District's investment balances were as follows:

<b>2023</b>	<b>Fair Market Value</b>	<b>Less than 6 Months</b>	<b>6-12 Months</b>	<b>1-3 Years</b>	<b>Standard &amp; Poor's Rating</b>
Illinois Funds	\$ 82,144,855	\$ 82,144,855	\$ -	\$ -	AAAm
Illinois School District Liquid Asset Fund-Money Market	2,159,049	2,159,049	-	-	Not Rated
Savings Deposit Accounts	43,762,653	43,762,653	-	-	Not Rated
Total	<u>\$ 128,066,557</u>	<u>\$ 128,066,557</u>	<u>\$ -</u>	<u>\$ -</u>	

<b>2022</b>	<b>Fair Market Value</b>	<b>Less than 6 Months</b>	<b>6-12 Months</b>	<b>1-3 Years</b>	<b>Standard &amp; Poor's Rating</b>
Illinois Funds	\$ 77,143,728	\$ 77,143,728	\$ -	\$ -	AAAm
Illinois School District Liquid Asset Fund-Money Market	2,083,010	\$ 2,083,010	-	-	Not Rated
Savings Deposit Accounts	42,236,357	\$ 42,236,357	-	-	Not Rated
Total	<u>\$ 121,463,095</u>	<u>\$ 121,463,095</u>	<u>\$ -</u>	<u>\$ -</u>	

**Credit Risk:** The Board of Trustees has authorized the District to invest funds in accordance with the Illinois Community College Act and the Investment of Public Funds Act. The District's investment policy is to apply the prudent person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to conform to legal requirements, seek reasonable income, preserve capital, maintain liquidity and, in general, avoid speculative investments.

**Custodial Credit Risk:** Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy allows that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement, and held at an independent, third party institution in the name of the District. The District's collateralization policy is currently set at 105% of uninsured deposits. At June 30, 2023 and 2022, the District's deposits were not fully collateralized.

**Southwestern Illinois College  
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**Note 2. Cash and Cash Equivalents (continued)**

Concentration of Credit Risk: At June 30, 2023 and 2022, the District had greater than five percent of its overall portfolio invested in Illinois School District Liquid Asset Fund Plus Money Market with \$27.4 million (21%) and \$26.4 million (22%) at June 30, 2023 and 2022, respectively. This is in accordance with the District's investment policy.

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The State Treasurer maintains the Illinois Funds Money Market at cost and fair value through daily adjustment in the interest earnings. Based upon the State Treasurer's Office Investment policy, the District's funds are pooled in a manner that provides the highest investment return using authorized instruments while meeting the daily cash flow demands and conforming to all pertinent statutes governing the investment of public funds.

The Illinois Funds invests in U.S. Treasury obligations, repurchase agreements collateralized at 102% by U.S. Treasury obligations, certificates of deposit issued by an Illinois financial institution, U.S. agency mortgage-backed securities, and U.S. Treasury only money-market funds rated 'AAAm' by Standard & Poor's. Other investments include commercial paper rated in one of the two highest rating categories by Standard & Poor's with a maximum final maturity of 270 days, and no asset-backed securities. The final maturity on all securities is limited to one year.

All funds deposited in the pool are classified as investments even though some could be withdrawn on a day's notice. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provision of the Illinois Public Investment Act, 30 ILCS 235.

**Note 3. Property Taxes Receivable**

Property taxes are levied each year on all taxable real property in the District. The property tax calendar is specified by the Board of Trustees. Property taxes are certified on or before the last Tuesday in December and attach as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in the following calendar year and are collected by the county collectors in the District who, in turn, remit to the District its respective share. Collection dates vary according to the schedules of the individual counties with disbursements to the District normally made within thirty days of collection.

Property taxes receivable represents the prior year's levy and an estimate of the current year's levy applicable to the portion of the current fiscal year. Property taxes that are not intended for current year operations are shown as a deferred inflow of resources. The amounts accrued from year to year will vary based upon the tax collections of the respective counties.

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

	Maximum Rate	Levy Year	
		2023	2022
Education	0.1320	0.001221	0.1317
Equity	0.1307	0.00115	0.1304
Building	0.0280	0.000259	0.0279
Tort immunity	-	0.000414	0.0539
Audit	0.0050	0.000010	0.0008
Bond and interest	-	0.000511	0.0573
Protection, health, safety	0.0500	0.000368	0.0412
Social security	-	0.000068	0.0079
		<u>0.004001</u>	<u>0.4511</u>

**Southwestern Illinois College**  
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**Note 4. Changes in Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2023, is as follows.

	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance June 30, 2023</b>
Capital assets not depreciated				
Land	\$ 6,515,480	\$ -	\$ -	\$ 6,515,480
Construction in progress	2,140,541	11,989,824	(1,381,480)	12,748,885
Total capital assets not depreciated	8,656,021	11,989,824	(1,381,480)	19,264,365
Capital assets being depreciated				
Buildings	53,524,255	-	-	53,524,255
Building improvements	47,581,755	836,117	(1,309,343)	47,108,529
Land improvements	16,819,234	-	(6,255)	16,812,979
Equipment	22,228,237	2,645,790	(207,213)	24,666,814
Right-of-use leased assets	613,177	-	-	613,177
Total capital assets being depreciated	140,766,658	3,481,907	(1,522,811)	142,725,754
Less accumulated depreciation and amortization for				
Buildings	20,084,931	1,166,723	-	21,251,654
Building improvements	45,578,260	241,706	(1,309,343)	44,510,623
Land improvements	10,390,756	738,296	(5,447)	11,123,605
Equipment	15,961,803	1,901,660	(203,006)	17,660,457
Right-of-use leased assets	323,286	143,337	-	466,623
Total accumulated depreciation	92,339,036	4,191,722	(1,517,796)	95,012,962
Total capital assets being depreciated, net	48,427,622	(709,815)	(5,015)	47,712,792
Total capital assets, net	<u>\$57,083,643</u>	<u>\$11,280,009</u>	<u>\$ (1,386,495)</u>	<u>\$66,977,157</u>

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022**

**Note 4. Changes in Capital Assets** *(continued)*

A summary of changes in capital assets for the year ended June 30, 2022, is as follows:

	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance June 30, 2022</b>
Capital assets not depreciated				
Land	\$ 6,515,480	\$ -	\$ -	\$ 6,515,480
Construction in progress	797,019	1,410,102	(66,580)	2,140,541
Total capital assets not depreciated	<u>7,312,499</u>	<u>1,410,102</u>	<u>(66,580)</u>	<u>8,656,021</u>
Capital assets being depreciated				
Buildings	53,524,255	-	-	53,524,255
Building improvements	47,531,003	66,580	(15,828)	47,581,755
Land improvements	16,819,234	-	-	16,819,234
Equipment	20,010,446	3,138,340	(920,549)	22,228,237
Right-of-use leased assets	613,177	-	-	613,177
Total capital assets being depreciated	<u>138,498,115</u>	<u>3,204,920</u>	<u>(936,377)</u>	<u>140,766,658</u>
Less accumulated depreciation and amortization for				
Buildings	18,917,463	1,167,468	-	20,084,931
Building improvements	45,282,250	311,836	(15,826)	45,578,260
Land improvements	9,622,947	767,809	-	10,390,756
Equipment	15,267,232	1,614,929	(920,358)	15,961,803
Right-of-use leased assets	161,083	162,203	-	323,286
Total accumulated depreciation	<u>89,250,975</u>	<u>4,024,245</u>	<u>(936,184)</u>	<u>92,339,036</u>
Total capital assets being depreciated, net	<u>49,247,140</u>	<u>(819,325)</u>	<u>(193)</u>	<u>48,427,622</u>
Total capital assets, net	<u><u>\$56,559,639</u></u>	<u><u>\$ 590,777</u></u>	<u><u>\$ (66,773)</u></u>	<u><u>\$57,083,643</u></u>

**Note 5. Compensated Absences**

District employees are entitled to certain compensated absences based on their length of employment. Compensated absences accumulate and are accrued when they are earned.

As of June 30, 2023, and 2022, employees had earned but not taken annual vacation leave which, at salary rates in effect at the end of the year, totaled \$1,805,236 and \$1,595,256, respectively. These amounts are considered current.

The District operates under a personnel policy which allows accumulation of sick leave from year to year. The District estimates its liability for accrued sick leave and related benefits as of June 30, 2023 and 2022, to be \$565,592 and \$693,883, respectively, using the termination payment method. Of such amounts, the District estimated that \$535,865 and \$544,710 at June 30, 2023 and 2022, respectively, would be paid in the next fiscal year.

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**Note 6. Long-term Liabilities**

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

<b>2023</b>	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance June 30, 2023</b>	<b>Due Within One Year</b>
Bonds, contracts and leases payable					
Bonds payable	\$12,535,000	\$ -	\$ (4,290,000)	\$ 8,245,000	\$ 4,335,000
Lease payable	319,163	-	(172,608)	146,555	105,828
Unamortized bond premium	280,926	-	(125,396)	155,530	117,620
Total bonds, contracts and leases payable	13,135,089	-	(4,588,004)	8,547,085	4,558,448
Other liabilities					
Compensated absences and sick leave	2,289,139	1,013,498	(931,808)	2,370,829	2,343,088
Total other liabilities	2,289,139	1,013,498	(931,808)	2,370,829	2,343,088
Total Long-Term Liabilities	\$15,424,228	\$ 1,013,498	\$ (5,519,812)	\$ 10,917,914	\$ 6,901,536
<b>2022</b>	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance June 30, 2022</b>	<b>Due Within One Year</b>
Bonds, contracts and leases payable					
Bonds payable	\$16,790,000	\$ -	\$ (4,255,000)	\$ 12,535,000	\$ 4,290,000
Lease payable	470,169	-	(151,006)	319,163	167,315
Unamortized bond premium	406,322	-	(125,396)	280,926	117,620
Total bonds, contracts and leases payable	17,666,491	-	(4,531,402)	13,135,089	4,574,935
Other liabilities					
Compensated absences and sick leave	2,242,757	1,087,467	(1,041,085)	2,289,139	2,139,966
Total other liabilities	2,242,757	1,087,467	(1,041,085)	2,289,139	2,139,966
Total Long-Term Liabilities	\$19,909,248	\$ 1,087,467	\$ (5,572,487)	\$ 15,424,228	\$ 6,714,901

**Southwestern Illinois College**  
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General obligation bonds

Series 2020A: In September 2020, the Board approved a \$12,500,000 taxable Working Cash Bond Issue dated November 17, 2020. The proceeds of the bonds were used to increase the District's Working Cash Fund, which was needed due to the possibility of delayed and reduced State of Illinois Operating Grant payments. Serial retirement of principal and interest begins on December 1, 2022, with interest payable semiannually at less than 1% which began on June 1, 2022. Maturity date is December 1, 2023.

Obligations in fiscal year	Principal	Interest	Total
2024	\$ 3,955,000	\$ 19,498	\$ 3,974,498

Series 2020B: In September 2020, the Board approved a \$4,290,000 General Obligation Refunding Bond Issue. The proceeds of the bonds were used to refinance the District's General Obligation 2007 bond series issued in fiscal year 2008. Serial retirement of principal and interest began on December 1, 2023, with interest payable semiannually at 4.0% which began on June 1, 2022. Maturity date is December 1, 2024. District debt issuances issued after the Federal Tax Reform Act of 1986 are subject to federal arbitrage regulations. This results when earnings on investments purchased from the gross proceeds of a bond issue exceed the issuer's tax-exempt borrowing rates. The District continues to monitor and report any arbitrage in accordance with the Internal Revenue Code.

Obligations in fiscal year	Principal	Interest	Total
2024	\$ 380,000	\$ 164,000	\$ 544,000
2025	3,910,000	78,200	3,988,200
	<u>\$ 4,290,000</u>	<u>\$ 242,200</u>	<u>\$ 4,532,200</u>

Subsequent Event: In November 2023, the Board approved a \$18,435,000 tax exempt General Obligation Bonds (Series 2023) dated December 19, 2023. The proceeds of the bonds were used to increase the District's Working Cash Fund. Serial retirement of principal and interest for the 2023 series begins on December 1, 2025, with interest payable semiannually at 5% starting December 1, 2024. Maturity date is December 1, 2029.

**Note 7. Restricted Net Position – Restricted Current Funds**

At June 30, 2023, the restricted for current funds net position amount consists of:

	2023	2022
Debt service	\$ 489,566	\$ 393,997
Restricted current funds	1,388,893	368,881
Grant programs	2,284,111	2,062,764
Operations & Maintenance	15,818,149	15,875,004
Total Restricted Current Funds	<u>\$ 19,980,719</u>	<u>\$ 18,700,646</u>



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**Note 8. Operating Expenses by Functional Classification**

The following table provides information related to operating expenses by functional classification for the year ended June 30, 2023:

	<b>Salaries &amp; Benefits</b>	<b>Contractual Services</b>	<b>Supplies</b>	<b>Travel &amp; Meeting</b>	<b>Fixed Charges</b>	<b>Utilities</b>	<b>Other</b>	<b>Capital Outlay</b>	<b>Total</b>
Instruction	\$ 33,754,226	\$ 1,621,465	\$ 2,623,725	\$ 1,137,947	\$ 7,872	\$ 3,848	\$ 249,603	\$ -	\$ 39,398,686
Academic support	976,711	126,339	50,308	836	49,090	-	-	-	1,203,284
Student services	5,504,908	305,214	238,463	93,125	503	710	1,507,149	-	7,650,072
Public service	7,210,292	350,711	135,208	363,847	1,035,797	7,148	537,370	-	9,640,373
Institutional support	13,139,456	4,857,855	2,077,622	157,581	1,475,236	591,037	(2,541,964)	-	19,756,823
Operation & maintenance of plant and capital outlay	6,269,048	662,719	719,946	40,360	45,515	2,116,438	(610)	2,184,352	12,037,768
Auxiliary enterprises	863,519	705,671	62,579	494,614	417,606	1,680	87,586	-	2,633,255
Depreciation & amortization	-	-	-	-	-	-	4,191,722	-	4,191,722
	<b>\$ 67,718,160</b>	<b>\$ 8,629,974</b>	<b>\$ 5,907,851</b>	<b>\$ 2,288,310</b>	<b>\$ 3,031,619</b>	<b>\$ 2,720,861</b>	<b>\$ 4,030,856</b>	<b>\$ 2,184,352</b>	<b>\$ 96,511,983</b>

The following table provides information related to operating expenses by functional classification for the year ended June 30, 2022:

	<b>Salaries &amp; Benefits</b>	<b>Contractual Services</b>	<b>Supplies</b>	<b>Travel &amp; Meeting</b>	<b>Fixed Charges</b>	<b>Utilities</b>	<b>Other</b>	<b>Capital Outlay</b>	<b>Total</b>
Instruction	\$ 35,318,550	\$ 1,351,372	\$ 2,019,540	\$ 918,930	\$ 1,865	\$ -	\$ 110,490	\$ -	\$ 39,720,747
Academic support	958,660	119,619	45,931	526	49,445	-	-	-	1,174,181
Student services	5,671,672	216,178	237,377	64,311	39,520	300	7,897,925	-	14,127,283
Public service	6,126,092	406,147	153,383	311,573	917,121	7,606	196,024	-	8,117,946
Institutional support	12,034,940	2,727,586	4,247,511	69,960	1,197,262	8,018	2,949,291	-	23,234,568
Operation & maintenance of plant and capital outlay	6,098,821	545,710	590,661	24,811	49,255	1,988,821	331	1,569,757	10,868,167
Auxiliary enterprises	944,023	734,127	72,136	324,481	262,255	1,680	251,864	-	2,590,566
Depreciation & amortization	-	-	-	-	-	-	4,024,245	-	4,024,245
	<b>\$ 67,152,758</b>	<b>\$ 6,100,739</b>	<b>\$ 7,366,539</b>	<b>\$ 1,714,592</b>	<b>\$ 2,516,723</b>	<b>\$ 2,006,425</b>	<b>\$ 15,430,170</b>	<b>\$ 1,569,757</b>	<b>\$ 103,857,703</b>

**Southwestern Illinois College  
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***Note 9. Defined Benefit Pension Plans***

Plan description: The District contributes to the State Universities Retirement System of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's Comprehensive Annual Financial Report 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](http://www.SURS.org).

