



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

**Annual Financial Report  
For the Fiscal Year Ended June 30, 2024**



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June 30, 2024

**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, 2024 and June 30, 2023 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 community colleges.

For the last 78 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.

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.

Nick Mance  
President

## Principal Officials

### Board of Trustees

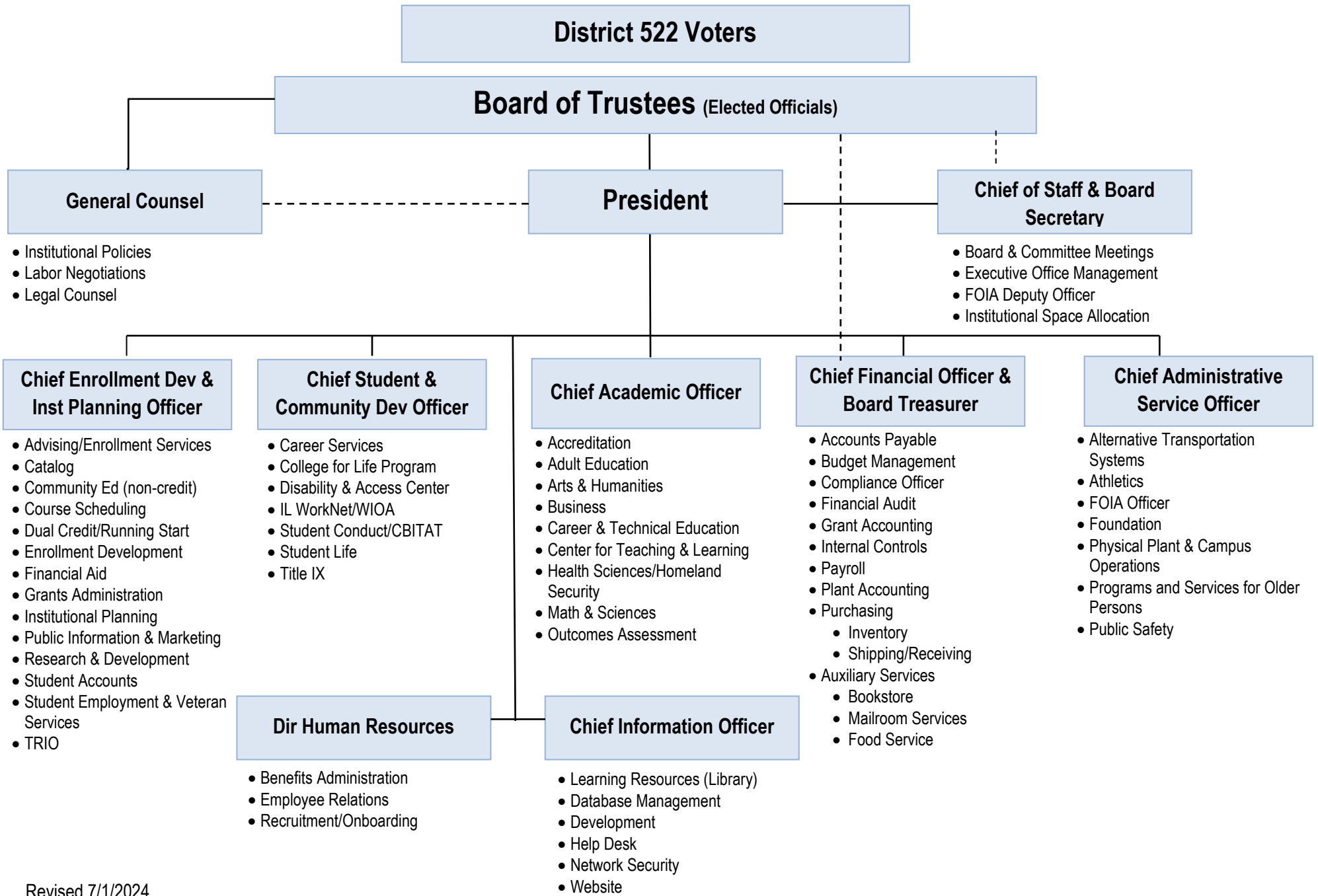
<u>Name</u>	<u>Role</u>	<u>Term expires</u>
Nick Raftopoulos	Chair	April 2029
Steve Campo	Vice Chair	April 2027
Matthew Burke	Trustee	April 2027
Sean McPeak	Trustee	April 2029
Mark Morton	Trustee	April 2029
Dane Tippett	Trustee	April 2029
Tracy Vallett	Trustee	April 2027
Jayden Ashford	Student Trustee	

### 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
Bradley Sparks	Interim Chief Academic Officer
Danielle Chambers	Chief Student Services and Community Development Officer
Robert Tebbe	Chief Enrollment Development and Institutional Planning Office
Linda Andres	Chief Information Officer
Jane Kim Thompson	Director of Human Resources

### Department Issuing Report

Finance Office



Revised 7/1/2024

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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, 2024 and 2023, 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, 2024 and 2023, 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 December 16, 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.



**CliftonLarsonAllen LLP**

Belleville, Illinois  
December 16, 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, 2024 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](#) and the [footnotes](#). Responsibility for the completeness and fairness of this information rests with the District.

### Using This Annual Report

The financial statements focus on the District as a whole. The District's basic financial statements 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](#) which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

### Statement of Net Position Comparative Summary

	<b>2024</b>	<b>2023</b>	<b>Increase (Decrease) 2024-2023</b>	<b>2022</b>	<b>Increase (Decrease) 2023-2022</b>
Current assets	\$ 231.8	\$ 209.4	\$ 22.4	\$ 200.1	\$ 9.3
Non-current assets					
Capital assets, net of depreciation	82.9	67.0	15.9	57.1	9.9
Deferred outflows	3.1	0.8	2.3	0.9	(0.1)
Total assets	<u>317.8</u>	<u>277.2</u>	<u>40.6</u>	<u>258.1</u>	<u>19.1</u>
Current liabilities	20.9	21.6	(0.7)	20.1	1.5
Non-current liabilities	32.2	14.0	18.2	33.6	(19.6)
Deferred inflows	74.1	73.1	1.0	63.4	9.7
Total liabilities and Deferred inflow	<u>127.2</u>	<u>108.7</u>	<u>18.5</u>	<u>117.1</u>	<u>(8.4)</u>
Net position					
Investment in capital assets	76.4	65.0	11.4	54.4	10.6
Restricted	16.3	20.0	(3.7)	67.9	(47.9)
Unrestricted	97.9	83.5	14.4	18.7	64.8
Total net position	<u>\$ 190.6</u>	<u>\$ 168.5</u>	<u>\$ 22.1</u>	<u>\$ 141.0</u>	<u>\$ 27.5</u>

During the year ending June 30, 2024

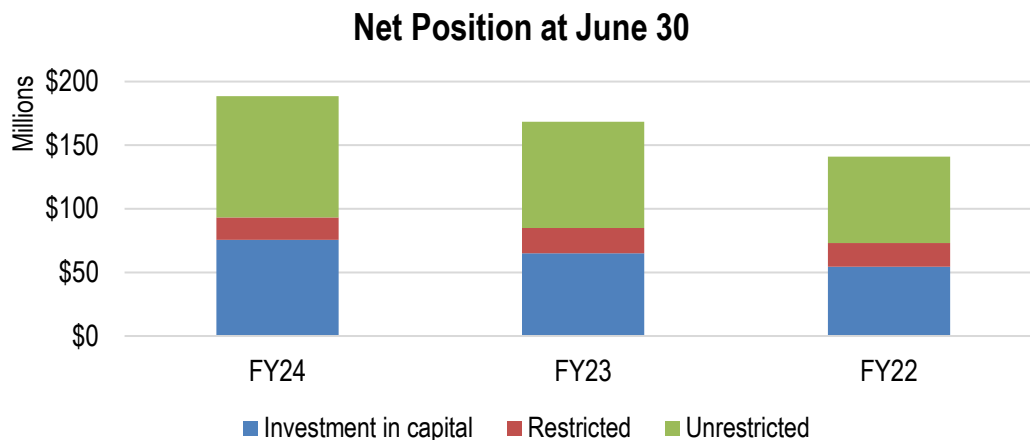
The District's current assets total \$231.8 million, an increase of \$22.4 million (10.7%) from the previous year. Current assets are comprised of 67.1% cash and 24.8% property taxes receivable with the remaining 8.2% in other receivables and prepaid expenses. The change in current assets is driven by an increase in cash of \$15.7 million (11.2%) and an increase in receivables by \$7.0 million (10.3%), offset by a decrease in prepaid items of \$0.2 million (20.0%).

Total liabilities and deferred inflows of resources were \$127.1 million, which is \$18.4 million (16.9%) higher than the previous year. Liabilities are comprised of 45.6% deferred inflows from property taxes, 16.4% current liabilities, 12.7% deferred inflows related to OPEB and 25.3% non-current liabilities. The change in liabilities driven by a \$18.4 million (133.0%) increase in non-current liabilities, including a \$18.2 million increase in long term debt. Current liabilities are \$0.7 million (4.3%) lower than the prior year, driven by a \$1.6 million (39.4%) reduction in accounts payable partially offset by a \$0.7 (34.0%) million increase in compensated absences.

During the year ending June 30, 2023

The District's current assets total \$209.4 million, an increase of \$9.8 million (4.9%) from the previous year. 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 are \$108.7 million, which was \$8.4 million (7.1%) lower than the previous year. 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%).



Southwestern Illinois College strengthened its net position during fiscal year 2024, as assets and deferred outflows exceeded liabilities and deferred inflows (net position) by \$190.6 million. The increase of \$22.1 million (13.1%) from the previous year reflects increases in unrestricted (\$14.4 million, 17.2%) and investment in capital (\$11.4 million, 17.5%), and a decrease in net position for restricted purposes (-\$3.7 million, -18.5%).

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 is due the increase in working cash from bond proceeds.

### 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](#) which is presented on an accrual basis.

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

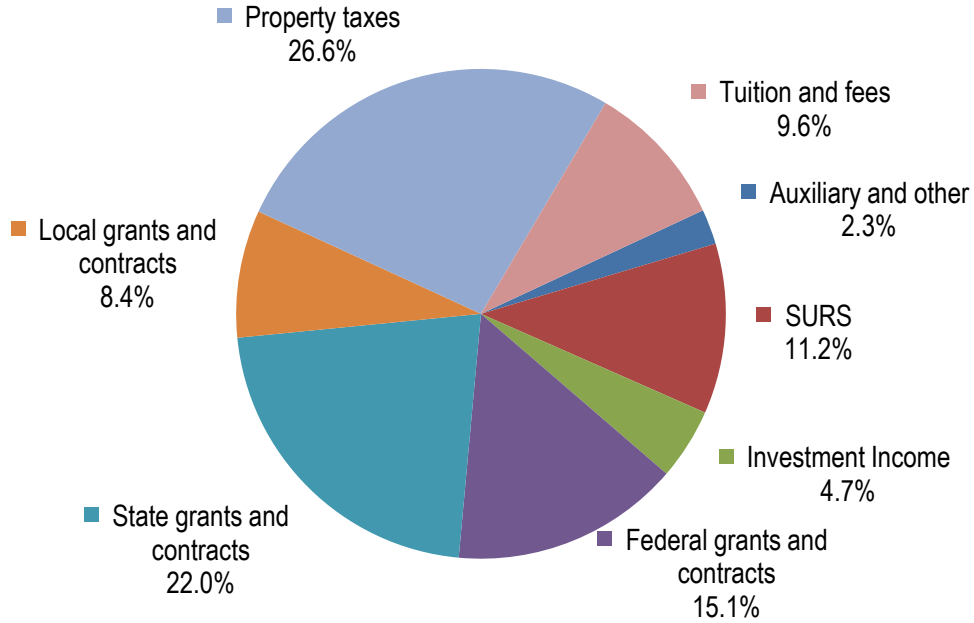
	<u>2024</u>	<u>2023</u>	<u>Increase (decrease) 2024-2023</u>	<u>2022</u>	<u>Increase (decrease) 2023-2022</u>
Operating revenue	\$ 16.4	\$ 15.0	\$ 1.4	\$ 14.8	\$ 0.2
Less Operating expenses	<u>(115.6)</u>	<u>(96.5)</u>	<u>(19.1)</u>	<u>(103.9)</u>	<u>7.4</u>
Operating loss	<u>(99.2)</u>	<u>(81.5)</u>	<u>(17.7)</u>	<u>(89.1)</u>	<u>7.6</u>
Non-operating revenue	122.0	109.8	12.2	106.7	3.1
Less: Non-operating expenses	<u>(0.7)</u>	<u>(0.2)</u>	<u>(0.5)</u>	<u>(0.3)</u>	<u>0.1</u>
Non-operating revenue, net non-operating expenses	<u>121.3</u>	<u>109.6</u>	<u>11.7</u>	<u>106.4</u>	<u>3.2</u>
Income (loss) before contributions to capital	22.2	28.1	(6.0)	17.3	10.8
Capital contributions	-	(0.6)	-	-	-
<b>Change in net position</b>	<b>22.2</b>	<b>27.5</b>	<b>(6.0)</b>	<b>17.3</b>	<b>10.8</b>
Net position - beginning of year	168.5	141.0	(6.0)	123.7	10.8
Net position - end of year	\$ 190.7	\$ 168.5	\$ (12.0)	\$ 141.0	\$ 21.7

Operating revenues (Tuition & fees and Auxiliary and other) make up 11.9% of total revenues and cover approximately 14.2% 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, 2024, was \$122.0 million.

Tuition and fees are reported net of a scholarship allowance of \$11.2 million. The allowance is calculated using an alternate method defined by Governmental Accounting Standards Board (GASB). The College provides financial assistance to students with \$4.4 million in institutional aid, \$0.9 million from athletics, and \$18.7 million from granting sources including \$14.0 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. A summary of revenues for the current year by source are depicted in the graph below.

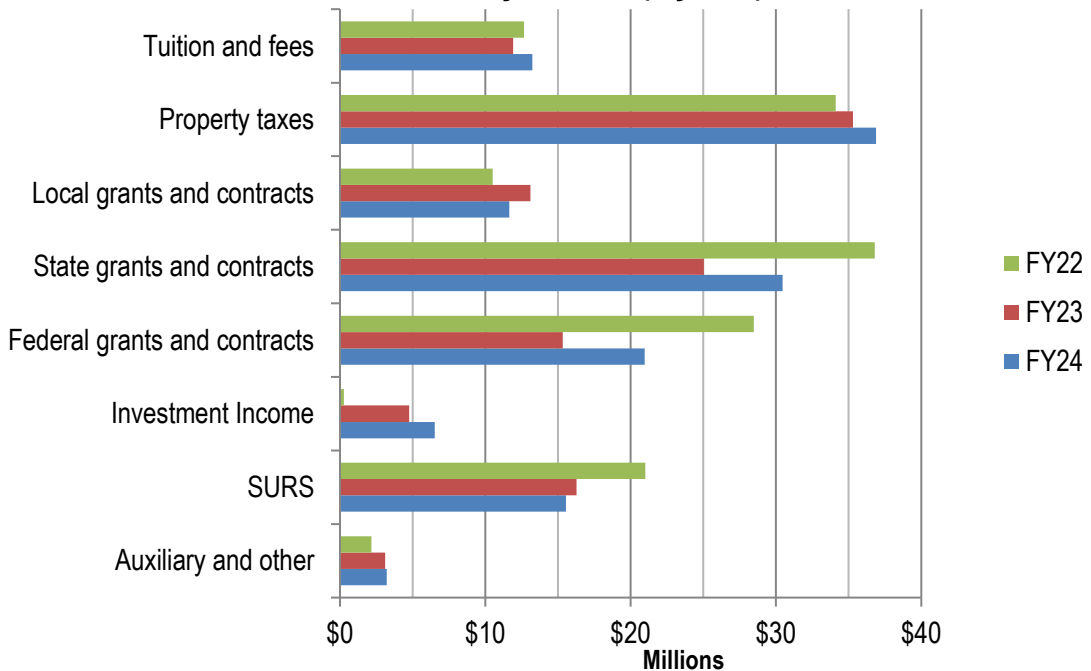


### FY2024 Revenue (percent of total noted)

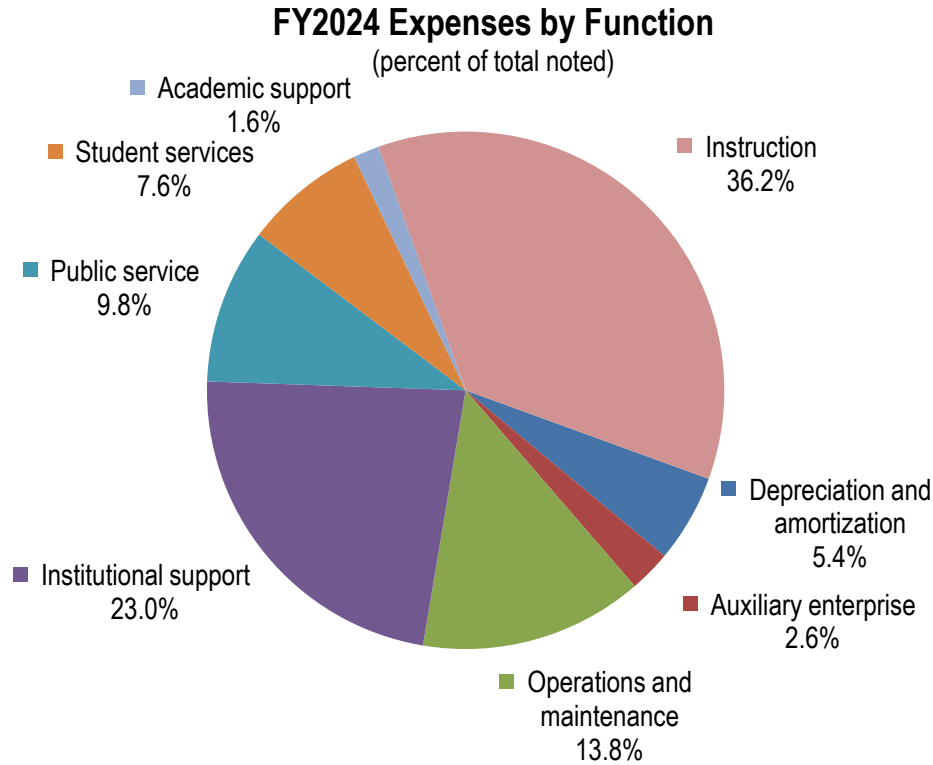


The graph below shows revenue amounts by source over the past three years. Revenues from tuition and fees are higher than the prior year, reflecting higher enrollment and modest price increases. Property taxes increased for the third consecutive year in spite of minimal levy increases due to accelerated assessment values. While funding from local government sources are lower, both state and federal funding are higher than the prior year, but not quite to the levels received during the pandemic. SURS contributions continue to decrease.

### Revenue by Source (3 years)



A summary of operating expenditures for the current year by function are depicted in the graph below. Total operating expenditures of \$115.6 million is \$19.1 million (19.8%) higher 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 \$52.5 million or 45.4% of the total operating expense for the year.