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 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, 2023 can be found in the SURS Comprehensive Annual Financial Report (CAFR) Notes to the Financial Statements.

Contributions: The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System 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 that are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2022 and 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 Illinois General Assembly.

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

***Net Pension Liability***

SURS reported a net pension liability of \$29,078,053,857 at June 20, 2023 and \$28,528,447,079 at June 30, 2022. The net pension liabilities were measured as of June 30, 2022 and June 30, 2021, respectively.

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**Note 9. Defined Benefit Pension Plans** (continued)

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the District is \$0. The proportionate share of the State's net pension liability associated with the District is \$242,999,190 or 0.8357% and \$252,054,801 or 0.8835% as of June 30, 2022 and 2021, respectively. The Southwestern Illinois College's proportionate share changed by (0.0500%) from 0.8857% since the last measurement date on June 30, 2020. This amount is not recognized in the District's financial statements. The net pension liability and total pension liability as of June 30, 2020, respectively was determined based on the June 30, 2019, 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 2022 and 2021, respectively.

Pension Expense

At June 30, 2023 and 2022, SURS reported a collective net pension expense of \$1,903,314,699 and \$2,342,460,058.

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension expense is recognized as non-operating revenue with the 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 2023 and 2022. As a result, the District recognized on-behalf revenue and pension expense of \$15,905,601 and \$20,696,103 for the fiscal years ended June 30, 2023 and 2022.

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

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

SURS collective outflows and deferred inflows of resources by sources are:

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

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**Note 9. Defined Benefit Pension Plans** (continued)

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	(249,290,775)
2026	442,534,804
	-
\$	<u>(668,663,995)</u>

Employer Deferral of Pension Expense

Employer paid \$587,666 in federal, trust, or grant contributions for the fiscal 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.

Employer paid \$404,690 in federal, trust, or grant contributions for the fiscal year ended June 30, 2022. These contributions were made subsequent to the pension liability measurement date of June 30, 2021, and are recognized as Deferred Outflows of Resources as of June 30, 2022.

Assumptions and Other Inputs

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

Inflation	2.25 percent
Salary increases	3.00 to 12.725 percent, including inflation
Investment rate of return	6.50 percent beginning with the actuarial valuation as of June 30, 2021

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

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

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**Note 9. Defined Benefit Pension Plans** (continued)

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long- Term Expected Real Rate of Return (Arithmetic)
<b>Traditional Growth</b>		
Global Public Equity	38.0%	7.62%
<b>Stabilized Growth</b>		
Credit Fixed Income	9.0%	4.20%
Core Real Assets	4.5%	4.98%
Options Strategies	2.5%	4.91%
Private Credit	1.0%	7.45%
<b>Non-Traditional Growth</b>		
Private Equity	10.5%	11.91%
Non-Core Real Assets	2.5%	9.43%
<b>Inflation Sensitive</b>		
US TIPS	5.0%	1.23%
<b>Principal Protection</b>		
Core Fixed Income	8.0%	1.79%
<b>Crisis Risk Offset</b>		
Systematic Trend Following	10.0%	4.33%
Alternative Risk Premia	5.0%	3.59%
Long Duration	4.0%	2.16%
<b>Total</b>	100.0%	6.08%
Inflation		2.25%
<b>Expected Arithmetic Return</b>		8.33%

Discount Rate

A single discount rate of 6.39% and 6.12% at June 30, 2022 and June 30, 2021, respectively, 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 6.50% at June 30, 2022 and June 30, 2021, respectively, and a municipal bond rate of 3.96% and 1.92% at June 30, 2022 and June 30, 2021, respectively (based on the Fidelity 20-Year Municipal GO AA Index as of June 30 of each year. The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.39% and 6.12% at June 30, 2022 and June 30, 2020, respectively, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percentage-point lower or 1 percentage-point higher:

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**Note 9. Defined Benefit Pension Plans** (continued)

<b>June 30, 2022</b>		
Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
5.39%	6.39%	7.39%
\$ 35,261,802,968	\$ 29,078,053,857	\$ 23,928,731,076

<b>June 30, 2021</b>		
Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
5.12%	6.12%	7.12%
\$ 35,000,704,353	\$ 28,528,477,079	\$ 23,155,085,730

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at [www.SURS.org](http://www.SURS.org).

**Note 10. Postemployment Benefits Other than Pensions**

Plan Administration

The District participates in the state of Illinois Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program, "CIP"). CIP 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 benefit of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois Community College Districts throughout the State of Illinois, excluding the City Colleges of Chicago. The Department of Central Management Services administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts. Separate financial statements, including required supplementary information, may be obtained from the Department at 715 Stratton Office Building, Springfield, Illinois, 62706.

Plan Membership

All members receiving benefits from the State Universities Retirement System (SURS) who have been full-time employees of a community college district or an association of a community college who have paid the required active member CIP contributions prior to retirement are eligible to participate in CIP. Survivors of an annuitant or benefit recipient eligible for CIP coverage are also eligible for coverage under CIP.

Benefits Provided

Health, dental, and vision benefits include basic benefits for annuitants and 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 or credited service with the State, whether the annuitant is covered by Medicare and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute towards health, dental and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount 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.

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**Note 10. Postemployment Benefits Other than Pensions (continued)**

**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 contribution to the plan at a rate of 0.5% of salary. The statute also requires every community college district, as an employer under 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 (covered payroll). Retirees pay a premium for coverage. Based on the ILCS, the premium paid by retirees is determined by the Director of the Department of Central Management Services. State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the CIP in an amount certified by the SURS Board of Trustees. State appropriation covers any expected expenditures in excess of the contributions by active employees, employers, and retirees. The employer contributions made by the State of Illinois on behalf of the District to CIP and the College's contributions for the years ended June 30, 2023 and 2022 were \$154,125 and \$134,936, respectively.

**Illinois Community College Health Insurance Security Fund – OPEB Liabilities, Expense, Deferred Outflow of Resources and Deferred Inflow of Resources Related to the OPEB**

The District reported a liability of \$9,795,081 and \$24,859,545 as of June 30, 2023 and 2022, respectively. This amount is the District's proportional share of the net OPEB liability. The State of Illinois is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Illinois' proportionate share of the net pension liability associated with the District totaled \$8,795,081 and \$24,869,454, respectively. The net OPEB liability was measured as of June 30, 2022 and 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022 and 2021, respectively, with procedures performed to roll forward the total OPEB liability to the June 30, 2022 and 2021 measurement dates. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers and the state of Illinois. At June 30, 2022 and 2021, the District's proportion was 1.430858% and 1.432963%, respectively, a decrease of 0.002105% and 0.068562%, respectively, from the previous year.

For the year ended June 30, 2023 and 2022, the District recognized OPEB expense of \$(9,407,490) and \$(1,292,764), respectively, for its proportionate share of the OPEB expense. In addition, the District recognized an additional \$(238,679) and \$(205,321), respectively, as OPEB expense (and revenue) for its proportionate share of the State of Illinois' contribution to the plan.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Deferred Amounts Related to OPEB</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ 77,380	\$ 4,079,955
Changes of assumptions	-	13,203,464
Net difference between projected and actual investment earnings on OPEB Plan investment earnings on OPEB Plan investments	-	507
Changes in proportion and differences between employer contributions and share of contributions	25,710	3,096,381
Total deferred amounts to be recognized in OPEB expense in future periods	103,090	20,380,307
OPEB contributions made subsequent to the measurement date	-	-
Total deferred amounts related to OPEB	<u>\$ 103,090</u>	<u>\$ 20,380,307</u>

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**Note 10. Postemployment Benefits Other than Pensions** (continued)

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	Deferred Outflow of Resources	Deferred Inflow of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ 157,384	\$ 1,817,670
Changes of assumptions	-	4,750,870
Net difference between projected and actual investment earnings on OPEB Plan investment earnings onn OPEB Plan investments		716
Changes in proportion and differences between employer contributions and share of contributions	184,385	4,403,560
Total deferred amounts to be recognized in OPEB expense in future periods	341,769	10,972,816
OPEB contributions made subsequent to the measurement date	134,795	-
Total deferred amounts related to OPEB	<u>\$ 476,564</u>	<u>\$ 10,972,816</u>

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

Year ended June 30,	Deferred Outflows of Resources	Deferred Inflow of Resources
2024	\$ 103,090	\$ 4,998,174
2025	-	4,590,010
2026	-	4,175,385
2027	-	3,668,379
2028	-	2,948,359
	<u>\$ 103,090</u>	<u>\$ 20,380,307</u>

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants, mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2017.

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's 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, and increase of 1.77%.



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**Note 10. Postemployment Benefits Other than Pensions (continued)**

**Sensitivity of CIP's Net OPEB Liability to changes in the Single Discount Rate**

The following presents the District's proportionate share of the plan's net OPEB liability, calculated using a Single Discount Rate of 3.69%, as well as what the District's proportionate share of the plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point higher or lower than the current rate:

<b>Net OPEB Liability</b>			
	<b>Current Single Discount</b>		
	<b>1% Decrease</b>	<b>Rate Assumption</b>	<b>1% Increase</b>
College's Proportionate Share of the Collective Net OPEB Liability June 30, 2023	2.69%	3.69%	4.69%
	\$ -	\$ -	\$ -
	<b>Current Single Discount</b>		
	<b>1% Decrease</b>	<b>Rate Assumption</b>	<b>1% Increase</b>
College's Proportionate Share of the Collective Net OPEB Liability June 30, 2022	0.92%	1.92%	2.92%
	\$ 28,333,717	\$ 24,869,545	\$ 21,877,913

**Sensitivity of the CIP's plan Net OPEB liability to changes in the healthcare cost trend rates**

The following presents the District's proportionate share of the plan's net OPEB liability, calculated using the healthcare cost trend rates as well as what the District's proportionate share of the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

<b>Net OPEB Liability</b>			
	<b>Healthcare Cost Trend</b>		
	<b>1% Decrease</b>	<b>{a}</b>	<b>1% Increase</b>
College's Proportionate Share of the Collective Net OPEB liability June 30, 2023	\$ 8,753,408	\$ 9,795,084	\$ 11,067,923

(a) Pre-Medicare per capita costs: 9.18% in 2023, 8.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039.

	<b>Healthcare Cost Trend</b>		
	<b>1% Decrease</b>	<b>Rate Assumption</b>	<b>1% Increase</b>
College's Proportionate Share of the Collective Net OPEB liability June 30, 2022	\$ 20,492,109	\$ 24,869,545	\$ 30,732,224

One percentage point decrease in healthcare trend rates are 7.00% in 2023 decreasing to an ultimate trend rate of 3.25% in 2038.

Key trend rate of 8.00% in 2023 for non-Medicare and post-Medicare coverage decreasing to an ultimate trend rate of 4.25% in 2038

One percentage point increase in healthcare trend rates are 9.00% in 2023 decreasing to an ultimate trend rate of 5.25% in 2038.

**Note 11. Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance to handle these risks of loss. The aggregate loss limits for the commercial insurance vary depending on the type of loss and include the following limits at June 30,

	<b>2023</b>	<b>2022</b>
Property	\$ 274,192,243	\$ 259,648,878
Business auto liability	1,000,000	1,000,000
Commercial general liability	1,000,000	1,000,000
Commercial umbrella liability	10,000,000	10,000,000
Workers' compensation, self-insured retention	250,000	250,000
Workers' compensation, Part B, each accident/each employee for disease	250,000	250,000
Cyber liability	2,000,000	3,000,000

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**Note 11. Risk Management** *(continued)*

All employees are covered under the workers' compensation, Self-Insured Retention policy. The District utilizes the services of a third-party administrator for claims management and payments. The District purchases commercial insurance for claims in excess of the Self-Insured Retention amount. For the years ended June 30, 2023 and 2022, there have been no claims exceeding the Self-Insured Retention amount of \$450,000 for regular employees.

During fiscal year 2005, the District established the Employee Benefit Fund (Fund), an internal service fund, to account for and finance its uninsured risks of loss related to employee health care costs. As of December 31, 2017, the District transitioned from the comprehensive self-insurance plan through a third-party administrator to a Health Insurance Plan through Blue Cross Blue Shield. While the District was self-insured during the calendar year 2017, the Fund provided coverage of the District's employee health and accident insurance up to \$100,000 in eligible claims per covered member per year. Additionally, the District purchased commercial insurance for claims in excess of coverage provided by the Fund. Since the transition to a Health Insurance Plan through Blue Cross Blue Shield, claims have not exceeded the commercial insurance coverage limit for each respective plan year.

The District is named as a defendant in various legal actions arising in the normal course of operations. The District's management believes the resolution of those actions will not have material effect on the District's financial statements.

**Note 12. Commitments and Building Construction**

All known asbestos, if not in the process of being abated during a current renovation project, is contained and poses no immediate threat to public health. Such asbestos may be remediated when future renovation occurs, if the District deems appropriate. The amount expended in fiscal years 2023 and 2022 for asbestos remediation was \$194,457 and \$24,579 respectively. The amounts were funded by Protection, Health and Safety property tax revenues.

Southwestern Illinois College has a contract with Bi-State Development Agency of the Missouri-Illinois Metropolitan District for transportation services. The contract requires the College to pay a set boarding fee for passes adopted by the Agency Board of Commissioners. During fiscal years 2023 and 2022, the District paid approximately \$223,883 and \$215,160, respectively for boarding passes under this contract.

**Note 13. New Government Accounting Standards**

The District adopted the following statements during the year ended June 30, 2023:

- GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The objective of this statement is to provide definitions for SBITAs in order to improve comparability in financial reporting by governments. The Statement requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

The District adopted the following statement during the year ended June 30, 2022:

- GASB Statement No. 87, Leases. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

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**Note 14. Tax Abatements**

Tax abatements, as defined by Governmental Accounting Standards Board ("GASB") Statement No. 77, Tax Abatement Disclosures ("GASB 77"), are agreements between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

Since the District does not and has not entered into tax abatement agreements directly with any individuals or entities, the following estimates are from tax abatements entered into by other governments, specifically the county and municipalities within the District's boundary, that have reduced the District's tax revenues.

Tax Increment Financing affecting SWIC

Illinois' Tax Increment Allocation Redevelopment Act enables local governments to finance certain redevelopment costs with the revenue generated from (i) payments in lieu of real estate taxes, as measured by the net increase in assessed valuation resulting from redevelopment and (ii) a portion of the increase in other local tax revenue associated with new economic activity. When a tax increment financing ("TIF") plan is adopted, real estate taxes in the redevelopment area are affected. By applying the real estate tax rate of all taxing districts having taxing power within the redevelopment area to the increased assessed valuation resulting from redevelopment, a tax "increment" is produced.

The estimated TIF incremental values and the District's net reduced tax revenue resulting from the TIFs adopted are as follows for the years ended June 30,

<b>2023</b>	<b>TIF Incremental Value / Assessments</b>	<b>Reduced Tax Revenues</b>
Various Redevelopment Project Areas within the District's Geographic Area	\$ 665,856,618	\$ 2,848,045
<b>2022</b>	<b>TIF Incremental Value / Assessments</b>	<b>Reduced Tax Revenues</b>
Various Redevelopment Project Areas within the District's Geographic Area	\$ 671,989,679	\$ 3,014,839

In addition, during the years ended June 30, 2023 and 2022 the District has received \$129,760 and \$89,907, respectively, of payments from various governments in association of the forgone revenue.

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**Note 14. Tax Abatements** *(continued)*

Tax Abatements affecting SWIC

The District's property tax revenues were reduced through Enterprise Zone Abatements. The Illinois Enterprise Zone Program is designed to stimulate economic growth and neighborhood revitalization in economically depressed areas of the state through state and local tax incentives, regulatory relief and improved governmental services. The amount of the District's tax revenues that were abated by the county and cities initiating the programs are reported in the following table for the years ended of June 30, 2023 and 2022.

	2023	2022
Madison	\$ 121,608	\$ 118,208
St. Clair	914	929
Total	<u>\$ 122,522</u>	<u>\$ 119,137</u>

**Note 15. Discretely Presented Component Unit**

The December 31, 2022 and 2021 footnotes of Southwestern Illinois College Foundation, a discretely presented component unit of the District are as follows:

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements.

Nature of Activities

The Southwestern Illinois College Foundation (the Foundation) was organized in 1975 as a nonprofit corporation. The purpose of the Foundation is to assist in developing and increasing the facilities of Southwestern Illinois College by encouraging the donation of gifts, to administer such gifts, and to solicit, receive, hold, and administer contributions for scholarships, programs, and enhancement grants.

The SWIC Foundation, which raises and holds economic resources for the direct benefit of Southwestern Illinois College, is considered to have a significant relationship with and is considered a component unit of Southwestern Illinois College.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis.

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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

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**Note 15. Discretely Presented Component Unit** (continued)

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to four categories of net assets. A description of the net asset categories follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor-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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include money market funds with average maturities of three months or less.

Investments

The Foundation carries all investments in debt securities and investments in equity securities with readily determinable fair values at fair value in the statement of financial position, with realized and unrealized gains and losses being reflected in the statement of activities.

Beneficial Interest in Perpetual Trusts

The Foundation is the beneficiary of a perpetual trust held by a third party. Under the terms of the trust, the Foundation has the irrevocable right to receive the income generated by the trust in perpetuity, but never receive the corpus of the trust. The beneficial interest in the perpetual trust is recorded at the Foundation's proportional share of the fair value of the underlying trust assets.

Pledge Receivables

Management believes pledge receivables are fully collectible; consequently, no allowance for bad debts has been recorded.

Property and Equipment

Property and equipment is recorded at cost and depreciated on a straight-line basis over the estimated useful life of each asset.

Art Collections

Accessions of art collection items are capitalized at cost if the items were purchased or at their appraised fair value on the accession date (the date which the item is accepted by the Foundation's board of directors) or insurance replacement value if the items were contributed. Art collection items are not depreciated. Gains and losses from deaccessions of these items are reflected in the statement of activities as changes in the appropriate net asset classes, depending on the existence and type of donor-imposed restrictions, if any.

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**Note 15. Discretely Presented Component Unit** (continued)

Gifts and Grants

Gifts and grants are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "Net Assets Released from Restrictions."

Donated marketable securities and other noncash donations are recorded as gifts at their estimated fair values at the date of donation.

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases in liabilities, or decreases in expenses depending on the form of the benefits received. Unconditional promises to give that are expected to be collected are recorded at net realizable value.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. When collected prior to satisfaction of donor restrictions, amounts are reported as refundable advances.

Investment Income

Investment income consists of interest and dividends. Income and losses are allocated based on the percentage of the respective ending unrestricted, temporarily restricted, and permanently restricted net asset balance, before the allocation of investment income. Investment income earned on permanently restricted funds is reported in temporarily restricted net assets, as income earned on these funds is available for current use.

Investment income is reported as follows:

- As increases in permanently restricted net assets if the terms of the gift or the board's interpretation of relevant state law requires that they be added to the principal of a permanent endowment fund;
- As increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income; and
- As increases in unrestricted net assets in all other cases.

Contributed Nonfinancial Materials, Facilities, and Services

Donated supplies and materials are recorded as contributions and as expenses of the appropriate program or supporting service at their determinable fair value at the date of donation.

Donated property and equipment and art collections are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment and art collections are reported as increases in restricted net assets. Absent donor stipulations regarding how long the donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted assets at that time.

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Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022**

**Note 15. Discretely Presented Component Unit** *(continued)*

Donated facilities are recorded as contributions and expenses at the date of donation at the amount of (a) the fair rental value of the facilities if the Foundation receives the use of the facilities at no cost or (b) the fair rental value of the facilities less the Foundation's contractual lease obligation if it receives the use of the facilities at below-market rates.

Donated services are recorded as contributions and expenses at their estimated fair value at the date of donation if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Foundation have been summarized on a functional basis in the statements of activities. Expenses are charged to program, management and general, and fundraising based on management's best estimates of payroll allocation, square footage, and total direct expenses. Management and general expenses include those expenses that are not directly identifiable with direct benefit of the students at SWIC but provide for the overall support and direction of the Foundation. Program expenses include direct support of programs offered and scholarships provided to students of Southwestern Illinois College.

Income Taxes

The Foundation is an organization exempt from income taxes as defined in the Internal Revenue Code Section 501(c)(3).

The Foundation follows standards governing the accounting for uncertainty in income taxes. This guidance prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Foundation evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2022 and 2021.

The Foundation's income tax returns are subject to review and examination by federal and state authorities. The Foundation is not aware of any activities that would jeopardize its tax-exempt status. The Foundation is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, Leases (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Foundation adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021 are made under prior lease guidance in FASB ASC 840.

The Foundation has elected to adopt the package of practical expedients available in the year of adoption. The Foundation has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Foundation's ROU assets.

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For the Years Ended June 30, 2023 and 2022

**Note 15. Discretely Presented Component Unit** (continued)

INVESTMENTS

The cost and fair value of investments as of December 31, 2022, are as follows:

	Cost	Fair Value
US Treasury Securities	\$ 3,134,267	\$ 2,716,079
Government and Corporate Debt Securities	55,470	53,189
Fixed Income Mutual Funds	531,815	467,100
Equity Mutual Funds	3,137,924	2,593,944
Common Stocks	3,087,421	3,455,227
Total	<u>\$ 9,946,897</u>	<u>\$ 9,285,539</u>

The cost and fair value of investments as of December 31, 2021, are as follows:

	Cost	Fair Value
US Treasury Securities	\$ 2,775,149	\$ 2,801,473
Government and Corporate Debt Securities	11,045	113,177
Fixed Income Mutual Funds	818,508	830,021
Equity Mutual Funds	2,813,344	2,879,467
Common Stocks	3,462,930	4,730,006
Total	<u>\$ 9,880,976</u>	<u>\$ 11,354,144</u>

Fair value of investments and cash and cash equivalents held for Endowment are \$523,179 and \$552,673 at December 31, 2022 and 2021, respectively.

FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.



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**Note 15. Discretely Presented Component Unit** (continued)

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments. The category generally includes certain U.S. Government and agency mortgage-backed debt securities and corporate debt securities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant measurement judgment or estimation. This category generally includes certain private debt and equity investments.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular asset.

The following tables present the Foundation's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2022 and 2021:

December 31, 2022				
	Total	Level 1	Level 2	Level 3
US Treasury Securities	\$ 2,716,079	\$ -	\$ 2,716,079	\$ -
Government and Corporate Debt Securities	53,189	-	53,189	-
Fixed Income Mutual Funds	467,100	467,100	-	-
Equity Mutual Funds	2,593,944	2,593,944	-	-
Common Stocks	3,455,227	3,455,227	-	-
Total Investments	9,285,539	6,516,271	2,769,268	-
Beneficial Interest in Perpetual Trust	65,841	-	-	65,841
Total	<u>\$ 9,351,380</u>	<u>\$ 6,516,271</u>	<u>\$ 2,769,268</u>	<u>\$ 65,841</u>

December 31, 2021				
	Total	Level 1	Level 2	Level 3
US Treasury Securities	\$ 2,801,473	\$ -	\$ 2,801,473	\$ -
Government and Corporate Debt Securities	113,177	-	113,177	-
Fixed Income Mutual Funds	830,021	830,021	-	-
Equity Mutual Funds	2,879,467	2,879,467	-	-
Common Stocks	4,730,006	4,730,006	-	-
Total Investments	11,354,144	8,439,494	2,914,650	-
Beneficial Interest in Perpetual Trust	77,144	-	-	77,144
Total	<u>\$ 11,431,288</u>	<u>\$ 8,439,494</u>	<u>\$ 2,914,650</u>	<u>\$ 77,144</u>

Southwestern Illinois College  
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Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022

**Note 15. Discretely Presented Component Unit** (continued)

The fair value of common stocks, mutual funds, brokered certificates of deposit, and U.S. Treasury securities has been determined from observable market quotations. Government and corporate debt securities have been valued using market quotations of similar financial instruments.

The following tables provide a summary of changes in fair value of the Foundation's Level 3 financial assets for the year ended December 31, 2022 and 2021:

	Beneficial Interest in Perpetual Trust	
	2022	2021
Balance as of January 1	\$ 77,144	\$ 77,144
Increase in Value of Beneficial Interest	(11,303)	
Balance as of December 31	<u>\$ 65,841</u>	<u>\$ 77,144</u>

PROPERTY AND EQUIPMENT, NET

Property and equipment, net, at December 31 consisted of the following:

	2022	2021
Property and Equipment	\$ 28,528	\$ 28,528
Less: Accumulated Depreciation	25,731	24,553
Total	<u>\$ 2,797</u>	<u>\$ 3,975</u>

RELATED PARTY CONTRIBUTION OF FACILITIES, EQUIPMENT, AND SERVICES

The Foundation received contributions of the use of facilities, the use of equipment, supplies, and services from Southwestern Illinois College totaling \$314,426 and \$381,030 for the years ended December 31, 2022 and 2021, respectively.

CONCENTRATION OF CREDIT RISK

During the years ended December 31, 2022 and 2021, certain cash and investment balances exceeded the Federal Deposit Insurance Corporation (FDIC) insurance limits and the Securities Investors Protection Corporation (SIPC) insurance limits. However, the Foundation has not experienced any losses in such accounts.

Southwestern Illinois College  
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**Note 15. Discretely Presented Component Unit** (continued)

NET ASSETS

Net assets are available as follows at December 31:

	2022	2021
<u>Net Assets without Donor Restrictions</u>		
Unrestricted	\$ 905,911	\$ 1,011,750
Board-Designated for Scholarships	471,042	476,292
Total Net Assets without Donor Restriction	<u>\$ 1,376,953</u>	<u>\$ 1,488,042</u>
<u>Net Assets with Donor Restrictions</u>		
Life Income Fund	\$ 18,225	\$ 22,070
Scholarships	4,633,662	6,599,492
Academic Costs	3,899,281	3,858,779
	<u>8,551,168</u>	<u>10,480,341</u>
<u>Net Assets Held in Perpetuity</u>		
Scholarships	468,312	480,844
Total Net Assets with Donor Restriction	<u>\$ 9,019,480</u>	<u>\$ 10,961,185</u>

LIQUIDITY

The following represents financial assets as of December 31, reduced by the amounts not available for general use within one year of the date of the financial position.

	2022	2021
Cash	\$ 676,373	\$ 546,644
Unconditional Promise to Give	-	-
Short Term Investments	392,016	489,936
Total Financial Assets Available	<u>1,068,389</u>	<u>1,036,580</u>
Within One Year	<u>\$ 1,068,389</u>	<u>\$ 1,036,580</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Foundation manages its liquidity by investing in securities which can be sold readily and efficiently to ensure the ability to meet all expected or unexpected cash flow needs.

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Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022

**Note 15. Discretely Presented Component Unit** (continued)

NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net Assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31:

	2022	2021
Scholarships and Grants	\$ 292,295	\$ 298,888
Academic Expenses	166,943	33,105
Total	<u>\$ 459,238</u>	<u>\$ 331,993</u>

ENDOWMENTS

Interpretation of Relevant Law

The Foundation's endowment consists of individual funds established primarily for scholarship purposes. The funds are all donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Foundation has interpreted Illinois' Uniform Management of Institutional Funds Act (UMIFA) 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. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UMIFA.