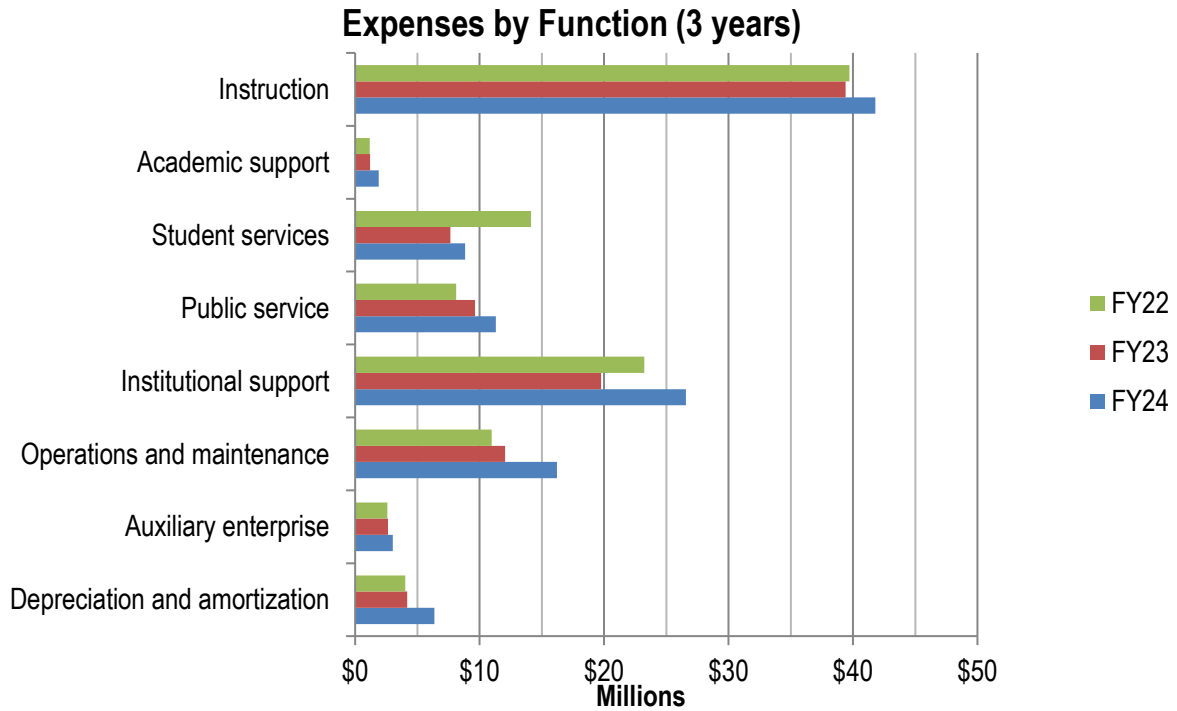


While operating expenses by program provide an important piece of financial information for managing and reporting purposes, operating expenses by object are also a valuable financial management tool. [Note 8. Operating Expenses by Functional Classification](#) provides a summary of expenditures by function 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

	2024	2023	Increase (decrease) 2024-2023	2022	Increase (decrease) 2023-2022
Salary & Benefits	\$ 70.6	\$ 67.8	\$ 2.8	\$ 62.0	\$ 5.8
Contractual services	14.3	8.6	5.7	6.1	2.5
Materials & supplies	6.1	5.9	0.2	7.4	(1.5)
Travel & meeting	2.7	2.3	0.4	1.7	0.6
Fixed charges	3.7	3.0	0.7	2.5	0.5
Utilities	2.5	2.7	(0.2)	2.0	0.7
Other expenditures	11.5	4.0	7.5	15.4	(11.4)
Capital Outlay	4.2	2.2	2.0	1.6	0.6
	<u>\$ 115.6</u>	<u>\$ 96.5</u>	<u>\$ 19.1</u>	<u>\$ 98.7</u>	<u>\$ (2.2)</u>

The graph below shows expenditure amounts by function over the past three years. The increase in instruction, academic support, and student services expenses is consistent with higher tuition and fee revenue (and higher enrollment levels). The increase in institutional support is primarily in contracted services which include legal, accounting and consulting services. Increases in operations and maintenance reflect improvements to existing facilities and a reduction of deferred maintenance.



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 [Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget Vs Actual Operating Funds](#) report in the Supplemental Information section of these statements.

## Operating Funds Performance to Budget Summary

	<u>Budget</u>	<u>Education Fund</u>	<u>Operations &amp; Maintenance Fund</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>					
Property taxes	\$ 26.7	\$ 20.0	\$ 7.8	\$ 27.8	\$ 1.1
State & Federal government	12.0	12.0	1.4	13.4	1.4
Student tuition and fees	21.0	24.5	-	24.5	3.5
Sales & service fees	-	1.1	-	1.1	1.1
Investment income	3.0	4.2	-	4.2	1.2
Facilities revenue	0.2	-	0.2	0.2	-
Other sources	0.7	0.5	-	0.5	(0.2)
Total Revenues	<u>63.6</u>	<u>62.3</u>	<u>9.4</u>	<u>71.7</u>	<u>8.1</u>
<b>Expenditures</b>					
Instruction	31.0	27.1	-	27.1	3.9
Academic support	1.3	1.3	-	1.3	-
Student services	4.3	3.5	-	3.5	0.8
Public service	0.3	-	-	-	0.3
Institutional support	18.8	18.9	-	18.9	(0.1)
Operation and maintenance of plant	6.3	-	7.2	7.2	(0.9)
Capital outlay	1.1	1.8	0.5	2.3	(1.2)
Total expenditures	<u>63.1</u>	<u>52.6</u>	<u>7.7</u>	<u>60.3</u>	<u>2.8</u>
Excess (deficiency) of revenue over expenditures	0.5	9.7	1.7	11.4	10.9
Transfers in (out)	(4.0)	(5.8)	2.0	(3.8)	(0.2)
Excess (deficiency) of revenues over expenditures and other financing sources	<u>\$ (3.5)</u>	<u>\$ 3.9</u>	<u>\$ 3.7</u>	<u>\$ 7.6</u>	<u>\$ 10.7</u>

The schedule below is a summary of the District's capital assets. The increase in capital assets in fiscal year 2024 is due to the completion of a new building and equipment purchases exceeding regular depreciation expense. The increase in capital assets in fiscal year 2023 is due to the construction-in-progress and equipment purchases exceeding regular depreciation expense. Additional information regarding Capital Assets can be found in [Note 4. Changes in Capital Assets](#) of the Financial Statements.

### Capital Asset Summary

	<u>2024</u>	<u>2023</u>	<u>Increase (decrease) 2024-2023</u>	<u>2022</u>	<u>Increase (decrease) 2023-2022</u>
Land	\$ 6.5	\$ 6.5	\$ -	\$ 6.5	\$ -
Land improvements	16.8	16.8	-	16.8	-
Buildings	71.1	53.5	17.6	53.5	-
Building improvements	47.3	47.1	0.2	47.6	(0.5)
Equipment	34.4	25.5	8.9	23.0	2.5
Construction in progress	4.1	12.7	(8.6)	2.1	10.6
Total Capital Assets	<u>180.2</u>	<u>162.1</u>	<u>18.1</u>	<u>149.5</u>	<u>12.6</u>
Less: Accumulated Depreciation	<u>(100.6)</u>	<u>(95.2)</u>	<u>(5.4)</u>	<u>(92.5)</u>	<u>(2.7)</u>
Net Capital Assets	<u>\$ 79.6</u>	<u>\$ 66.9</u>	<u>\$ 12.7</u>	<u>\$ 57.0</u>	<u>\$ 9.9</u>

Additional information regarding Long-Term Debt can be found in [Note 6. Long-term Liabilities](#) of the Financial Statements.

### Long Term Debt Summary

	<u>2024</u>	<u>2023</u>	<u>Increase (decrease) 2024-2023</u>	<u>2022</u>	<u>Increase (decrease) 2023-2022</u>
Bonds	\$ 22.3	\$ 8.3	\$ 14.0	\$ 13.4	\$ (5.1)
Lease & Software Right of Use	2.6	-	2.6	-	-
Total	<u>\$ 24.9</u>	<u>\$ 8.3</u>	<u>\$ 16.6</u>	<u>\$ 13.4</u>	<u>\$ (5.1)</u>

# Basic Financial Statements

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

**Statements of Net Position**

As of June 30,

	2024	2023
<b>Assets</b>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 155,434,976	\$ 139,772,715
Receivables:		
Property taxes	57,422,470	52,148,190
Grants and sponsored programs	5,670,364	3,812,880
Student tuition and fees, net of allowance of 7,813,152 in 2024 and \$7,378,556 in 2023	10,117,196	9,707,742
Other	2,022,477	2,539,524
Total receivables	<u>75,232,507</u>	<u>68,208,336</u>
Prepaid items	<u>1,110,511</u>	<u>1,388,893</u>
Total current assets	<u>231,777,994</u>	<u>209,369,944</u>
<u>Noncurrent Assets</u>		
Land	6,515,480	6,515,480
Construction-in-progress	4,062,016	12,748,885
Depreciable and amortizable property, buildings and equipment, net	69,015,028	47,712,792
Right of use lease and software agreements, net	3,294,214	-
Total noncurrent assets	<u>82,886,738</u>	<u>66,977,157</u>
<u>Deferred Outflows of Resources</u>		
Deferred outflows related to OPEB liability	2,435,106	257,215
Subsequent year's pension expense related to federal, trust or grant contributions in the current year	619,023	587,666
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 317,718,861</b>	<b>\$ 277,191,982</b>
<b>Liabilities</b>		
<u>Current Liabilities</u>		
Accounts payable	\$ 2,539,320	\$ 4,187,242
Accrued expenses	1,152,225	1,546,015
Compensated absences, current	3,140,132	2,343,088
Unearned revenues		
Student tuition and fees	7,050,401	5,767,594
Other	1,712,667	3,398,607
Bonds, lease and note payable, current	5,259,416	4,558,448
Total current liabilities	<u>20,854,161</u>	<u>21,800,994</u>
<u>Noncurrent Liabilities</u>		
Compensated absences due in more than one year	677,453	29,728
Net OPEB liability	11,006,656	9,795,081
Bonds, lease and note payable due in more than one year	20,505,548	3,988,637
Total noncurrent liabilities	<u>32,189,657</u>	<u>13,813,446</u>
<u>Deferred Inflows fo Resources</u>		
Subsequent year's property taxes	57,905,548	52,732,306
Deferred inflow for OPEB liability	16,158,626	20,380,306
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>127,107,992</b>	<b>108,727,052</b>
<u>Net Position</u>		
Net invested in capital assets	76,380,574	64,966,658
Restricted	16,341,482	19,980,719
Unrestricted	97,888,813	83,517,553
<b>Total net position</b>	<b>\$ 190,610,869</b>	<b>\$ 168,464,930</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,

	2024	2023
<b>Operating Revenues</b>		
Student tuition and fees, net of scholarship allowances of \$11,222,288 and \$8,887,107, respectively	\$ 13,236,898	\$ 11,922,941
Auxiliary enterprise revenue	206,054	161,701
Facilities revenue	186,342	186,482
Other operating revenue	2,818,589	2,749,286
<b>Total operating revenues</b>	<b>\$ 16,447,883</b>	<b>\$ 15,020,410</b>
<b>Operating Expenses</b>		
Instruction	\$ 41,807,462	\$ 39,398,686
Academic support	1,883,960	1,203,284
Student services	8,839,640	7,650,074
Public service	11,300,838	9,640,373
Institutionals support	26,594,475	19,756,823
Operation and maintenance of plant and capital outlay	15,924,340	12,037,768
Auxiliary enterprise	3,008,851	2,633,255
Depreciation and amortization	6,226,614	4,191,722
<b>Total operating expenses</b>	<b>115,586,180</b>	<b>96,511,985</b>
Operating surplus (loss)	\$ (99,138,297)	\$ (81,491,575)
<b>Nonoperating revenues (expenses)</b>		
Property taxes	\$ 36,893,821	\$ 35,289,383
Local grants and contracts	11,654,638	13,107,837
State grants and contracts	30,451,977	25,045,118
Federal grants and contracts	20,956,734	15,326,160
Investment income	6,527,375	4,763,824
Interest expense	(743,752)	(225,547)
Contributions provided by the state	15,555,627	16,281,391
<b>Total nonoperating revenues (expenses)</b>	<b>121,296,420</b>	<b>109,588,166</b>
Income (loss) before contributions	22,158,123	28,096,591
Capital contributions	(12,184)	(618,408)
Change in net position	22,145,939	27,478,183
Net position		
Net position - beginning of year	168,464,930	140,986,747
Net position - end of year	<b>\$ 190,610,869</b>	<b>\$ 168,464,930</b>

See accompanying *Notes to Financial Statements*



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

**Statements of Cash Flows**

Years ended June 30,	2024	2023
<b>Cash Flows from Operating Activities</b>		
Tuition and fees	\$ 14,110,251	\$ 11,956,677
Payments to employees	(45,212,089)	(43,356,408)
Payments to suppliers	(54,129,764)	(38,479,655)
Auxiliary enterprise charges Other receipts	206,054	161,701
Other receipts	3,521,977	2,213,887
<b>Net cash provided (used) by operating activities</b>	<b>\$ (81,503,571)</b>	<b>\$ (67,503,798)</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Federal, state and local grants and contracts	\$ 59,519,925	\$ 55,136,540
Property taxes	36,792,784	35,816,629
<b>Net cash provided (used) by noncapital financing activities</b>	<b>\$ 96,312,709</b>	<b>\$ 90,953,169</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchases of capital assets	\$ (19,017,147)	\$ (14,834,054)
Loss (gains) on disposal of capital assets	-	5,015
Proceeds on bond issuance	19,355,955	-
Principal paid on debt and leases	(5,269,308)	(4,462,609)
Interest paid on debt and leases	(743,752)	(225,547)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>\$ (5,674,252)</b>	<b>\$ (19,517,195)</b>
<b>Cash Flows from Investing Activities</b>		
Interest on investments	\$ 6,527,375	\$ 4,763,824
<b>Net cash provided by investing activities</b>	<b>6,527,375</b>	<b>4,763,824</b>
<b>Net increase (decrease) in cash</b>	<b>15,662,261</b>	<b>8,696,000</b>
Cash - beginning of year	139,772,715	131,076,715
Cash - end of year	155,434,976	139,772,715
Cash and cash equivalents	\$ 155,434,976	\$ 139,772,715

See accompanying *Notes to Financial Statements*

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

**Statements of Cash Flows**

Years ended June 30,	2024	2023
<b>Reconciliation of Operating Results to Net Cash Used by Operating Activities</b>		
Operating gains (loss)	\$ (99,138,297)	\$ (81,491,575)
Adjustments to reconcile operating gains (loss) to net cash used by operating activities		
Depreciation and Amortization	6,226,614	4,191,722
Contribution paid by the state	15,555,627	16,281,391
Changes in assets and liabilities		
(Increase) decrease in receivables	107,592	(652,800)
(increase) decrease in prepaid items	278,382	(1,020,012)
Increase (decrease) in accounts payable	(1,647,922)	1,023,805
Increase (decrease) in accrued expenditures	817,785	(15,328,525)
Increase (decrease) in unearned revenue	1,282,807	83,677
Increase (decrease) in compensated absences	1,444,769	(35,344)
Increase in deferred inflows of resources	(4,221,680)	9,407,490
Increase in deferred outflows of resources	(2,209,248)	36,373
Total adjustments	<u>17,634,726</u>	<u>13,987,777</u>
<b>Net cash used by operating activities</b>	<b><u>(81,503,571)</u></b>	<b><u>(67,503,798)</u></b>
Noncash, capital and related financing activities		
Capital Assets Acquired through Leases and Subscriptions	\$ 3,131,232	\$ -
SURS contribution paid by the State	<u>15,555,627</u>	<u>16,281,391</u>

See accompanying *Notes to Financial Statements*

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

**Statements of Fiduciary Net Position**

June 30,

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 821,186	\$ 904,880
Other receivables	6,729	6,729
<b>Total assets</b>	<b>\$ 827,915</b>	<b>\$ 911,609</b>
<b>Liabilities</b>		
Accounts payable	\$ 6,939	\$ 7,464
Other liabilities	65,481	140,405
<b>Total Liabilities</b>	<b>72,420</b>	<b>147,869</b>
<u>Net Position</u>		
Restricted for individuals and organizations	755,495	763,740
<b>Total net position</b>	<b>\$ 755,495</b>	<b>\$ 763,740</b>

**Statements of Changes in Fiduciary Net Position**

Years ended June 30,

	2024	2023
<b>Additions</b>		
Deposits by student clubs and organizations	\$ 308,539	\$ 144,973
<b>Total additions</b>	<b>\$ 308,539</b>	<b>\$ 144,973</b>
<b>Deductions</b>		
Disbursements to student clubs and organizations	\$ 316,784	\$ 141,861
<b>Total deductions</b>	<b>316,784</b>	<b>141,861</b>
Net increase (decrease) in fiduciary net position	(8,245)	3,112
Net position - beginning of year	763,740	760,628
Net position - end of year	\$ 755,495	\$ 763,740

See accompanying *Notes to Financial Statements*

Southwestern Illinois College  
Community College District # 522

SWIC Foundation Statements of Financial Position

December 31,	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 2,098,682	\$ 734,999
Investments	10,083,520	9,285,539
Beneficial interest in perpetual trust	70,972	65,841
Accounts receivable	-	1,500
Pledge receivable	-	200
Property and equipment, net	3,653,950	2,797
Art collections	448,848	448,848
<b>Total Assets</b>	<b>\$ 16,355,972</b>	<b>\$ 10,539,724</b>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 202,020	\$ 143,281
<b>Total liabilities</b>	<b>202,020</b>	<b>143,281</b>
<u>Net assets</u>		
Without donor restrictions	4,817,535	1,376,953
With donor restrictions	11,336,417	9,019,490
<b>Total Net Assets</b>	<b>16,153,952</b>	<b>10,396,443</b>
Total Liabilities and Net Assets	<b>\$ 16,355,972</b>	<b>\$ 10,539,724</b>

See accompanying *Notes to Financial Statements*

Southwestern Illinois College  
Community College District # 522

SWIC Foundation Statement of Activities

Year ended December 31, 2023

	Without Donor Restriction	With Donor Restrictions	Total
<b>Revenue, Gains and Other Support</b>			
Gifts and grants	\$ 16,053	\$ 1,337,538	\$ 1,353,591
Revenue from fundraising events	-	33,306	33,306
Less: Direct cost of fundraising events	-	(19,168)	(19,168)
Net fundraising events	-	14,138	14,138
Investment Income, Net of Fees	8,177	1,316,280	1,324,457
In-Kind Gift	3,915,000	-	3,915,000
Contributed Nonfinancial Assets from			
Southwestern Illinois College	94,305	-	94,305
Rental Income	-	11,400	11,400
Net assets released from restriction	362,429	(362,429)	-
<b>Total Support and Revenues</b>	<b>\$ 4,395,964</b>	<b>\$ 2,316,927</b>	<b>\$ 6,712,891</b>
<b>Expenses</b>			
<u>Program</u>			
Students grants and scholarships	\$ 326,532	\$ -	\$ 326,532
Interest distributions	-	-	-
Program costs	509,058	-	509,058
<b>Total Program Expenses</b>	<b>835,590</b>	<b>-</b>	<b>835,590</b>
<u>Support</u>			
Management and general costs paid by			
Southwestern Illinois College	348,067	-	348,067
Fundraising	1,640	-	1,640
Depreciation	23,847	-	23,847
<b>Total Support Expenses</b>	<b>373,554</b>	<b>-</b>	<b>373,554</b>
Total Expenses	1,209,144	-	1,209,144
Transfer of Services - Southwestern Illinois College	253,762	-	253,762
<b>Change in net assets</b>	<b>3,440,582</b>	<b>2,316,927</b>	<b>5,757,509</b>
Net assets - beginning of year	1,376,953	9,019,490	10,396,443
Net assets - end of year	<b>\$ 4,817,535</b>	<b>\$ 11,336,417</b>	<b>\$ 16,153,952</b>