The state of Illinois adoption of Uniform Prudent Management of Institutional Funds Act UPMIFA added certain prudent spending measures to UMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate appreciation of donor-restricted endowment funds:

1. The long and short term needs of the Foundation in carrying out its purposes
2. Present and anticipated financial requirements
3. General economic conditions
4. Price level trends
5. The expected total return on its investments

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022**

**Note 15. Discretely Presented Component Unit (continued)**

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. At December 31, 2022 and 2020, there were no such deficiencies.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power of assets. The Foundation's goal of its endowment funds, over a ten-year time period, is to provide an absolute rate of return of approximately 6%. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation's permanent endowment funds are limited to fixed income investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 4.75% of its portfolio market value, based upon a three year moving average method. In establishing this policy, the Foundation considered the long-term expected return on its investments. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowments to grow. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The following is a summary of endowment funds subject to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The tables exclude the perpetual trust endowment funds, as these are not subject to UPMIFA.

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For the Years Ended June 30, 2023 and 2022

**Note 15. Discretely Presented Component Unit (continued)**

Endowment Net Asset Composition by Type of Fund as of December 31, 2022 and 2020:

	2022		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds:			
Amounts Required to be Held in Perpetuity	\$ -	\$ 422,330	\$ 422,330
Term Endowment	-	728,894	728,894
Accumulated Investment Gains	-	134,245	134,245
	<u>\$ -</u>	<u>\$ 1,285,469</u>	<u>\$ 1,285,469</u>
	2021		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds:			
Amounts Required to be Held in Perpetuity	\$ -	\$ 422,330	\$ 422,330
Term Endowment	-	876,760	876,760
Accumulated Investment Gains	-	250,380	250,380
	<u>\$ -</u>	<u>\$ 1,549,470</u>	<u>\$ 1,549,470</u>

Change in endowment net assets for the years ended December 31, 2022 and 2021

	2022		
	Without Donor Restriction	With Donor Restriction	Total
Beginning of Year	\$ -	\$ 1,549,470	\$ 1,549,470
Investment Return:			
Investment Income	-	26,754	26,754
Net Appreciation (Realized and Unrealized)	-	(288,435)	(288,435)
Total Investment Return	-	(261,681)	(261,681)
Appropriation of Assets for Expenditure	-	(2,320)	-
End of Year	<u>\$ -</u>	<u>\$ 1,285,469</u>	<u>\$ 1,285,469</u>
	2021		
	Without Donor Restriction	With Donor Restriction	Total
Beginning of Year	\$ -	\$ 1,379,863	\$ 1,379,863
Investment Return:			
Investment Income	-	25,755	25,755
Net Appreciation (Realized and Unrealized)	-	129,413	129,413
Total Investment Return	-	155,168	155,168
Contributions	-	14,439	14,439
End of Year	<u>\$ -</u>	<u>\$ 1,549,470</u>	<u>\$ 1,549,470</u>

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2023 and 2022**

**Note 15. Discretely Presented Component Unit (continued)**

**FUNCTIONAL EXPENSES**

The following is a detail of expenses by functional classification for the year ended December 31, 2022:

	Program	General & Administrative	Fundraising	Total
Scholarship Awards	\$ 292,294	\$ -	\$ -	\$ 292,294
Grants to College Programs	165,179	-	-	165,179
Interest	254	-	-	254
Fundraising Events	-	-	19,851	19,851
Depreciation	-	1,178	-	1,178
Supplies and Other	-	-	1,734	1,734
<u>Expenses Paid by the College</u>				
Salaries	-	195,808	-	195,808
Benefits	-	41,342	-	41,342
Supplies and Other	-	6,217	-	6,217
Contracted Services	-	42,172	-	42,172
Accounting	-	7,000	-	7,000
Occupancy	-	21,924	-	21,924
Total Expenses	<u>\$ 457,727</u>	<u>\$ 315,641</u>	<u>\$ 21,585</u>	<u>\$ 794,953</u>
Less: Expenses netted against revenue on the Statement of Activities	<u>-</u>	<u>-</u>	<u>(19,851)</u>	<u>(19,851)</u>
Total Expenses presented on the Statement of Activities	<u>\$ 457,727</u>	<u>\$ 315,641</u>	<u>\$ 1,734</u>	<u>\$ 775,102</u>

The following is a detail of expenses by functional classification for the year ended December 31, 2021:

	Program	General & Administrative	Fundraising	Total
Scholarship Awards	\$ 298,888	\$ -	\$ -	\$ 298,888
Grants to College Programs	32,903	-	-	32,903
Interest	201	-	-	201
Fundraising Events	-	-	19,370	19,370
Depreciation	-	1,338	-	1,338
Supplies and Other	-	-	1,259	1,259
<u>Expenses Paid by the College</u>				
Salaries	-	271,823	-	271,823
Benefits	-	31,663	-	31,663
Supplies and Other	-	4,440	-	4,440
Contracted Services	-	42,360	-	42,360
Accounting	-	8,820	-	8,820
Occupancy	-	21,924	-	21,924
Total Expenses	<u>\$ 331,992</u>	<u>\$ 382,368</u>	<u>\$ 20,629</u>	<u>\$ 734,989</u>
Less: Expenses netted against revenue on the Statement of Activities	<u>-</u>	<u>-</u>	<u>(19,370)</u>	<u>(19,370)</u>
Total Expenses presented on the Statement of Activities	<u>\$ 331,992</u>	<u>\$ 382,368</u>	<u>\$ 1,259</u>	<u>\$ 715,619</u>

**SUBSEQUENT EVENTS**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through December 18, 2023, the date the financial statements were available to be issued.

## **Required Supplemental Information**



Southwestern Illinois College  
Community College District # 522  
Required Supplementary Information for the Years Ended June 30, 2023 and 2022

## Schedule of Proportional Share of the Net Pension Liability and Contributions

### Schedule of the Districts Proportionate Share of the Net Pension Liability

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
District's Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Amount of the Collective net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
State's Proportionate Amount of the Collective Net Pension Liability associated with the District	\$ 248,326,776	\$ 257,936,876	\$ 286,888,725	\$ 274,660,842	\$ 266,697,200	\$ 273,673,558	\$ 270,530,699	\$ 252,054,801	\$ 242,999,190
Total	\$ 248,326,776	\$ 257,936,876	\$ 286,888,725	\$ 274,660,842	\$ 266,697,200	\$ 273,673,558	\$ 270,530,699	\$ 252,054,801	\$ 242,999,190
Employer DB Covered Employee Payroll	\$ 41,382,491	\$ 39,610,061	\$ 39,884,515	\$ 38,040,432	\$ 34,632,804	\$ 34,395,356	\$ 32,782,689	\$ 31,080,799	31,411,843
Proportion of Collective net Pension Liability associated with the District as a percentage of covered employee payroll	600.08%	651.19%	719.30%	722.02%	770.07%	795.67%	825.22%	810.97%	773.59%
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
Federal, Trust, Grant and Other Contribution	\$ 390,857	\$ 327,910	\$ 349,672	\$ 364,466	\$ 350,665	\$ 372,679	\$ 417,699	\$ 360,563	\$ 404,690	\$ 587,666
Contribution in relation to required contribution	\$ (390,857)	\$ (327,910)	\$ (349,672)	\$ (364,466)	\$ (350,665)	\$ (372,679)	\$ (417,699)	\$ (360,563)	\$ (404,690)	\$ (587,666)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer Covered-Employee Payroll		\$ 39,693,600	\$ 38,702,135	\$ 36,655,837	\$ 34,535,892	\$ 30,461,098	\$ 32,509,146	\$ 32,243,334	\$ 31,411,843	\$ 35,150,657
Contributions as a percentage of covered employee payroll		0.83%	0.90%	0.99%	1.02%	1.22%	1.28%	1.12%	1.29%	1.67%

### Additional Information

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
On-Behalf Payments for Community College Health Insurance Program	\$ 155,682	\$ 153,386	\$ 158,365	\$ 155,863	\$ 147,172	\$ 146,107	\$ 138,091	\$ 133,235	\$ 134,936	\$ 154,125

## Notes to Schedule of Proportional Share of the Net Pension Liability and Contributions

These pension schedules are presented to illustrate the requirements of the Governmental Accounting Standards Board's Statement No. 68 to show information for 10 years. However, until a full 10-year trend is compiled, the District will only present available information measured in accordance with the requirements of Statement No. 68.

### Changes of Benefit Terms

There were no benefit changes recognized in the total pension liability as of June 30, 2022 or 2021.

### 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 remained the same for the June 30, 2022, actuarial valuation.

- Salary increase. Change in the overall assumed salary increase rates, ranging from 3.00 percent to 12.75 percent based on years of service, while maintaining the 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 to 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 nonacademic positions to reflect that retirement rates for academic positions are lower than for nonacademic 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.

**Southwestern Illinois College  
Community College District # 522  
Required Supplementary Information for the Years Ended June 30, 2023 and 2022**

**Schedule of the District's Proportionate Share of the Net OPEB Liability  
Community College Health Insurance Security Fund**

Fiscal Year Ending June 30,	2017	2018	2019	2020	2021	2022
District's portion of the net OPEB liability	1.796539%	1.685298%	1.627655%	1.501525%	1.432963%	1.430858%
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with employer	\$ 31,867,733	\$ 30,730,314	\$ 29,533,140	\$ 26,022,528	\$ 24,869,454	\$ 9,795,081
District's proportionate share of the net OPEB liability	\$ 32,762,356	\$ 31,722,113	\$ 30,738,924	\$ 27,369,252	\$ 24,869,545	\$ 9,795,081
District's covered payroll	\$ 31,171,527	\$ 29,429,339	\$ 29,195,729	\$ 26,562,600	\$ 26,647,000	\$ 26,987,298
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	105.10%	107.79%	105.29%	103.04%	93.33%	36.30%
Plan fiduciary net position as a percentage of the total OPEB liability	-2.87%	-3.54%	-4.13%	-5.07%	-6.28%	-22.03%

**Schedule of District's Contributions**

Fiscal Year Ending June 30,	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	155,863	147,172	146,107	138,091	133,235	134,936	154,125
Contributions in Relation to the Contractually Required Contribution	155,863	147,150	146,131	138,077	133,235	134,936	154,125
Contribution Deficiency (Excess)	-	22	(24)	14	-	-	-
District's covered payroll	\$ 31,171,527	\$ 29,429,339	\$ 29,195,729	\$ 26,562,600	\$ 26,647,000	\$ 26,987,298	\$ 30,913,910
Contributions as a Percentage of Covered Payroll	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

## Notes to the Community College Health Insurance Security Fund Schedule of 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. Contribution rates are defined by statute. For fiscal year end June30, 2022, contribution rates are 0.50% of pay for active members, 0.50% of pay for community colleges and 0.50% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
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 service to 3.00% at 34 or more years of service for employees over 50. 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 of SURS.
Mortality	Retirement and Beneficiary Annuitants: Pub-2010 Healthy Mortality Table. Disabled Annuitants: Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-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 used plan year end 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 5.86% 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"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

## **Supplementary Information**

**Southwestern Illinois College**  
**Community College District # 522**

**Uniform Financial Statement No. 1 – All Funds Summary**  
Year Ended June 30, 2023

	Education Fund	Operations & Maintenance Fund	Operations & Maintenance Fund- Restricted	Bond & Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection Settlement Fund	Total
Fund balance (deficit)										
Beginning of year, July 1, 2022	\$ 50,663,405	\$ 17,850,210	\$ 15,875,004	\$ 393,997	\$ (1,023,109)	\$ 2,127,772	\$ 39,414,334	\$ 61,383	\$ 6,342,566	\$ 131,705,562
Revenues:										
Local tax revenue	19,301,565	8,476,438	3,278,197	4,570,762		-		63,024	4,286,400	39,976,386
All other local revenue	-	-	-		216,999	8,203,835				8,420,834
ICCB Grants	10,725,442	1,305,627	-			6,076,867				18,107,936
All other state revenue	-	-	5,819,553			1,117,629				6,937,182
Federal Revenue	11,370	-	-			18,655,781				18,667,151
Student tuition & fees	20,810,048	-	-			-				20,810,048
On-Behalf CIP	-	-	-			-				-
On-Behalf SURS	-	-	-			16,281,391				16,281,391
All other revenue	4,349,830	192,936	69,236		640,621	1,418,517	1,492,007		98	8,163,245
<b>Total revenue</b>	<b>55,198,255</b>	<b>9,975,001</b>	<b>9,166,986</b>	<b>4,570,762</b>	<b>857,620</b>	<b>51,754,020</b>	<b>1,492,007</b>	<b>63,024</b>	<b>4,286,498</b>	<b>137,364,173</b>
Expenditures										
Instruction	26,373,668	-	-	-	-	14,511,866	-			40,885,534
Academic support	954,192	-	-	-	-	249,093	-			1,203,285
Student services	3,628,089	-	-	-	-	2,652,909	-			6,280,998
Public service/continuing education	422,635	-	-	-	-	9,504,503	-			9,927,138
Auxiliary services	-	-	-	-	2,372,763	205,029	-			2,577,792
Operations & maintenance	-	6,802,503	-	-	-	1,466,605	-	-	2,230,990	10,500,098
Institutional support	12,864,792	367,663	14,237,746	4,475,193	-	8,640,940	-	63,320	1,838,467	42,488,121
Scholarships, student grants & w	2,154,901	-	-	-	87,586	13,835,892	-	-	-	16,078,379
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>46,398,277</b>	<b>7,170,166</b>	<b>14,237,746</b>	<b>4,475,193</b>	<b>2,460,349</b>	<b>51,066,837</b>	<b>-</b>	<b>63,320</b>	<b>4,069,457</b>	<b>129,941,345</b>
<b>Net Transfers</b>	<b>(2,594,221)</b>	<b>(3,397,440)</b>	<b>5,013,905</b>		<b>2,843,000</b>	<b>2,000</b>	<b>(1,492,007)</b>			<b>375,237</b>
Fund balance (deficit)										
Net position - end of year	\$ 56,869,162	\$ 17,257,605	\$ 15,818,149	\$ 489,566	\$ 217,162	\$ 2,816,955	\$ 39,414,334	\$ 61,087	\$ 6,559,607	\$ 139,503,627