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
Investment Losses	(114,589)	(1,913,729)	(2,028,318)
Contributed Nonfinancial Assets from Southwestern Illinois College	28,141	-	28,141
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	-	314,462
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 Service - 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	<b>\$ 1,376,953</b>	<b>\$ 9,019,490</b>	<b>\$ 10,396,443</b>

See accompanying *Notes to Financial Statements*

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023**

***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, 2024 and 2023**

**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, 2024 and 2023**

**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.

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023**

**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  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023**

**Note 2. Cash and Cash Equivalents**

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	155,434,976	139,772,715
Fiduciary cash and cash equivalents	816,734	904,880
Total deposits	156,251,710	140,677,595
Less: Amounts reclassified as investments	<u>(143,391,454)</u>	<u>(128,066,557)</u>
Carrying amounts of deposits	<u>12,860,256</u>	<u>12,611,038</u>

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

<u>2024</u>	<u>Fair Market Value</u>	<u>Less than 6 Months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>	<u>Standard &amp; Poor's Rating</u>
Illinois Funds	\$ 56,127,188	\$ 56,127,188	\$ -	\$ -	AAAm
Illinois School District Liquid					
Asset Fund-Money Market	28,868,265	-	28,868,265	-	AAAm
Certificates of Deposits	45,391,689	3,105,400	18,308,600	23,977,689	Not Rated
Savings Deposit Accounts	62,223	62,223			Not Rated
Treasury Notes	12,942,090	-	4,354,863	8,587,227	Not Rated
Total	<u>\$ 143,391,455</u>	<u>\$ 59,294,811</u>	<u>\$ 51,531,728</u>	<u>\$ 32,564,916</u>	

<u>2023</u>	<u>Fair Market Value</u>	<u>Less than 6 Months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>	<u>Standard &amp; Poor's Rating</u>
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>	

**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 102% of uninsured deposits. At June 30, 2024 and 2023, the District's deposits were not fully collateralized.

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023**

**Note 2. Cash and Cash Equivalents (continued)**

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 Districts 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	
		2025	2024
Education	0.1320	0.1279	0.1317
Equity	0.1307	0.1217	0.1304
Building	0.0280	0.0275	0.0279
Tort immunity	-	0.0369	0.0539
Audit	0.0050	0.0018	0.0008
Bond and interest	-	0.0530	0.0573
Protection, health, safety	0.0500	0.0365	0.0412
Social security	-	0.0067	0.0079
		<u>0.4120</u>	<u>0.4511</u>

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023**

**Note 4. Changes in Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2024, is as follows.

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>June 30, 2024</b>
Capital assets not depreciated				
Land	\$ 6,515,480	\$ -	\$ -	\$ 6,515,480
Construction in progress	12,748,885	9,828,507	(18,515,375)	4,062,017
Total capital assets not depreciated	<u>19,264,365</u>	<u>9,828,507</u>	<u>(18,515,375)</u>	<u>10,577,497</u>
Capital assets being depreciated				
Buildings	53,524,255	17,544,902	-	71,069,157
Building improvements	47,108,529	222,522	-	47,331,051
Land improvements	16,812,979	29,640	-	16,842,619
Equipment	24,666,814	9,495,587	(594,687)	33,567,714
Right-of-use leased assets	613,177	1,144,380	(466,876)	1,290,681
Right-of-use software	-	2,386,285	-	2,386,285
Total capital assets being depreciated	<u>142,725,754</u>	<u>30,823,316</u>	<u>(1,061,563)</u>	<u>172,487,507</u>
Less accumulated depreciation and amortization for				
Buildings	21,251,654	1,556,610	-	22,808,264
Building improvements	44,510,623	236,106	-	44,746,729
Land improvements	11,123,605	735,742	-	11,859,347
Equipment	17,660,457	3,461,957	(594,687)	20,527,727
Right-of-use leased assets	466,623	236,199	(466,623)	236,199
Total accumulated depreciation	<u>95,012,962</u>	<u>6,226,614</u>	<u>(1,061,310)</u>	<u>100,178,266</u>
Total capital assets being depreciated	<u>47,712,792</u>	<u>24,596,702</u>	<u>(253)</u>	<u>72,309,241</u>
Total capital assets, net	<u>\$66,977,157</u>	<u>\$34,425,209</u>	<u>\$(18,515,628)</u>	<u>\$82,886,738</u>

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023**

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

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	<u>8,656,021</u>	<u>11,989,824</u>	<u>(1,381,480)</u>	<u>19,264,365</u>
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	<u>140,766,658</u>	<u>3,481,907</u>	<u>(1,522,811)</u>	<u>142,725,754</u>
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	<u>92,339,036</u>	<u>4,191,722</u>	<u>(1,517,796)</u>	<u>95,012,962</u>
Total capital assets being depreciated, net	<u>48,427,622</u>	<u>(709,815)</u>	<u>(5,015)</u>	<u>47,712,792</u>
Total capital assets, net	<u>\$ 57,083,643</u>	<u>\$ 11,280,009</u>	<u>\$ (1,386,495)</u>	<u>\$ 66,977,157</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, 2024, and 2023, employees had earned but not taken annual vacation leave which, at salary rates in effect at the end of the year, totaled \$1,971,038 and \$1,805,236, 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, 2024 and 2023, to be \$1,097,851 and \$565,592, respectively, using the termination payment method. Of such amounts, the District estimated that \$420,398 and \$535,865 at June 30, 2024 and 2023, respectively, would be paid in the next fiscal year.

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023**

**Note 6. Long-term Liabilities**

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

<b>2024</b>	<b>Balance July 1, 2023</b>	<b>Additions</b>	<b>Repayments</b>	<b>Balance June 30, 2024</b>	<b>Due Within One Year</b>
Bonds, contracts and leases payable					
Bonds payable	\$ 8,245,000	\$18,435,000	\$ (4,335,000)	\$ 22,345,000	\$ 3,910,000
Lease payable	146,555	1,144,380	(356,522)	934,413	475,904
Software payable	-	2,386,285	(724,534)	1,661,751	604,060
Unamortized bond premium	155,530	920,955	(252,686)	823,799	269,452
Total bonds, contracts and leases payable	<u>8,547,085</u>	<u>22,886,620</u>	<u>(5,668,742)</u>	<u>25,764,963</u>	<u>5,259,416</u>
Other liabilities					
Compensated absences and sick leave	2,370,829	3,722,299	(2,275,543)	3,817,585	3,140,132
Total other liabilities	<u>2,370,829</u>	<u>3,722,299</u>	<u>(2,275,543)</u>	<u>3,817,585</u>	<u>3,140,132</u>
Total Long-Term Liabilities	<u>\$10,917,914</u>	<u>\$26,608,919</u>	<u>\$ (7,944,285)</u>	<u>\$ 29,582,548</u>	<u>\$ 8,399,548</u>

<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	<u>13,135,089</u>	<u>-</u>	<u>(4,588,004)</u>	<u>8,547,085</u>	<u>4,558,448</u>
Other liabilities					
Compensated absences and sick leave	2,289,139	1,013,498	(931,808)	2,370,829	2,343,088
Total other liabilities	<u>2,289,139</u>	<u>1,013,498</u>	<u>(931,808)</u>	<u>2,370,829</u>	<u>2,343,088</u>
Total Long-Term Liabilities	<u>\$15,424,228</u>	<u>\$ 1,013,498</u>	<u>\$ (5,519,812)</u>	<u>\$ 10,917,914</u>	<u>\$ 6,901,536</u>

**Southwestern Illinois College  
Community College District # 522  
Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023**

**Note 6. Long-term Liabilities (continued)**

General obligation bonds

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.

<u>Obligations in fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	3,910,000	78,200	3,988,200

Series 2023: 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.

<u>Obligations in fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	-	1,336,498	1,336,498
2026	4,070,000	819,000	4,889,000
2027	2,950,000	644,500	3,594,500
2028	3,925,000	472,625	4,397,625
2029	4,310,000	266,750	4,576,750
2030	3,180,000	79,500	3,259,500

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

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

	<u>2024</u>	<u>2023</u>
Debt service	\$ 1,099,014	\$ 489,566
Restricted current funds	1,110,511	1,388,893
Grant programs	575,408	2,284,111
Operations & Maintenance	13,556,549	15,818,149
Total Restricted Current Funds	<u>\$ 16,341,482</u>	<u>\$ 19,980,719</u>



Southwestern Illinois College  
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Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

**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, 2024:

	<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	\$33,903,035	\$ 2,389,523	\$ 3,262,030	\$ 1,259,647	\$ 173,163	\$ 6,263	\$ 813,800	\$ -	\$ 41,807,461
Academic support	999,016	532,449	215,157	81,979	55,360	-	-	-	1,883,961
Student services	6,015,464	539,752	215,529	96,075	9,017	484	1,963,319	-	8,839,640
Public service	7,629,816	710,991	253,251	377,950	1,399,742	10,777	918,311	-	11,300,838
Institutional support	14,149,610	7,234,623	1,342,908	177,992	1,638,667	566,925	1,483,750	-	26,594,475
Operation & maintenance of plant and capital outlay	6,929,945	2,114,642	700,108	4,744	62,671	1,872,217	507	4,239,506	15,924,340
Auxiliary enterprises	953,185	764,905	124,415	661,700	400,536	1,208	102,902	-	3,008,851
Depreciation & amortization	-	-	-	-	-	-	6,226,614	-	6,226,614
	<b>\$70,580,071</b>	<b>\$14,286,885</b>	<b>\$ 6,113,398</b>	<b>\$ 2,660,087</b>	<b>\$ 3,739,156</b>	<b>\$ 2,457,874</b>	<b>\$11,509,203</b>	<b>\$ 4,239,506</b>	<b>\$ 115,586,180</b>

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>

**Southwestern Illinois College  
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Notes to Financial Statements  
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**Note 9. Defined Benefit Pension Plans**

Plan description: The District contributes to the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State's financial reporting entity and is included in the State's Annual Comprehensive Financial Report (ACFR) as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at [WWW.SURS.ORG](http://WWW.SURS.ORG).