**Uniform Financial Statement No. 2 – Summary of Investment in Plant Fund and Debt**  
Year Ended June 30, 2023

	<b>Investment in Plant Fund June 30, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Investment in Plant Fund June 30, 2023</b>
Fixed assets				
Land	\$ 6,515,480	\$ -		\$ 6,515,480
Construction in progress	2,140,541	11,989,823	(1,381,481)	12,748,883
Land	23,039,253	2,645,797	(207,213)	25,477,837
Other fixed assets	117,925,244	836,117	(1,315,598)	117,445,763
Accumulated depreciation	(92,536,881)	(4,196,737)	1,522,811	(95,210,807)
Net fixed assets	<u>\$ 57,083,637</u>	<u>\$ 11,275,000</u>	<u>\$ (1,381,481)</u>	<u>\$ 66,977,156</u>
Fixed debt				
Bonds payable	\$ 12,535,000		\$ (4,290,000)	\$ 8,245,000
Other fixed liabilities	600,090		(298,005)	302,085
Total fixed liabilities	<u>\$ 13,135,090</u>	<u>\$ -</u>	<u>\$ (4,588,005)</u>	<u>\$ 8,547,085</u>

Southwestern Illinois College  
Community College District # 522

Uniform Financial Statement No. 3 – Operating Fund Revenues and Expenditures  
Year Ended June 30, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenue by source			
Local government			
Local taxes	\$ 16,723,713	\$ 6,367,287	\$ 23,091,000
CPRT	2,577,852	2,109,151	4,687,003
	<u>19,301,565</u>	<u>8,476,438</u>	<u>27,778,003</u>
State government			
ICCB Base Operating grant	6,022,281	-	6,022,281
ICCB Equalization grant	3,916,833	1,305,627	5,222,460
ICCB Career & Technical Education	786,278	-	786,278
	<u>10,725,392</u>	<u>1,305,627</u>	<u>12,031,019</u>
Federal government	11,370	-	11,370
Student tuition and fees			
Tuition	16,121,722	-	16,121,722
Fees	4,654,670	-	4,654,670
Other student assessments	33,656	-	33,656
	<u>20,810,048</u>	<u>-</u>	<u>20,810,048</u>
Other sources			
Sales and service fees	456,355	-	456,355
Facilities revenue	-	186,483	186,483
Investment revenue	3,149,524	6,453	3,155,977
Other	743,951	-	743,951
	<u>4,349,830</u>	<u>192,936</u>	<u>4,086,411</u>
<b>Total Revenues</b>	<b>\$ 55,198,205</b>	<b>\$ 9,975,001</b>	<b>\$ 64,705,481</b>
Less: Non-operating items			
Tuition chargeback revenue	-	-	-
<b>Adjusted revenues</b>	<b>\$ 55,198,205</b>	<b>\$ 9,975,001</b>	<b>\$ 64,705,481</b>



**Southwestern Illinois College  
Community College District # 522**

**Uniform Financial Statement No. 3 – Operating Fund Revenues and Expenditures (continued)**

Year Ended June 30, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program			
Instruction	\$ 26,373,668	\$ -	\$ 26,373,668
Academic support	954,192	-	954,192
Student services	3,628,089	-	3,628,089
Public service / Continuing education	422,635	-	422,635
Organized research	-	-	-
Auxiliary services	-	-	-
Operations and Maintenance	-	6,802,503	6,802,503
Instructional support	12,864,792	367,663	13,232,455
Scholarships, grants, waivers	2,154,901	-	2,154,901
<b>Total expenditures</b>	<b>46,398,277</b>	<b>7,170,166</b>	<b>53,568,443</b>
Less: Non-operating items			
Tuition chargeback	(273,450)		(273,450)
Instructional service contract	(61,675)		(61,675)
Transfers	(2,594,221)	(3,397,440)	(5,991,661)
<b>Adjusted expenditures</b>	<b>\$ 43,468,931</b>	<b>\$ 3,772,726</b>	<b>\$ 47,241,657</b>
Operating expenditures by object			
Salaries	\$ 31,605,722	\$ 2,630,279	\$ 34,236,001
Employee benefits	5,000,910	559,068	5,559,978
Contractual services	2,641,101	806,405	3,447,506
General materials and supplies	2,407,520	630,298	3,037,818
Conference and meeting expenses	234,008	11,521	245,529
Fixed charges	196,193	109,181	305,374
Utilities	8,009	2,104,754	2,112,763
Capital outlay	957,359	310,248	1,267,607
Other	1,192,554	8,412	1,200,966
Student grants and scholarships	2,154,901	-	2,154,901
<b>Total expenditures</b>	<b>46,398,277</b>	<b>7,170,166</b>	<b>53,568,443</b>
Less: Non-operating items			
Tuition chargeback	(273,450)		(273,450)
Instructional service contract	(61,675)		(61,675)
Transfers	(2,594,221)	(3,397,440)	(5,991,661)
<b>Adjusted expenditures</b>	<b>\$ 43,468,931</b>	<b>\$ 3,772,726</b>	<b>\$ 47,241,657</b>

**Southwestern Illinois College  
Community College District # 522**

**Uniform Financial Statement No. 4 – Restricted Purposes Fund  
Year Ended June 30, 2023**

Revenue by source

Total local government	\$ 8,203,835
State Government	
ICCB - Adult Education	682,066
ICCB - Other	5,394,801
On-Behalf SURS	16,281,391
Other	1,117,629
	<u>23,475,887</u>

Federal Government	
Department of Education	17,048,159
Department of Labor	272,762
Department of Health & Human Services	472,474
Other	862,386
	<u>18,655,781</u>

Other Sources

Tuition and Fees	
Other	1,418,517
	<u>1,418,517</u>

<b>Total restricted purposes fund revenues</b>	<b>\$ 51,754,020</b>
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Expenditures by program

Instruction	\$ 14,511,866
Academic Support	249,093
Student Services	2,652,909
Public Service/Continuing Education	9,504,503
Auxiliary Services	205,029
Operations and Maintenance	1,466,605
Institutional Support	8,640,940
Scholarships, Grants and Waivers	13,835,892
<b>Total expenditures by program</b>	<b>\$ 51,066,837</b>

Expenditures by object

Salaries	\$ 7,246,757
Employee Benefits (Including SURS On-Behalf)	17,777,595
Contractual Services	2,151,778
General Materials and Supplies	2,712,626
Travel & Conference//Meeting Expenses	1,520,114
Fixed Charges	1,220,248
Utilities	595,033
Capital Outlay	3,276,020
Other	14,566,666
<b>Total expenditures by object</b>	<b>\$ 51,066,837</b>

**Southwestern Illinois College  
Community College District # 522**

**Uniform Financial Statement No. 5 – Expenditures by Activity**  
Year Ended June 30, 2023

<b>Instruction</b>	<b>\$ 40,885,534</b>
Academic support	
Library center	601,905
Instructional materials center	119,148
Educational media services	127,299
Academic computing support	14,730
Academic administration and planning	-
Other	340,202
<b>Total Academic Support</b>	<b>1,203,284</b>
Student services support	
Admissions and records	1,262,360
Counseling and career services	1,970,105
Financial aid administration	817,441
Other	2,231,092
<b>Total Student Services Support</b>	<b>6,280,998</b>
Public service / continuing education	
Community education	90
Customized training (instructional)	804,398
Community services	7,380,003
Other	1,742,647
<b>Total Public Services / Continuing Education</b>	<b>9,927,138</b>
<b>Auxiliary Services</b>	<b>2,577,792</b>
Operations and maintenance	
Maintenance	1,269,432
Custodial services	2,380,946
Grounds	672,946
Campus security	2,230,990
Utilities	2,180,971
Administration	298,208
Other	1,466,605
<b>Total Operations and Maintenance</b>	<b>10,500,098</b>

**Southwestern Illinois College  
Community College District # 522**

**Uniform Financial Statement No. 5 – Expenditures by Activity (continued)**  
Year Ended June 30, 2023

Institutional support	
Executive management	\$ 1,032,454
Fiscal operations	1,216,022
Community relations	754,352
Administrative support services	1,087,419
Board of trustees	569,168
General institutional	8,155,568
Institutional research	203,664
Administrative data processing	5,246,829
Other	5,509,707
<b>Total Institutional Support</b>	<b>23,775,183</b>
Scholarships, student grants and waivers	16,078,379
 <b>Total current funds expenditures</b>	 <b>\$ 111,228,406</b>

Southwestern Illinois College  
Community College District # 522

Certification of Chargeback Reimbursement for Fiscal Year 2023

CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2023

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

1. Education Fund	\$ 45,440,922	
2. Operations and Maintenance Fund	6,859,919	
3. Public Building Commission Operation & Maintenance Fund	-	
4. Bond and Interest Fund	4,475,194	
5. Public Building Commission Rental Fund	-	
6. Restricted Purposes Fund	27,313,163	
7. Audit Fund	63,321	
8. Liability, Protection, and Settlement Fund	3,728,911	
9. Auxiliary Enterprises Fund (subsidy only)	2,845,000	
10. TOTAL NONCAPITAL EXPENDITURES (SUM OF LINES 1-9)		\$ 90,726,430
11. Depreciation on capital outlay expenditures (equipment, buildings and fixed equipment paid) from sources other than state and federal funds	\$ 3,352,986	
12. TOTAL COSTS INCLUDED (line 10 plus line 11)		\$ 94,079,416
13. Total certified semester credit hours for FY 2022	141,765.50	
14. PER CAPITA COST (line 12 divided by line 13)		\$ 664
15. All FY 2022 state and federal operating grants for noncapital expenditures DO NOT INCLUDE ICCB GRANTS	\$ 20,326,503	
16. FY 2022 state and federal grants per semester credit hour (line 15 divided by line 13)		\$ 143
17. District's average ICCB grant rate (excluding equalization grants)		(49.31)
18. District's student tuition and fee rate per semester credit hour		129
19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)		\$ 441

/s/ Jacob Wheeler

Approved:

Jacob Wheeler, Chief Fiscal Officer

11/28/23  
Date

Approved: /s/ Nick Mance

Nick Mance, Chief Executive Officer

11/28/23  
Date

Southwestern Illinois College  
Community College District # 522

Combining Balance Sheet – All Fund Types  
June 30, 2023

	Current Funds			Plant Funds				
	Unrestricted	Restricted	Loan Funds	Operations & Maintenance	Investment in Plant	Reconciliation	Total	
<b>Assets</b>								
Cash and cash equivalents	\$ 117,971,967	\$ 3,169,408	\$ 564,081	\$ 18,067,260	\$ -		\$ 139,772,715	
Receivables								
Property taxes	40,517,279	-	6,764,654	4,866,257	-		52,148,190	
Grants and sponsored programs	739,090	3,055,883	-	-	-	17,907	3,812,880	
Student tuition and fees, net of allowance	9,707,742	-	-	-	-		9,707,742	
Other	2,539,524	-	-	-	-		2,539,524	
Total receivables	53,503,635	3,055,883	6,764,654	4,866,257	-	17,907	68,208,336	
Due from other funds	62,136	66,937	-	0	-	6,369	135,442	
Prepaid items	856,050	532,843	-	-	-	-	1,388,893	
Land	-	-	-	-	6,515,480	-	6,515,480	
Depreciable property, buildings and equipment	79,790	-	-	-	47,633,002	-	47,712,792	
Construction in progress	-	-	-	-	12,748,885	-	12,748,885	
<b>Total assets</b>	<b>172,473,578</b>	<b>6,825,070</b>	<b>7,328,734</b>	<b>22,933,517</b>	<b>66,897,366</b>	<b>24,276</b>	<b>276,482,543</b>	
Deferred outflows of resources								
Deferred outflows related to OPEB liability	-	-	-	-	-	257,215	257,215	
Subsequent years pension expense related to federal, trust or grant contributions in the current year	-	-	-	-	-	587,666	587,666	
<b>Total assets and deferred outflow of resources</b>	<b>\$ 172,473,578</b>	<b>\$ 6,825,070</b>	<b>\$ 7,328,734</b>	<b>\$ 22,933,517</b>	<b>\$ 66,897,366</b>	<b>\$ 869,157</b>	<b>\$ 277,327,424</b>	
<b>Liabilities, deferred inflows of resources and fund balance</b>								
Accounts payable	\$ 1,503,421	\$ 1,569,416	\$ -	\$ 1,114,405	\$ -	\$ -	4,187,242	
Accrued liabilities	1,374,947	154,772	-	-	-	16,297	1,546,015	
Compensated absences, current	2,343,088	-	-	-	-	-	2,343,088	
Due to other Funds	132,273	3,168	-	-	-	-	135,441	
Unearned revenue								
Student tuition & fees	5,767,594	-	-	-	-	-	5,767,594	
Other	-	2,280,761	-	1,081,122	-	36,724	3,398,607	
Total Unearned Revenue	5,767,594	2,280,761	-	1,081,122	-	36,724	9,166,201	
Compensated absences due in more than one year	-	-	-	-	-	29,728	29,728	
Unamortized bond premium	-	-	-	-	-	155,531	155,531	
Net OPEB liability	-	-	-	-	-	9,795,081	9,795,081	
Bonds, contracts and leases payable	-	-	-	-	-	8,391,555	8,391,555	
<b>Total liabilities</b>	<b>11,121,323</b>	<b>4,008,116</b>	<b>-</b>	<b>2,195,527</b>	<b>-</b>	<b>18,424,916</b>	<b>35,749,881</b>	
Deferred inflows of resources								
Subsequent year's property taxes	40,973,297	-	6,839,169	4,919,840	-	-	52,732,306	
Deferred inflows related to OPEB	-	-	-	-	-	20,380,306	20,380,306	
<b>Net Position</b>								
Non-spendable	856,050	532,843	-	-	-	-	1,388,893	
Investment in plant, net of related debt	79,790	-	-	-	66,897,366	(2,010,498)	64,966,658	
Restricted	-	2,284,111	489,566	15,818,149	-	-	18,591,826	
Unassigned	119,443,119	-	-	-	-	(35,925,566)	83,517,553	
Total Fund Balance	120,378,959	2,816,954	489,566	15,818,149	66,897,366	(37,936,064)	168,464,931	
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 172,473,578</b>	<b>\$ 6,825,070</b>	<b>\$ 7,328,734</b>	<b>\$ 22,933,517</b>	<b>\$ 66,897,366</b>	<b>\$ 869,158</b>	<b>\$ 277,327,424</b>	

**Southwestern Illinois College**  
**Community College District # 522**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Fund Types**  
**Year Ended June 30, 2023**