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 (effective January 1, 1998) established an alternative defined benefit program known as the portable benefit package. Tier 1 of the traditional and portable plan refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who began participation on or after January 1, 2011, and who do not have other eligible reciprocal system service. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2023, can be found in the Financial Section of SURS ACFR.

Contributions: The State is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of fiscal year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2023 and fiscal year 2024, respectively, was 12.83% and 12.53% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants), Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

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

*Net Pension Liability at June 30, 2024:* The net pension liability (NPL) was measured as of June 30, 2023. At June 30, 2023, SURS defined benefit plan reported a NPL of \$29,444,538,098.

*Net Pension Liability at June 30, 2023:* The net pension liability (NPL) was measured as of June 30, 2022. At June 30, 2022, SURS defined benefit plan reported a NPL of \$29,078,053,857.

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

*Employer Proportionate Share of Net Pension Liability at June 30, 2024:* The amount of the proportionate share of the NPL to be recognized for the District is \$0. The proportionate share of the State's NPL associated with the District is \$243,064,662 or 0.8255%. The District's proportionate share changed by (0.0102%) from 0.8357% since the last measurement date on June 30, 2022. This amount is not recognized in the District's financial statements. The NPL and total pension liability as of June 30, 2023, was determined based on the June 30, 2022, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2022.

*Employer Proportionate Share of Net Pension Liability at June 30, 2023:* The amount of the proportionate share of the NPL to be recognized for the District is \$0. The proportionate share of the State's NPL associated with the District is \$242,999,190 or 0.8357%. The District's proportionate share changed by (0.0478%) from 0.8835% since the last measurement date on June 30, 2021. This amount is not recognized in the District's financial statements. The NPL and total pension liability as of June 30, 2022, was determined based on the June 30, 2021, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2021.

*Defined Benefit Pension Expense at June 30, 2024:* For the year ending June 30, 2023, SURS defined benefit plan reported a collective net pension expense of \$1,884,388,521.

*Defined Benefit Pension Expense at June 30, 2023:* For the year ending June 30, 2022, SURS defined benefit plan reported a collective net pension expense of \$1,903,314,699.

*Employer Proportionate Share of Defined Benefit Pension Expense at June 30, 2024:* The employer proportionate share of collective defined benefit pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2022. As a result, the District recognized revenue and defined benefit pension expense of \$15,555,627 from this special funding situation during the year ended June 30, 2024.

*Employer Proportionate Share of Defined Benefit Pension Expense at June 30, 2023:* The employer proportionate share of collective defined benefit pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2022. As a result, the District recognized revenue and defined benefit pension expense of \$15,905,601 from this special funding situation during the year ended June 30, 2023.

*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.

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources		
<u>June 30, 2024</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 62,591,844	\$ 12,277,871
Changes in assumptions	70,957,694	420,880,693
Net difference between projected and actual earnings on pension plan investments	187,992,691	-
	<u>\$ 321,542,229</u>	<u>\$ 433,158,564</u>
SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources		
<u>June 30, 2023</u>	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>

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
2025	\$ (428,264,966)
2026	(171,164,633)
2027	465,174,033
2028	22,639,231
	<u>\$ (111,616,335)</u>

*Employer Deferral of Fiscal Year 2024 Contributions:* Employer paid \$619,023 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2024. These contributions were made subsequent to the pension liability measurement date of June 30, 2023, and are recognized as deferred outflows of resources as of June 30, 2024.

*Employer Deferral of Fiscal Year 2023 Contributions:* Employer paid \$587,666 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2023. These contributions were made subsequent to the pension liability measurement date of June 30, 2022, and are recognized as deferred outflows of resources as of June 30, 2023.

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Notes to Financial Statements  
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**Note 9. Defined Benefit Pension Plans** (continued)

Assumptions and Other Inputs

*Actuarial Assumptions:* The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period June 30, 2017, through June 30, 2020. The total pension liability in the June 30, 2023 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

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 defined benefit 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 consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, these best estimates are summarized in the following table:

Southwestern Illinois College  
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**Note 9. Defined Benefit Pension Plans** (continued)

Defined Benefit Plan	June 30, 2024		June 30, 2023	
	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
<b>Traditional Growth</b>				
Global Public Equity	36.0%	7.97%	38.0%	7.97%
<b>Stabilized Growth</b>				
Core Real Assets	8.0%	4.68%	9.0%	4.68%
Public Credit Fixed Income	6.5%	4.52%	4.5%	4.52%
Options Strategies	0.0%	0.00%	2.5%	4.91%
Private Credit	2.5%	7.36%	1.0%	7.36%
<b>Non-Traditional Growth</b>				
Private Equity	11.0%	11.32%	10.5%	11.91%
Non-Core Real Assets	4.0%	8.67%	2.5%	9.43%
<b>Inflation Sensitive</b>				
US TIPS	5.0%	2.09%	5.0%	1.23%
<b>Principal Protection</b>				
Core Fixed Income	10.0%	1.13%	8.0%	1.79%
<b>Crisis Risk Offset</b>				
Systematic Trend Following	10.0%	3.18%	10.0%	4.33%
Alternative Risk Premia	3.0%	3.27%	5.0%	3.59%
Long Duration	2.0%	3.02%	4.0%	2.16%
Long Volatility/Tail Risk	2.0%	-1.14%	0.0%	0.00%
<b>Total</b>	100.0%	5.98%	100.0%	6.08%
Inflation		2.60%		2.25%
<b>Expected Arithmetic Return</b>		8.58%		8.33%

*Discount Rate at June 30, 2024:* A single discount rate of 6.37% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 3.86% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2023). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2074. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2074, and the municipal bond rate was applied to all benefit payments after that date.

**Southwestern Illinois College  
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Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023**

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

*Discount Rate at June 30, 2023:* A single discount rate of 6.39% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 3.69% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

*Sensitivity of SURS Net Pension Liability to Changes in the Discount Rate:* Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.37% for the year ending June 30, 2024 and 6.39% for the year ending June 30, 2023, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for each year:

<b>June 30, 2024</b>		
Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
5.37%	6.37%	7.37%
\$ 35,695,434,682	\$ 29,444,538,098	\$ 24,236,489,318

<b>June 30, 2023</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

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. Defined Contribution Pension Plan**

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

**Southwestern Illinois College  
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**Note 10. Defined Contribution Pension Plan (continued)**

*Benefits Provided.* A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448, effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2023, can be found in SURS Annual Comprehensive Financial Report- Notes to the Financial Statements.

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

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

Pension Expense Related to Defined Contribution Pensions

*Defined Contribution Pension Expense at June 30, 2024:* For the year ended June 30, 2023, the State’s contributions to the RSP on behalf of individual employers totaled \$90,330,044. Of this amount, \$81,991,471 was funded via an appropriation from the State and \$8,338,573 was funded from previously forfeited contributions.

*Defined Contribution Pension Expense at June 30, 2023:* For the year ended June 30, 2022, the State’s contributions to the RSP on behalf of individual employers totaled \$89,770,940. Of this amount, \$80,902,699 was funded via an appropriation from the State and \$8,868,241 was funded from previously forfeited contributions.

*Employer Proportionate Share of Defined Contribution Pension Expense at June 30, 2024:* The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2023. The District’s share of pensionable contributions was 0.3957%. As a result, the District recognized revenue and defined contribution pension expense of \$357,452 from this special funding situation during the year ended June 30, 2024, of which \$32,997 constituted forfeitures.



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**Note 10. Defined Contribution Pension Plan (continued)**

*Employer Proportionate Share of Defined Contribution Pension Expense at June 30, 2023:* The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2022. The District's share of pensionable contributions was 0.4186%. As a result, the District recognized revenue and defined contribution pension expense of \$375,790 from this special funding situation during the year ended June 30, 2023, of which \$37,123 constituted forfeitures.

**Note 11. 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 purpose 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. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

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: CIP health coverage includes provisions for medical, prescription drugs, vision, dental and behavioral health benefits. Eligibility to participate in CIP is defined in the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3). The Act (5 ILCS 375/6.9) also establishes health benefits for community college benefit recipients and dependent beneficiaries.

Required 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 same section of statute requires every community college district or association of community college boards that is an employer under the SURS to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

Employer Contributions at June 30, 2024: The employer contributions made by the State of Illinois on behalf of the District to CIP for the year ended June 30, 2023 was \$154,125. The District's proportionate share in fiscal year 2023 was 1.5583%, an increase of 0.1274% from the previous year.

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Notes to Financial Statements  
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**Note 11. Postemployment Benefits Other than Pensions (continued)**

Employer Contributions at June 30, 2023: The employer contributions made by the State of Illinois on behalf of the District to CIP for the year ended June 30, 2022 was \$134,936. The District's proportionate share in fiscal year 2022 was 1.4309%, a decrease of 0.0021% from the previous year.

OPEB Expense at June 30, 2024: The District recognized OPEB expense of \$(3,945,537) for its proportionate share of the OPEB expense and \$(987,562) of net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions.

OPEB Expense at June 30, 2023: The District recognized OPEB expense of \$(4,098,899) for its proportionate share of the OPEB expense and \$(1,194,460) of net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions.