	Current Funds			Plant Funds			
	Unrestricted	Restricted	Loan	Operations & Maintenance - Restricted	Investment in Plant	Reconciliation	Total
Revenues:							
Local Government Sources							
Property Taxes	\$ 27,440,424	\$ -	\$ 4,570,762	\$ 3,278,197	\$ -		\$ 35,289,383
Corporate personal property replacement taxes	4,687,003	-	-	-	-		4,687,003
Other Local Sources	216,999	8,203,835	-	-	-		8,420,834
State Government Sources							
ICCB state grants	12,031,069	6,076,867	-	-	-		18,107,936
Other state grants	-	1,117,629	-	5,819,553	-		6,937,182
Federal government	11,370	18,975,282	-	-	-	(3,340,992)	15,645,660
Student tuition and fees	20,810,048	-	-	-	-	(9,175,671)	11,634,377
Investment income	4,647,984	46,605	-	69,236	-		4,763,824
Auxiliary enterprise revenue	161,701						161,701
Facilities Revenue	186,482	-	-	-	-		186,482
Other Sources (incl sales & service fo	1,679,325	1,371,912	-	-	-	(30,195)	2,749,286
Payments on Behalf of the District	-	16,281,391	-	-	-		16,281,391
Expended on capital assets	-	-	-	-	14,039,252	(14,657,660)	(618,408)
Total Revenues	\$ 71,872,405	\$ 52,073,520	\$ 4,570,762	\$ 9,166,986	\$ 14,039,252	\$ (27,476,274)	\$ 124,246,651
Expenditures:							
Current							
Instruction	\$ 25,945,362	\$ 13,453,323	\$ -	\$ -	\$ -		\$ 39,398,686
Academic Support	954,192	249,093	-	-	-		1,203,284
Student Services	3,616,946	16,561,910	-	-	-	(12,497,846)	7,681,010
Public Service	422,635	9,519,674	-	-	-	(30,193)	9,640,373
Institutional Support	16,767,119	6,654,682	(43,571)	2,296,655	5,015	(5,750,072)	19,929,828
Operation and Maintenance of Pl	8,386,811	1,466,605	-	-	-		9,853,416
Auxiliary enterprises	2,428,226	205,029	-	-	-		2,633,255
Depreciation & Amortization	15,374	-	-	-	4,176,348		4,191,722
Capital Outlay	1,624,901	3,276,020	-	119,1090	-	(14,657,660)	2,184,352
Debt Service:							
Principal	-	-	4,290,000	-	-	(4,462,609)	(172,609)
Interest	-	-	228,764	-	-	(3,218)	225,547
Total Expenditures	60,161,566	51,386,336	4,475,193	14,237,746	4,181,363	(37,673,342)	96,768,863
Excess (deficiency of revenue over expenditures							
	11,710,839	687,183	95,569	(5,070,760)	9,857,889	10,197,068	27,477,789
Other Financing Sources (uses):							
Transfers in	4,835,243	2,000	-	5,013,905	-		9,851,148
Transfers out	(9,475,912)	-	-	-	-	(500,236)	(9,976,148)
Bond premium amortization	-	-	-	-	-	125,396	125,396
	(4,640,668)	2,000	-	5,013,905	-	(374,840)	396
Excess (deficiency of revenue over expenditures and transfers							
	7,070,170	689,183	95,569	(56,855)	9,857,889	9,822,228	27,478,185
Fund Equity - Beginning of Year	113,308,789	2,127,771	393,997	15,875,005	57,039,477	(47,758,292)	140,986,747
Fund Equity - End of Year	\$ 120,378,959	\$ 2,816,954	\$ 489,566	\$ 15,818,149	\$ 66,897,366	\$ (37,936,064)	\$ 168,464,931

**Southwestern Illinois College**  
**Community College District # 522**

**Combining Balance Sheet – Current Unrestricted Funds**  
**June 30, 2023**

	Education	Operations & Maintenance	Auxiliary Enterprises	Working Cash	Audit	Liability, Protection &	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 53,686,487	\$ 17,577,469	\$ 51,283	\$ 39,414,334	\$ 17,622	\$ 7,224,771	\$ 117,971,967
Receivables							
Property taxes	24,652,926	9,394,837	-	-	104,600	6,364,917	40,517,279
Grants and sponsored programs	406,499	332,591	-	-	-	-	739,090
Student tuition and fees, net of allowance	9,707,742	-	-	-	-	-	9,707,742
Other	2,284,447	13,000	84,538	-	-	157,539	2,539,524
Total receivables	37,051,614	9,740,428	84,538	-	104,600	6,522,456	53,503,635
Due from other funds	46,121	1,654	14,362	-	-	(0)	62,136
Prepaid items	772,118	4,920	73,491	-	-	5,521	856,050
Depreciable property, buildings and equipment, net of depreciation	-	-	79,790	-	-	-	79,790
<b>Total assets</b>	<b>\$ 91,556,340</b>	<b>\$ 27,324,470</b>	<b>\$ 303,465</b>	<b>\$ 39,414,334</b>	<b>\$ 122,222</b>	<b>\$ 13,752,748</b>	<b>\$ 172,473,578</b>
<b>Liabilities, deferred inflows of resources, and fund balance</b>							
Accounts payable	\$ 1,091,334	\$ 358,399	\$ 21,180	\$ -	\$ -	\$ 32,508	\$ 1,503,421
Accrued liabilities	694,625	24,331	9,164	-	-	646,825	1,374,947
Compensated absences, current	2,046,706	163,549	55,947	-	-	76,886	2,343,088
Due to other Funds	155,778	19,530	11	-	(45,000)	1,953	132,273
Unearned revenue							
Student tuition & fees	5,767,594	-	-	-	-	-	5,767,594
Other	-	-	-	-	-	-	-
Total Unearned Revenue	5,767,594	-	-	-	-	-	5,767,594
<b>Total liabilities</b>	<b>9,756,038</b>	<b>565,810</b>	<b>86,302</b>	<b>-</b>	<b>(45,000)</b>	<b>758,173</b>	<b>11,121,323</b>
Deferred inflows of resources							
Subsequent year's property taxes	24,931,141	9,501,055	-	-	106,135	6,434,966	40,973,297
<b>Fund Balance</b>							
Non-spendable	772,118	4,920	73,491	-	-	5,521	856,050
Investment in plant, net of related debt	-	-	79,790	-	-	-	79,790
Restricted							-
Unassigned	56,097,042	17,252,686	63,882	39,414,334	61,087	6,554,088	119,443,119
<b>Total Fund Balance</b>	<b>56,869,160</b>	<b>17,257,606</b>	<b>217,163</b>	<b>39,414,334</b>	<b>61,087</b>	<b>6,559,609</b>	<b>120,378,959</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 91,556,340</b>	<b>\$ 27,324,470</b>	<b>\$ 303,465</b>	<b>\$ 39,414,334</b>	<b>\$ 122,222</b>	<b>\$ 13,752,748</b>	<b>\$ 172,473,578</b>



**Southwestern Illinois College**  
**Community College District # 522**

**Combining Schedule of Revenue, Expenditures and Changes in Fund Balances – Current Unrestricted Funds**  
**Year Ended June 30, 2023**

	Education	Operations & Maintenance	Auxiliary Enterprises	Working Cash	Audit	Liability, Protection & Settlement	Total
<b>Revenues</b>							
<b>Local Government Sources</b>							
Property Taxes	\$ 16,723,713	\$ 6,367,286	\$ -	\$ -	\$ 63,024	\$ 4,286,400	\$ 27,440,424
Corporate personal property replacement taxes	2,577,852	2,109,151	-	-	-	-	4,687,003
Other Local Sources	-	-	216,999	-	-	-	216,999
<b>State Government Sources</b>							
ICCB state grants	10,725,442	1,305,627	-	-	-	-	12,031,069
Other state grants	-	-	-	-	-	-	-
Federal government	11,370	-	-	-	-	-	11,370
Student tuition and fees	20,810,048	-	-	-	-	-	20,810,048
Investment income	3,149,524	6,453	-	1,492,007	-	-	4,647,984
Auxiliary enterprise revenue	-	-	161,701	-	-	-	161,701
Facilities Revenue	-	186,482	-	-	-	-	186,482
Other Sources	1,200,307	-	478,920	-	-	98	1,679,325
Payments on Behalf of the District	-	-	-	-	-	-	-
Expended on capital assets	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>55,198,255</b>	<b>9,975,001</b>	<b>857,620</b>	<b>1,492,007</b>	<b>63,024</b>	<b>4,286,498</b>	<b>71,872,405</b>
<b>Expenditures</b>							
<b>Current</b>							
Instruction	25,945,362	-	-	-	-	-	25,945,362
Academic Support	954,192	-	-	-	-	-	954,192
Student Services	3,616,946	-	-	-	-	-	3,616,946
Public Service	422,635	-	-	-	-	-	422,635
Institutional Support	14,501,782	363,551	-	-	63,320	1,838,467	16,767,119
Operation and Maintenance of Plant	-	6,496,367	-	-	-	1,890,444	8,386,811
Auxiliary enterprises	-	-	2,428,226	-	-	-	2,428,226
Depreciation & Amortization	-	-	15,374	-	-	-	15,374
Capital Outlay	957,359	310,248	16,748	-	-	340,546	1,624,901
<b>Debt Service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>46,398,276</b>	<b>7,170,165</b>	<b>2,460,349</b>	<b>-</b>	<b>63,320</b>	<b>4,069,456</b>	<b>60,161,566</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>8,799,978</b>	<b>2,804,836</b>	<b>(1,602,729)</b>	<b>1,492,007</b>	<b>(296)</b>	<b>217,042</b>	<b>11,710,839</b>
<b>Other Financing Sources (uses)</b>							
Transfers in	500,236	1,492,007	2,843,000	-	-	-	4,835,243
Transfers out	(3,094,457)	(4,889,447)	-	(1,492,007)	-	-	(9,475,912)
Bond premium amortization	(2,594,221)	(3,397,440)	2,843,000	(1,492,007)	-	-	(4,640,668)
<b>Excess (deficiency) of revenues over expenditures and other financing uses</b>	<b>6,205,757</b>	<b>(592,605)</b>	<b>1,240,271</b>	<b>-</b>	<b>(296)</b>	<b>217,042</b>	<b>7,070,170</b>
Fund Equity - Beginning of Year	50,663,403	17,850,211	(1,023,109)	39,414,334	61,383	6,342,567	113,308,789
Fund Equity - End of Year	\$ 56,869,160	\$ 17,257,606	\$ 217,163	\$ 39,414,334	\$ 61,087	\$ 6,559,609	\$ 120,378,959

**Southwestern Illinois College**  
**Community College District # 522**

**Combining Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget vs. Actual**  
**Operating Funds**  
**Year Ended June 30, 2023**

	Budget	Education	Operations & Maintenance	Total	Variance Favorable (Unfavorable)
<b><u>Revenues</u></b>					
Local Government Sources					
Property Taxes	\$ 22,962,816	\$ 16,723,713	\$ 6,367,286	\$ 23,091,000	\$ 128,184
Corporate personal property replacement taxes	1,973,222	2,577,852	2,109,151	4,687,003	2,713,781
State Government Sources					
ICCB state grants	12,031,069	10,725,442	1,305,627	12,031,069	-
Federal government	143,275	11,370	-	11,370	(131,905)
Student tuition and fees	23,763,205	20,810,048	-	20,810,048	(2,953,157)
Investment income	245,500	3,149,524	6,453	3,155,977	2,910,477
Auxiliary enterprise revenue				-	-
Facilities Revenue	123,000	-	186,482	186,482	63,482
Other Sources	891,765	1,200,307	-	1,200,307	308,542
<b>Total Revenues</b>	<b>62,133,852</b>	<b>55,198,255</b>	<b>9,975,001</b>	<b>65,173,256</b>	<b>3,039,404</b>
<b><u>Expenditures</u></b>					
Instruction	29,603,624	25,945,362	-	25,945,362	3,658,262
Academic Support	1,288,125	954,192	-	954,192	333,933
Student Services	5,385,636	3,616,946	-	3,616,946	1,768,690
Public Service	239,574	422,635	-	422,635	(183,061)
Institutional Support	17,686,773	14,501,782	363,551	14,865,332	2,821,441
Operation and Maintenance of Plant	5,191,372	-	6,496,367	6,496,367	(1,304,995)
Capital Outlay	2,187,565	957,359	310,248	1,267,607	919,958
<b>Total Expenditures</b>	<b>61,582,669</b>	<b>46,398,276</b>	<b>7,170,165</b>	<b>53,568,441</b>	<b>8,014,228</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>551,183</b>	<b>8,799,978</b>	<b>2,804,836</b>	<b>11,604,814</b>	<b>(4,974,824)</b>
<b><u>Other Financing Sources (uses)</u></b>					
Transfers in	-	500,236	1,492,007	1,992,243	(1,992,243)
Transfers out	(13,620,000)	(3,094,457)	(4,889,447)	(7,983,905)	(5,636,095)
	(13,620,000)	(2,594,221)	(3,397,440)	(5,991,661)	(7,628,339)
<b>Excess (deficiency) of revenues over expenditures and other financing uses</b>	<b>(13,068,817)</b>	<b>6,205,757</b>	<b>(592,605)</b>	<b>5,613,153</b>	<b>(12,603,163)</b>
Fund Equity - Beginning of Year	64,007,063	50,663,403	17,850,211	68,513,613	
Fund Equity - End of Year	\$ 50,938,246	\$ 56,869,160	\$ 17,257,606	\$ 74,126,766	\$ (12,603,163)

**Southwestern Illinois College  
Community College District # 522**

**Internal Service Fund**

Schedule of net position

Assets	
Cash and cash equivalents	\$ -
Receivable - interfund	-
Total assets	<u>\$ -</u>
Liabilities - accrued expenditures	<u>\$ -</u>
Net position	<u>-</u>
Total liabilities and net position	<u><u>\$ -</u></u>

Schedule of revenue, expenses and changes in net position

Revenues	
Employer paid premiums	\$ -
Employee paid premiums	-
Total revenues	<u>-</u>
Expenses	
Health claims	-
Reinsurance premiums	-
Contractual payments	-
Total expenses	<u>-</u>
Operating income	-
Transfers out	(500,236)
Change in net positions	(500,236)
Net position - beginning of year	<u>500,236</u>
Net position - end of year	<u><u>\$ -</u></u>

**Notes to Supplementary Information**  
**Basis of Presentation**

Supplemental financial statements: In order to ensure observation of limitations and restrictions placed on the use of available resources, the accounts are maintained in accordance with the principles of fund accounting as promulgated by the Illinois Community College Board *Fiscal Management Manual*. Accordingly, supplemental financial information of the District is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenue, and expenditures. For reporting purposes, funds that have similar characteristics have been combined into fund groups. The various fund groups and their designated purposes are as follows:

Current Funds - The Current Funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the District and consist of the following:

Unrestricted Fund - The Unrestricted Fund accounts for the general operations of the District. All property tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this subgroup. From this subgroup are paid the general operating expenses, the fixed charges, and the expenditures for plant assets that are not paid from other funds.

Restricted Funds - The Restricted Fund is used to account for resources that are available for the operation and support of the educational program but which are restricted as to their use by outside agencies.

Loan Fund - This subfund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Plant Funds - The Plant Funds are used to account for the transactions relating to investment in the District properties, and consist of the following self-balancing subfunds:

Operations and Maintenance: - This subfund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Investment in Plant: - This subfund is used to account for the excess of the carrying value of plant assets over the related liabilities.

Internal Service Fund - Is used to account for services provided by one fund for all of the other funds of the District on a cost reimbursement basis.

## **ICCB State Grants Financial Compliance Section**



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Southwestern Illinois College  
Community College District #522  
Belleville, Illinois

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Adult Education and Family Literacy Grants of Southwestern Illinois College, Community College District #522 (the District), as of and for the year ended June 30, 2023 and the related notes to the 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 financial position of the Adult Education and Family Literacy Grant Program as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, 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 opinion.

#### ***Emphasis of Matter***

The financial statements of the Adult Education and Family Literacy Grant Program are intended to present the net position and changes in net position of only that portion of the business-type activities of the District that is attributable to the Adult Education and Family Literacy Grant Program. These financial statements do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023, or the statement of revenues, expenses, and changes in its financial position of the District for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

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


In performing an audit in accordance with GAAS, we:

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

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

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Adult Education and Family Literacy Grant Program's financial statements. The Supplementary ICCB Compliance Schedule, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Supplementary ICCB Compliance Schedule is fairly stated in all material respects in relation to the financial statements as a whole.

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

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
March 18, 2024



## Adult Education and Family Literacy Grant Programs

### Balance Sheet

June 30, 2023

	State Basic	Performance	Total (Memorandum Only)
<u>Assets</u>			
Cash	\$ 49,960	\$ 8,057	\$ 58,017
Due from the Illinois Community College Board	-	11,750	11,750
 Total Assets	 <u>\$ 49,960</u>	 <u>\$ 19,807</u>	 <u>\$ 69,767</u>
 <u>Liabilities and fund balance</u>			
Due to Other Programs	\$ -	\$ -	\$ -
Accounts Payable	43,890	19,807	63,698
Accrued Payroll	1,682	-	1,682
Deferred Revenue	4,388	-	4,388
Total Liabilities	<u>49,960</u>	<u>19,807</u>	<u>69,768</u>
 Fund Balance - Unreserved	 <u>-</u>	 <u>-</u>	 <u>-</u>
Total Fund balance	<u>-</u>	<u>-</u>	<u>-</u>
 Liabilities and fund balance	 <u>\$ 45,572</u>	 <u>\$ 19,807</u>	 <u>\$ 65,380</u>

**See notes to financial statements - grant programs**

## Adult Education and Family Literacy Grant Programs

### Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2023

	State Basic	Performance	Total (Memorandum Only)
<u>Revenue</u>			
State Sourced Revenue	492,491.00	189,575.00	\$ 682,066.00
Total Revenue	<u>\$ 492,491.00</u>	<u>\$ 189,575.00</u>	<u>\$ 682,066.00</u>
<u>Expenditures</u>			
Instruction Expenses			
Professional/Tech Salaries	39,203.00	39,321.00	78,524.00
Part-Time Salaries	3,208.00	-	3,208.00
Faculty Salaries	174,771.00	42,651.00	217,422.00
Total Instructional Salaries	217,182.00	81,972.00	299,154.00
Benefits	40,930.00	17,220.00	58,150.00
Instructional Supplies	37,815.00	21,921.00	59,736.00
Scholarships/Tuition	48,060.00	8,701.00	56,761.00
Total Instructional Expenses	343,987.00	129,814.00	473,801.00
Administrative Expenses			
Administrative Salaries	77,828.00	48,618.00	126,446.00
Clerical Salaries	14,401.00	-	14,401.00
Total Administrative Salaries	92,229.00	48,618.00	140,847.00
Benefits	17,381.00	10,213.00	27,594.00
Contractual Services	9,565.00	(4,998.00)	4,567.00
Office Supplies	19,800.00	4,726.00	24,526.00
Telephone/Utilities	1,530.00	-	1,530.00
Travel	2,022.00	210.00	2,232.00
Meeting Expenses	5,977.00	992.00	6,969.00
Total Administrative Expenses	148,504.00	59,761.00	208,265.00
Total Expenses	492,491.00	189,575.00	682,066.00
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**See Note to Financial Statements - Grant Programs**

## Notes to the Financial Statements-Grants Programs

### Significant Accounting Policies

#### General

The accompanying statements include only those transactions resulting from the Career and Technical Education – Program Improvement and the Education & Family Literacy programs. These transactions have been accounted for in the Restricted Purposes Fund.

#### Basis of accounting

The statements have been prepared on the modified accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2023. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

#### Capital assets

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

#### Payments of Prior Year's Encumbrances

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

#### Credit Risk

The Board of Trustees has authorized the District to invest funds in accordance with the Illinois Community College Act and the Investment of Public Funds Act. The District's investment policy is to apply the prudent person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to conform with legal requirements, seek reasonable income, preserve capital, maintain liquidity and, in general avoid speculative investments.

#### Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy allows that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement, and held at an independent, third party institution in the name of the District. The District's collateralization policy is currently set at 105% of uninsured deposits. At June 30, 2023 and 2022, the District's deposits were not fully collateralized.

#### Concentration of Credit Risk

At June 30, 2023 and 2022, the District had greater than 5% of its overall portfolio invested in Illinois School District Liquid Asset Fund Plus Money Market. This is in accordance with the District's investment policy.

#### Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The State Treasurer maintains the Illinois Funds Money Market at cost and fair value through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The fair value of the College's investment in the funds is the same as the value of the pool shares. The Pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The District's

investments in the Illinois Funds are not required to be categorized because these are not securities. The relationship between the District and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship.

All funds deposited in the pool are classified as investments even though some could be withdrawn on a day's notice. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provision of the Illinois Public Investment Act, 30 ILCS 235.

## **Note 2. Unrestricted Grants**

### **Base Operating Grants**

General operating funds provided to colleges based upon credit enrollment, with a small portion of the allocation based upon gross square footage of space at the college.

### **Equalization Grants**

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

## **Note 3. Restricted Grants / Special Initiatives**

### **Career and Technical Education - Program Improvement Grants**

Grant funding requires that keeping career and technical education programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

## **Note 4. Restricted Adult Education Grants / State**

### **State Basic**

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

### **Performance**

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

## **Supplementary ICCB Compliance Schedule**

## Adult Education and Family Literacy Grant Programs

### Expenditure Amounts and Percentages for ICCB Grant Funds Only Year Ended June 30, 2023

<u>State Basic</u>	<u>Audited Expenditure Amount</u>	<u>Actual Expenditure Percentage</u>
Instruction (45% minimum required)	\$ 343,987	69.8%



## INDEPENDENT ACCOUNTANTS' REPORT

Board of Trustees  
Southwestern Illinois College  
Community College District #522  
Belleville, Illinois

We have examined Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of Southwestern Illinois College, Community College District #522 (District) for the year ended June 30, 2023. District's Management is responsible for preparation of the Schedules in accordance with the guidelines of the Illinois Community College Board's Fiscal Management Manual. Our responsibility is to express an opinion on the Schedules 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 Schedules are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Schedules. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedules, 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 Schedules for the year ended June 30, 2023 are presented in accordance with the Illinois Community College Board's Fiscal Management Manual, in all material respects.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
March 18, 2024

## Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed

Year Ended June 30, 2023

### Total Reimbursable Semester Credit Hours by Term

	Summer		Fall		Spring		Total
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	
Baccalaureate	8,441.0	40.5	34,487.0	128.5	32,862.0	90.0	76,049.0
Business Occupational	3,070.0	48.0	7,448.5	36.0	8,401.5	36.0	19,040.0
Technical Occupational	1,668.0	134.0	10,994.5	499.5	11,155.0	550.5	25,001.5
Health Occupational	1,394.5	376.0	4,890.5	658.0	5,554.5	567.5	13,441.0
Remedial/Development	90.0	-	1,280.0	-	1,109.0	-	2,479.0
Adult Basic Education / Adult Secondary Education	-	600.5	-	1,944.5	-	2,270.0	4,815.0
Total credit hours certified	14,663.5	1,199.0	59,100.5	3,266.5	59,082.0	3,514.0	140,825.5

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

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

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester credit hours (all terms)	119,785.0	21,980.5	141,765.5
	Dual Credit	Dual Enrollment	Total
Semester credit hours (all terms)	20,633.5	8,651.0	29,284.5
District 2020 Equalized Assess Valuation			\$ 8,489,063,900



**Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed (continued)**

Year Ended June 30, 2023

**Reconciliation of Total Semester Credit Hours**

	Total Unrestricted			Total Restricted		
	Total	Credit Hours		Total	Credit Hours	
	Unrestricted	Certified to		Restricted	Certified to	
	Credit Hours	the ICCB	Difference	Credit Hours	the ICCB	Difference
Baccalaureate	75,790.0	75,790.0	-	259.00	259.00	-
Business Occupational	18,920.0	18,920.0	-	120.00	120.00	-
Technical Occupational	23,817.5	23,817.5	-	1,184.00	1,184.00	-
Health Occupational	11,839.5	11,839.5	-	1,601.50	1,601.50	-
Remedial/Development	3,419.0	3,419.0	-	-	-	-
Adult Basic Education						
Adult Secondary						
Education	-	-	-	4,815.00	4,815.00	-
Total credit hours	133,786.00	133,786.00	-	7,979.50	7,979.50	-

**Reconciliation of in-District / Chargeback Reimbursable Credit Hours**

	Total Attending as Certified to		
	Total Attending	the ICCB	Difference
Reimbursable in-district residents	119,785.0	119,785.0	-
Reimbursable out-of-district on chargeback or contractual agreement	21,980.5	21,980.5	-
Total credit hours	141,765.5	141,765.5	-

	Total Reimbursable as Certified to		
	Total Reimbursable	the ICCB	Difference
Dual Credit	20,633.5	20,633.5	-
Dual Enrollment	8,651.0	8,651.0	-
Total credit hours	29,284.5	29,284.5	-

## RESIDENCY VERIFICATION PROCESS

Residency is verified by Admissions and Records personnel or program coordinators of the College. The following items are acceptable forms of documentation:

- Automobile insurance ID card
- Automobile license registration card
- Bank statements
- Driver's license
- Federal, state, or county official documents
- Income tax forms (i.e., W-2)
- Lease agreement
- Military orders
- Occupancy permit
- Pay stub
- Real estate or property tax bill
- Utility bill or receipt
- Voter's registration card

New students and those changing from an out-of-district to an in-district address will be required to provide proof of residency.

Residency for students under age 18 shall be considered to be that of the parent or legal guardian, unless the student is self-supporting.

College personnel will verify residency visually for new students visiting Southwestern in-person and then indicate on the New Student Information Form that they attest to having reviewed documentation supporting residency and understand the impact with respect to state funding.

New students who mail, fax, or submit via our website the New Student Information form are sent a letter requesting that they submit acceptable documentation proving residency within 14 days. If they do not respond within that timeframe, their student record is restricted and they are not allowed to register until they do so.

Employees who verify residency of students after the 14-day grace period photocopy the documentation for appropriate filing in the student's permanent file.

Students are appropriately coded in our student information system for state funding purposes as follows:

A student is considered to be in-district if the student's legal residence is within the boundaries of Community College District #522 and can be established 30 days prior to the beginning date of the student's earliest class of the semester.

A student living outside District #522, who is a resident of the state of Illinois and does not attend Southwestern under the terms of a joint agreement or chargeback agreement, will be designated as an out-of-district student and will be charged the appropriate tuition.

## **RESIDENCY VERIFICATION PROCESS (Continued)**

Any student who is a resident of another state or country will be considered an out-of-state student and will be charged the appropriate tuition. International students who have been issued an I-20 to attend Southwestern may not establish eligibility for in-district tuition rates.

Out-of-district and out-of-state students who receive training from and are employed at least 35 hours per week by an entity located within District #522 may qualify for in-district rates. These students must complete an appropriate Southwestern form from the Admissions and Records Office and have it completed and signed by their employee. This form must be submitted to Southwestern before the midterm date of the affected class(es).

Out-of-district students who have received chargeback tuition authorization from the community college district in which they live, will pay Southwestern in-district tuition. Students must contact the community college district in which they live for chargeback authorization at least 30 days prior to the beginning of any semester. Out-of-district students attending Southwestern without chargeback authorization will pay out-of-district tuition.

Out-of-district students who attend Southwestern Illinois College under the terms of a joint agreement between Southwestern and another community college district will pay Southwestern in-district tuition.

Students attending McKendree College, located in district with Southwestern, may attend Southwestern as an in-district student if they provide a student ID card from McKendree. The Director of Admissions from Southwestern, then verifies current enrollment status with the Registrar at McKendree College. This document becomes part of the student's Southwestern permanent file and must be provided and verified each semester he/she wishes to attend Southwestern.