OPEB Liabilities at June 30, 2024: 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. The District reported a liability of \$11,006,656 as of June 30, 2024. The State of Illinois is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation.

OPEB Liabilities at June 30, 2023: 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. The District reported a liability of \$9,795,081 as of June 30, 2023. The State of Illinois is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation.

Sensitivity of CIP's Net OPEB Liability to Changes in the Single 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 3.86% as of June 30, 2023, and 3.69% as of June 30, 2022. The increase in the single discount rate from 3.69% to 3.86% caused the total OPEB liability to decrease by approximately \$10.2 million from 2022 to 2023.

The following presents the District's proportionate share of the plan's net OPEB liability 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 for the years ending June 30, 2024 and June 30, 2023:

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**Note 11. Postemployment Benefits Other than Pensions (continued)**

<b>June 30, 2024</b>		
1% Decrease	Current Single Discount Rate Assumption	1% Increase
2.86%	3.86%	4.86%
\$ 12,008,375	\$ 11,006,659	\$ 10,144,090

<b>June 30, 2023</b>		
1% Decrease	Current Single Discount Rate Assumption	1% Increase
2.69%	3.69%	4.69%
\$ 10,722,464	\$ 9,795,084	\$ 9,002,041

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 for the years ending June 30, 2024 and June 30, 2023.

<b>June 30, 2024</b>		
1% Decrease	Healthcare Cost Trend Rates Assumptions	1% Increase
\$ 9,886,630	\$ 11,006,659	\$ 12,357,265

<b>June 30, 2023</b>		
1% Decrease	Healthcare Cost Trend Rates Assumptions	1% Increase
\$ 8,755,408	\$ 9,795,084	\$ 11,067,923

*Assumptions for June 30, 2024*

- (a) Current healthcare trend rates – Pre-Medicare per capita costs: 9.14% in 2024, 8.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 6.08% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2040.
- (b) One percentage point decrease in current healthcare trend rates - Pre-Medicare per capita costs: 8.14% in 2024, 7.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 18.42% from 2029 to 2023, 5.08% in 2034 decreasing ratably to an ultimate trend rate of 3.25% in 2040.
- (c) One percentage point increase in current healthcare trend rates – Pre-Medicare per capita costs: 10.14% in 2024, 9.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 20.42% from 2029 to 2023, 7.08% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2040.

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**Note 11. Postemployment Benefits Other than Pensions (continued)**

*Assumptions for June 30, 2023*

- (d) Current healthcare trend rates – 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. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 5.86% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2039.
- (e) One percentage point decrease in current healthcare trend rates - Pre-Medicare per capita costs: 8.18% in 2023, 7.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capita costs: 1.98% in 2023, 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 4.86% in 2034 decreasing ratably to an ultimate trend rate of 3.25% in 2039.
- (f) One percentage point increase in current healthcare trend rates – Pre-Medicare per capita costs: 10.18% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capita costs: 3.98% in 2023, 1.00% from 2024 to 2028, 20.42% from 2029 to 2033, 6.86% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2039.

Deferred Outflows and Inflows of Resources

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2024		June 30, 2023	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
<b>Deferred Amounts Related to OPEB</b>				
Deferred Amounts to be Recognized in OPEB Expense in Future Periods				
Differences between expected and actual experience	\$ 165,630	\$ 3,313,628	\$ 77,380	\$ 4,079,955
Changes of assumptions	-	10,759,988	-	13,203,464
Net difference between projected and actual investment earnings on OPEB Plan investment earnings on OPEB Plan investments	-	2,353	-	507
Changes in proportion and differences between employer contributions and share of contributions	2,014,579	2,082,657	25,710	3,096,381
Total deferred amounts to be recognized in OPEB expense in future periods	2,180,209	16,158,626	103,090	20,380,307
OPEB contributions made subsequent to the measurement date	254,897	-	-	-
Total deferred amounts related to OPEB	<u>\$ 2,435,106</u>	<u>\$ 16,158,626</u>	<u>\$ 103,090</u>	<u>\$ 20,380,307</u>

**Note 12. 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,

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**Note 12. Risk Management** (continued)

	<u>2024</u>	<u>2023</u>
Property	\$ 288,422,816	\$ 274,192,243
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	2,500,000	2,500,000
Workers' compensation, Part B, each accident/each employee for disease	2,500,000	2,500,000
Cyber liability	1,000,000	2,000,000

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, 2024 and 2023, there have been no claims exceeding the Self-Insured Retention amount of \$450,000 for regular employees.

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 13. 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 2024 and 2023 for asbestos remediation was \$348,019 and \$194,457 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 2024 and 2023, the District paid approximately \$232,650 and \$223,883, respectively for boarding passes under this contract.

**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.

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**Note 14: Tax Abatement** (continued)

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>2024</b>	<b>TIF Incremental Value / Assessments</b>	<b>Reduced Tax Revenues</b>
Various Redevelopment Project Areas within the District's Geographic Area	\$ 522,135,191	\$ 2,152,241
<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

In addition, during the years ended June 30, 2024 and 2023 the District has received \$1,073,519 and \$129,760, respectively, of payments from various governments in association of the forgone revenue.

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.

	<b>2024</b>	<b>2023</b>
Madison	\$ 156,313	\$ 121,608
St. Clair	3,359	914
Total	\$ 159,672	\$ 122,522

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**Note 15. Discretely Presented Component Unit**

The December 31, 2023 and 2022 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.

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.

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

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.

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.



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

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.

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).

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

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, 2023 and 2022.

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

The Foundation has adopted Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modified the measurement of expected credit losses. The adoption of this standard did not have a material impact on the Foundation's financial statements.

**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.

	<u>2023</u>	<u>2022</u>
Cash	\$ 2,098,683	\$ 676,373
Unconditional Promise to Give	-	200
Accounts Receivable	-	1,500
Short Term Investments	-	390,516
Total Financial Assets Available	<u>▼</u>	<u>▼</u>
Within One Year	<u>\$ 2,098,683</u>	<u>\$ 1,068,589</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 statement of financial position 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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**Note 15. Discretely Presented Component Unit** (continued)

INVESTMENTS

The cost and fair value of investments as of December 31, 2023, are as follows:

	Cost	Fair Value
US Treasury Securities	\$ 3,632,729	\$ 3,305,146
Government and Corporate Debt Securities	120,722	119,302
Fixed Income Mutual Funds	571,036	537,195
Equity Mutual Funds	2,956,832	2,901,002
Common Stocks	2,339,316	3,220,875
Total	<u>\$ 9,620,635</u>	<u>\$ 10,083,520</u>

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>

Fair value of investments and cash and cash equivalents held for Endowment are \$632,523 and \$523,179 at December 31, 2023 and 2022, 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.

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.

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

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, 2023 and 2022:

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
US Treasury Securities	\$ 3,305,146	\$ -	\$ 3,305,146	\$ -
Government and Corporate				
Debt Securities	119,302	-	119,302	-
Fixed Income Mutual Funds	537,195	537,195	-	-
Equity Mutual Funds	2,901,002	2,901,002	-	-
Common Stocks	322,875	322,875	-	-
Total Investments	7,185,520	3,761,072	3,424,448	-
Beneficial Interest in Perpetual Trust	70,972	-	-	70,972
Total	\$ 7,256,492	\$ 3,761,072	\$ 3,424,448	\$ 70,972

	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	-
	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	\$ 9,351,380	\$ 6,516,271	\$ 2,769,268	\$ 65,841

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.

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

The Foundation's Level 3 financial assets for the years ended December 31, 2023 and 2022 consisted of a beneficial interest in perpetual trust. Change in Level 3 financial assets for the years ended December 31, 2023 and 2022 were:

	<u>2023</u>	<u>2022</u>
Balance as of January 1	\$ 65,841	\$ 77,144
Contributions	319	195
Scholarship Disbursement	(2,306)	(3,422)
Investment Return, net	7,001	(8,076)
Balance as of December 31	<u>\$ 70,855</u>	<u>\$ 65,841</u>

**PROPERTY AND EQUIPMENT, NET**

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

	<u>2023</u>	<u>2022</u>
Land	\$ 2,460,000	\$ -
Buildings	1,215,000	-
Equipment	28,528	28,528
Total Property and Equipment	3,703,528	28,528
Less: Accumulated Depreciation	49,579	25,731
Total	<u>\$ 3,653,949</u>	<u>\$ 2,797</u>

**NET ASSETS**

Net assets are available as follows at December 31:

	<u>2023</u>	<u>2021</u>
<u>Net Assets without Donor Restrictions</u>		
Unrestricted	\$ 4,379,322	\$ 905,911
Board-Designated for Scholarships	438,213	471,042
Total Net Assets without Donor Restriction	<u>\$ 4,817,535</u>	<u>\$ 1,376,953</u>
<u>Net Assets with Donor Restrictions</u>		
Life Income Fund	\$ 21,035	\$ 18,225
Scholarships	6,487,105	4,633,662
Academic Costs	4,356,411	3,899,291
	<u>10,864,551</u>	<u>8,551,178</u>
<u>Net Assets Held in Perpetuity</u>		
Scholarships	471,866	468,312
Total Net Assets with Donor Restriction	<u>\$ 11,336,417</u>	<u>\$ 9,019,490</u>

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

ASSETS RELEASED FROM DONOR RESTRICTION

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:

	<u>2023</u>	<u>2022</u>
Scholarships and Grants	\$ 326,532	\$ 292,295
Academic Expenses	35,897	166,943
Total	<u>\$ 362,429</u>	<u>\$ 459,238</u>

RELATED PARTY CONTRIBUTION OF FACILITIES, EQUIPMENT, AND SERVICES

Southwestern Illinois College pays certain direct operating expenses on behalf of the Foundation that are utilized by the Foundation. These expenses are reflected in accompanying financial statements as management and general costs paid by Southwestern Illinois College. Transfer of services is comprised of administrative salary and benefits which amounted to \$253,762 and \$128,454 for the years ended December 31, 2023 and 2022, respectively.