# **Annual State of Illinois Financial Compliance Section**

## Consolidated Year-End Financial Report (CYEFR)

Year Ended June 30, 2023

CSFA Number	Program Name	State	Federal	Other	Total
402-00-1458	Foster Grandparent Program	\$ 20,373	\$ -	\$ -	\$ 20,373
402-00-1459	Retired and Senior Volunteer Program	25,019	-	-	25,019
402-00-1481	Federal Senior Companion Program State Match	112,237	-	-	112,237
402-06-0489	State Health Insurance Assistant Program (SHIP) Base Grant	-	2,469	-	2,469
420-00-2361	Manufacturing Training Academies	5,199,496	-	-	5,199,496
420-27-2731	Job Training Economic Development Program (ARPA)	-	15,866	-	15,866
420-30-2614	Illinois Works Pre-apprenticeship Program	322,933	-	-	322,933
420-75-1631	Community Service Block Grant Discretionary Grant Program	29,993	-	-	29,993
444-80-2810	AmeriCorps Formula Traditional	-	-	-	-
482-00-0781	Serve Illinois - AmeriCorps Competitive (transferred to DHS)	-	186,121	-	186,121
494-80-1133	Transit Illinois Jobs Now for the Regional Transportation Authority	213,132	-	-	213,132
503-00-0883	Arts Education	-	4,001	-	4,001
601-00-0748	Illinois Cooperative Work Study Program	12,323	-	-	12,323
601-00-1591	Nurse Educator Fellowship Program	17,617	-	-	17,617
684-00-0465	Postsecondary Perkins Basic Grant - Federal CTE	-	952,525	-	952,525
684-00-0818	Illinois Veteran's Grant (Obsolete)	214,037	-	-	214,037
684-00-0819	East St Louis Education Center (Obsolete)	89,174	-	-	89,174
684-00-0820	Career and Technical Education Formula Grants (not a grant)	786,278	-	-	786,278
684-00-0822	Early School Leaver Transition Program - State CTE	60,000	-	-	60,000
684-00-0825	Base Operating Grant	6,022,281	-	-	6,022,281
684-00-0826	Equalization Grant	5,222,510	-	-	5,222,510
684-00-2727	Governor's Emergency Education Relief Fund II - Federal	-	424,726	-	424,726
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	708,832	484,119	-	1,192,951
684-01-2213	Workforce Equity Initiative	1,272,001	-	-	1,272,001
684-01-2879	Integrated English Language and Civic Education (IELCS)	-	84,730	-	84,730
684-05-2840	College Bridge Programs	64,055	-	-	64,055
684-05-2866	Early Childhood Access Consortium for Equity	532,190	449,064	-	981,254
691-00-1381	ISAC Monetary Award Program	21,492	-	-	21,492
	Other Grant Programs and Activities		16,098,553	8,761,898	24,860,450
	All other costs not allocated	-	-	47,611,147	47,611,147
	Total	\$ 20,945,974	\$ 18,702,173	\$ 56,373,045	\$ 96,021,192

## **Federal Financial Compliance Section**



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

Board of Trustees  
Southwestern Illinois College  
Community College District #522  
Belleville, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of Southwestern Illinois College, Community College District #522 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 18, 2024. The financial statements of the District's component unit, Southwestern Illinois College Foundation (the Foundation) were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Southwestern Illinois College Foundation.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

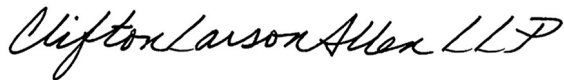
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Report on Compliance and Other Matters**

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

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
March 18, 2024





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

Board of Trustees  
Southwestern Illinois College  
Community College District #522  
Belleville, Illinois

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Southwestern Illinois College, Community College District #522's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to 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 the District's federal programs.

### ***Auditors' 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 the District'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 GAAS, *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 the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the District'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 the District'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 the District'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 instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004 and 2023-005. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. the District'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 Auditors' 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 a 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004 and 2023-005, to be significant deficiencies.

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 the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. the District'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.

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.



**CliftonLarsonAllen LLP**

St. Louis, Missouri  
March 18, 2024

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

<b>Federal Grantor</b>	<b>Federal Assistance</b>		
<u>Pass-Through Grantor</u>	<b>Listing</b>	<b>Pass-Through Entity</b>	<b>Federal</b>
Program Title or Cluster Title	<b>Number</b>	<b>Identifying Number</b>	<b>Expenditures</b>
<b>Department of Education</b>			
Federal Work Study	84.033		117,421
Supplemental Education Opportunity Grant	84.007		374,861
Pell Grant	84.063		8,317,821
Direct Loans	84.268		2,917,890
Subtotal Student Financial Assistance Cluster			11,727,993
COVID-19 Education Stabilization Fund - Student	84.425E		553,334
COVID-19 Education Stabilization Fund - Institution	84.425F		2,254,181
<u>Passed through Illinois Community College Board</u>			
COVID-19 Governor's Emergency Education Relief (GEER)	84.425C	GEER 522	424,621
Subtotal ALN 84.425			3,232,136
TRIO Programs	84.042A		293,047
<u>Passed through Illinois Community College Board</u>			
Career and Technical Education - Perkins Postsecondary	84.048		967,463
Adult Basic Education	84.002		568,849
Early Childhood Consortium	93.575	2101Lccc5/ECE-52201-22	449,564
<u>Subtotal - Illinois Community College Board</u>			1,985,876
<b>Total - Department of Education</b>			<b>17,239,052</b>
<b>The Corporation for National and Community Services</b>			
Senior Companion Program	94.016		328,008
Foster Grandparent Program	94.011		297,291
Retired and Senior Volunteer Program	94.002		28,156
<u>Passed through the State of Illinois, Department of Public Health</u>			
Southwestern Illinois College - Belleville Americorps	94.006		186,121
<b>Total - Corporation for National and Community Services</b>			<b>839,576</b>
<b>Department of Labor</b>			
<u>Passed through St Clair County Intergovernmental Grants</u>			
Out of School Youth - Fee for Services	17.259		149,996
<b>Total - Department of Labor</b>			<b>149,996</b>

## Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2023

Federal Grantor <u>Pass-Through Grantor</u> Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Department of Housing and Urban Development</b>			
<u>Passed through St Clair County Housing Authority</u>			
Service Coordination Program	14.850		73,490
<b>Total - Department of Housing and Urban Development</b>			<b>73,490</b>
<b>Department of Health and Human Services</b>			
<u>Passed through AgeSmart Community Resources</u>			
3E Caregiver Counseling	93.052		10,787
<b>Total - Department of Health and Human Services</b>			<b>10,787</b>
<b>National Endowment for the Arts</b>			
<u>Passed through Illinois Art Council Agency</u>			
Poetry Out Loud	45.025		4,001
<b>Total - National Endowment for the Arts</b>			<b>4,001</b>
<b>GRAND TOTAL</b>			<b>\$ 18,316,902</b>

## Notes to Schedule of Expenditures of Federal Awards

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Southwestern Illinois College and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Grant Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Southwestern Illinois College has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Grant Guidance.

### NOTE 2 NONCASH ASSISTANCE

Southwestern Illinois College did not receive any noncash assistance through federal award programs during the year ended June 30, 2023. In addition, there was no insurance in effect during the year that came through federal sources.

### NOTE 3 LOANS OUTSTANDING

The federal award program of Southwestern Illinois College had no outstanding loan balances nor were there any loan guarantees as of June 30, 2023.

### NOTE 4 SUB-RECIPIENTS

All of the federal award program funds received by Southwestern Illinois College were retained by the District. There were no amounts passed to sub-recipients.

**SOUTHWESTERN ILLINOIS COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Section I – Summary of Auditors' Results**

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**Financial Statements**

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified?   x   yes      \_\_\_\_\_ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   x   yes      \_\_\_\_\_ no

**Identification of Major Federal Programs**

**Assistance Listing Number(s)**

Various

84.425

**Name of Federal Program or Cluster**

Student Financial Assistance Cluster

COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        X   no

**SOUTHWESTERN ILLINOIS COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.



**SOUTHWESTERN ILLINOIS COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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**2023-001 Special Tests and Provisions**

Federal agency: U.S Department of Education

Federal program title: Student Financial Assistance Cluster

Assistant Listing Number: 84.007/84.033/84.063/84.268

Federal Award Identification Number: P007A221105 - P033A221105 - P063P221336 - P268K231336

Award Period: July 1, 2022 to June 30, 2023

Type of Finding:

- Compliance, Other Matters
- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** The Gramm-Leach Bliley Act (GLBA) requires financial institutions to explain their information-sharing practices to their customers and to safeguard sensitive data (16 CFR 314). The regulation states that the college must designate a qualified individual responsible for overseeing and implementing your information security program and enforcing your information security program. (16 CFR 314.4(a)). The entity shall have a Written Information Security Program (WISP) that outlines the design and implementation of the risk assessment procedures. (16 CFR 314.4(b)). At a minimum, the institution's written information security program must address the implementation of the minimum safeguards identified in 16 CFR 314.4(c)(1) through (8) including: Assess apps developed by the institution. In addition, the written security program provides for the institution to regularly test or otherwise monitor the effectiveness of the safeguards it has implemented (16 CFR 314.4(d)).

Per 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

**Condition:** The University has a Written information Security Program; however, the University did not meet the minimum requirements stated in the Gramm-Leach-Bliley Act.

**Context:** These new GLBA requirements were applicable beginning on June 9, 2023, and there were certain required elements missing from the institution's Written Information Security Program (WISP).

**Questioned costs:** None.

**Cause:** There was not a formal process in place to review against all the new GLBA requirements to ensure compliance.

**Effect:** The University was not in Gramm-Leach-Bliley compliance standards.

**Repeat Finding:** No.

**Recommendation:** We recommend that the College review the updated GLBA requirements and ensure their WISP includes all required elements.

**Views of responsible officials:** Management agrees with the finding.

**SOUTHWESTERN ILLINOIS COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**2023-002 Special Tests and Provisions**

Federal agency: U.S Department of Education

Federal program title: Student Financial Assistance Cluster

Assistant Listing Number: 84.007/84.033/84.063/84.268

Federal Award Identification Number: P007A221105 - P033A221105 - P063P221336 - P268K231336

Award Period: July 1, 2022 to June 30, 2023

Type of Finding:

- Compliance, Other Matters
- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** The Department of Education requires institutions to report the disbursement dates and amounts to the Common Origination and Disbursement (COD) system within 15 days of disbursing Pell (34 CFR 690.83(b)(2) and Direct Loan (34 CFR 685.309) funds to a student.

Per 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

**Condition:** The College did not timely report all disbursement dates and amounts to the COD system.

**Context:** We identified 2 out of 40 COD disbursements tested that were not reported within the required 15 days to COD, these two instances were reported 7 days late.

**Questioned costs:** None.

**Cause:** The Student Financial Aid Office does not have a process in place to ensure all disbursements are reported within 15 days to COD.

**Effect:** Student interest accrues based on disbursement date reported to COD, thus interest calculation could be misstated due to the discrepancy in disbursement dates reported.

**Repeat Finding:** No.

**Recommendation:** We recommend that the student financial aid department work to ensure disbursements are reported to COD within 15 days of the disbursement date.

**Views of responsible officials:** Management agrees with the finding.

**SOUTHWESTERN ILLINOIS COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**2023-003 Special Tests and Provisions**

Federal agency: U.S Department of Education

Federal program title: Student Financial Assistance Cluster

Assistant Listing Number: 84.007/84.033/84.063/84.268

Federal Award Identification Number: P007A221105 - P033A221105 - P063P221336 - P268K231336

Award Period: July 1, 2022 to June 30, 2023

Type of Finding:

- Compliance, Other Matters
- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** The Department of Education requires that Title IV credit balances must be paid to the student or parent no later than 14 days after the credit balance occurred. (34 CFR 164(h)(2)).

Per 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

**Condition:** The College did not timely refund credit balances to the student or parent.

**Context:** We identified 1 out of 40 students tested that was not refunded within the required 14 days, the credit balance was refunded 7 days late.

**Questioned costs:** None.

**Cause:** The Student Financial Aid office had an automated process to ensure all refunds were issued in 14 days failed to recognize a credit balance in a student's account.

**Effect:** The student did not have access to Title IV funds timely after disbursement.

**Repeat Finding:** No.

**Recommendation:** We recommend that the student financial aid department develop a process to identify all credit balances are paid timely.

**Views of responsible officials:** Management agrees with the finding.

**SOUTHWESTERN ILLINOIS COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**2023-004 Special Tests and Provisions**

Federal agency: U.S Department of Education

Federal program title: Student Financial Assistance Cluster

Assistant Listing Number: 84.007/84.033/84.063/84.268

Federal Award Identification Number: P007A221105 - P033A221105 - P063P221336 - P268K231336

Award Period: July 1, 2022 to June 30, 2023

Type of Finding:

- Compliance, Other Matters
- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** The Department of Education requires that the college provide to the Secretary an up-to-date Uniform Resource Locator (URL) for the contract for publication in a centralized database to the public. (34 CFR 668.164(f)(4)(iii)(B)).

Per 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

**Condition:** The college had the required information on their website but had not disclosed the URL to the Department of Education.

**Context:** The college published the contract, assessed fees, and terms and conditions, however, they did not properly report the URL to Department of Education.

**Questioned costs:** None.

**Cause:** The contract is in its first year of operations, and the URL was not submitted within 60 days after award year.

**Effect:** The college was not in compliance with Title IV third-party servicer compliance.

**Repeat Finding:** No.

**Recommendation:** We recommend the College implement policies and procedures to identify these requirements and timely report to the appropriate regulators.

**Views of responsible officials:** Management agrees with the finding.

**SOUTHWESTERN ILLINOIS COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**2023-005 Special Tests and Provisions**

Federal agency: U.S Department of Education

Federal program title: Student Financial Assistance Cluster

Assistant Listing Number: 84.007/84.033/84.063/84.268

Federal Award Identification Number: P007A221105 - P033A221105 - P063P221336 - P268K231336

Award Period: July 1, 2022 to June 30, 2023

Type of Finding:

- Compliance, Other Matters
- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** The Code of Federal Regulations, 34 CFR 682.610, states that institutions must report accurately the enrollment status of all students regardless of if they receive aid from the institution or not. Changes to said status are required to be reported within 30 days of becoming aware of the status change, or with the next scheduled transmission of statuses if the scheduled transmission is within 60 days.

The Code of Federal Regulations, 34 CFR 685.309(b), states the school is required to report changes in the student's enrollment status, the effective date of the status, and an anticipated completion date

Per 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

**Condition:** The College did not properly report student enrollment changes for students who received federal student aid to the National Student Loan Data System (NSLDS).

**Context:** During our testing of 40 students, we identified 5 students that were reported past the 60-day reporting timeframe to NSLDS. These student enrollment dates were reported 12 days late.

**Questioned costs:** None.

**Cause:** The College didn't have proper procedures in place to verify students' status in NSLDS matched the institutions records in a timely manner.

**Effect:** Incorrect dates submitted to NSLDS may be used to determine the grace period for the repayment and interest of outstanding Title IV student loans.

**Repeat Finding:** No.

**Recommendation:** We recommend the College review current processes for reporting to NSLDS and implement procedures to ensure submissions are reported timely.

**Views of responsible officials:** Management agrees with the finding.