	<u>2023</u>	<u>2022</u>
Contribution of Nonfinancial Assets:		
Office Space	\$ 21,924	\$ 21,924
Supplies and Materials	72,381	6,217
Total Contribution of Nonfinancial Assets	<u>\$ 94,305</u>	<u>\$ 28,141</u>

Transfer of Services:

Personnel, Benefits and Professional Services	<u>\$ 253,762</u>	<u>\$ 286,321</u>
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For the fair value techniques for nonfinancial contributions, most in-kind goods are valued using estimated retail process of identical or similar products. In-kind services are valued based on current rates of professional services provided by the service providers.

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**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, 2023:

	Program	General & Administrative	Fundraising	Total
Scholarship Awards	\$ 326,532	\$ -	\$ -	\$ 326,532
Grants to College Programs	509,058	-	-	509,058
Interest	-	-	-	-
Fundraising Events	-	-	19,851	19,851
Depreciation	-	23,847	-	23,847
Supplies and Other	-	1,640	-	1,640
<u>Expenses Paid by the College</u>				
Salaries	-	207,333	-	207,333
Benefits	-	46,429	-	46,429
Supplies and Other	-	6,711	-	6,711
Contracted Services	-	65,670	-	65,670
Accounting	-	-	-	-
Occupancy	-	21,924	-	21,924
Total Expenses	<u>\$ 835,590</u>	<u>\$ 373,554</u>	<u>\$ 19,851</u>	<u>\$ 1,228,995</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>\$ 835,590</u>	<u>\$ 373,554</u>	<u>\$ -</u>	<u>\$ 1,209,144</u>

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

	Program	General & Administrative	Fundraising	Total
Scholarship Awards	\$ 292,295	\$ -	\$ -	\$ 292,295
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	-	41,341	-	41,341
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>\$ 457,728</u>	<u>\$ 315,640</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>\$ 457,728</u>	<u>\$ 315,640</u>	<u>\$ 1,734</u>	<u>\$ 775,102</u>

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

**CONCENTRATION OF CREDIT RISK**

During the years ended December 31, 2023 and 2022, 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.

**SUBSEQUENT EVENTS**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through December 16, 2024, 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, 2024 and 2023

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

<b>Schedule of the Districts Proportionate Share of the Net Pension Liability</b>											
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	
District's Percentage of the Collective											
Net Pension Liability	0%	0%	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	\$ 243,064,662	
<b>Total</b>	<b>\$ 248,326,776</b>	<b>\$ 257,936,876</b>	<b>\$ 286,888,725</b>	<b>\$ 274,660,842</b>	<b>\$ 266,697,200</b>	<b>\$ 273,673,558</b>	<b>\$ 270,530,699</b>	<b>\$ 252,054,801</b>	<b>\$ 242,999,190</b>	<b>\$ 243,064,662</b>	
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	\$ 35,150,657	
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%	691.49%	
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%	45.45%	43.65%	44.06%	
<b>Schedule of Contributions</b>											
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
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	\$ 619,023
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)	\$ (619,023)
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	\$ 37,980,743
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%	1.63%
<b>Additional Information</b>											
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	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	\$ 254,897

## 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

Public Act 103-0080, effective June 9, 2023, created a disability benefit for police officers injured in the line of duty on or after January 1, 2022. This benefit was first reflected in the Total Pension Liability as of June 30, 2023.

### 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, 2024 and 2023**

**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	2023
District's portion of the net OPEB liability	1.796539%	1.685298%	1.627655%	1.501525%	1.432963%	1.430858%	1.558281%
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	\$ 11,006,656
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	\$ 11,006,656
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
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%	35.60%
Plan fiduciary net position as a percentage of the total OPEB liability	-2.87%	-3.54%	-4.13%	-5.07%	-6.28%	-22.03%	-17.87%

**Schedule of District's Contributions**

Fiscal Year Ending June 30,	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	155,863	147,172	146,107	138,091	133,235	134,936	154,125	254,888
Contributions in Relation to the Contractually Required Contribution	155,863	147,150	146,131	138,077	133,235	134,936	154,125	254,888
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	\$ 33,985,080
Contributions as a Percentage of Covered Payroll	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.7%

## 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, 2023, 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 2024 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2025 and decrease gradually to an ultimate rate of 4.25% in 2040. 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 2040.
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, 2024**

	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	\$ 56,869,160	\$ 17,257,606	\$ 15,818,149	\$ 489,566	\$ 217,617	\$ 2,816,954	\$ 39,414,334	\$ 61,087	\$ 6,559,609	\$ 139,504,082
Revenues:										
Local tax revenue	19,786,661	7,747,842	3,266,481	4,552,040		-		94,467	4,270,627	39,718,118
All other local revenue	-	-	-		294,116	8,536,226				8,830,342
ICCB Grants	12,046,041	1,429,593	-			11,174,359				24,649,993
All other state revenue	-	-	2,301,504			3,500,481				5,801,985
Federal Revenue	2,095	-	-			24,791,315				24,793,410
Student tuition & fees	24,459,186	-	-			-				24,459,186
On-Behalf CIP	-	-	-			-				-
On-Behalf SURS	-	-	-			15,555,627				15,555,627
All other revenue	5,780,317	193,525	104,092	578,007	322,529	1,538,198	20,903,388		39,998	29,460,054
<b>Total revenue</b>	<b>62,074,300</b>	<b>9,370,960</b>	<b>5,672,077</b>	<b>5,130,047</b>	<b>616,645</b>	<b>65,096,206</b>	<b>20,903,388</b>	<b>94,467</b>	<b>4,310,625</b>	<b>173,268,715</b>
Expenditures										
Instruction	27,886,418	-	-	-	-	10,084,096	-			37,970,514
Academic support	1,317,578	-	-	-	-	868,543	-			2,186,121
Student services	4,283,587	-	-	-	14,337	1,306,680	-			5,604,604
Public service/continuing educa	409,500	-	-	-	-	9,544,379	-			9,953,879
Auxiliary services	-	-	-	-	2,867,438	-	-			2,867,438
Operations & maintenance	-	7,659,917	1,446,894	-	-	-	-	-	2,142,870	11,249,681
Institutional support	15,163,399	62,971	13,092,895	4,520,598	-	25,525,406	275,828	154,400	1,738,619	60,534,116
Scholarships, student grants & w	3,986,295	-	-	-	94,189	18,714,723	-	-	-	22,795,207
<b>Total expenditures</b>	<b>53,046,777</b>	<b>7,722,888</b>	<b>14,539,789</b>	<b>4,520,598</b>	<b>2,975,964</b>	<b>66,043,827</b>	<b>275,828</b>	<b>154,400</b>	<b>3,881,489</b>	<b>153,161,560</b>
<b>Net Transfers</b>	<b>(5,771,536)</b>	<b>1,971,197</b>	<b>6,606,113</b>		<b>5,614,750</b>	<b>(856,769)</b>	<b>(7,563,755)</b>			<b>-</b>
Fund balance (deficit)										
Net position - end of year	\$ 60,125,147	\$ 20,876,875	\$ 13,556,550	\$ 1,099,015	\$ 3,473,048	\$ 1,012,564	\$ 52,478,139	\$ 1,154	\$ 6,988,745	\$ 159,611,237

Uniform Financial Statement No. 2 – Summary of Investment in Plant Fund and Debt  
Year Ended June 30, 2024

	Investment in Plant Fund June 30, 2023	Additions	Deletions	Investment in Plant Fund June 30, 2024
Fixed assets				
Land	\$ 6,515,480	\$ -	\$ -	\$ 6,515,480
Construction in progress	12,748,887	9,828,507	(18,515,375)	4,062,019
Equipment	25,477,837	9,495,587	(594,687)	34,378,737
Other fixed assets	117,445,763	21,327,729	(466,623)	138,306,869
Accumulated depreciation	(95,210,807)	(6,226,614)	1,061,054	(100,376,367)
Net fixed assets	<u>\$ 66,977,160</u>	<u>\$ 34,425,209</u>	<u>\$ (18,515,631)</u>	<u>\$ 82,886,738</u>
Fixed debt				
Bonds payable	\$ 8,245,000	\$ 18,435,000	\$ (4,335,000)	\$ 22,345,000
Other fixed liabilities	302,085	4,451,620	(1,333,742)	3,419,963
Total fixed liabilities	<u>\$ 8,547,085</u>	<u>\$ 22,886,620</u>	<u>\$ (5,668,742)</u>	<u>\$ 25,764,963</u>



Southwestern Illinois College  
Community College District # 522

Uniform Financial Statement No. 3 – Operating Fund Revenues and Expenditures  
Year Ended June 30, 2024

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
Operating revenue by source			
Local government			
Local taxes	\$ 18,233,298	\$ 6,476,909	\$ 24,710,207
CPRT	1,553,363	1,270,933	2,824,296
	<u>19,786,661</u>	<u>7,747,842</u>	<u>27,534,503</u>
State government			
ICCB Base Operating grant	6,877,919	-	6,877,919
ICCB Equalization grant	4,288,778	1,429,593	5,718,371
ICCB Career & Technical Education	871,089	-	871,089
ICCB Performance grant	8,255	-	8,255
	<u>12,046,041</u>	<u>1,429,593</u>	<u>13,475,634</u>
Federal government	2,095	-	2,095
Student tuition and fees			
Tuition	18,327,139	-	18,327,139
Fees	5,423,725	-	5,423,725
Other student assessments	708,322	-	708,322
	<u>24,459,186</u>	<u>-</u>	<u>24,459,186</u>
Other sources			
Sales and service fees	1,056,066	-	1,056,066
Facilities revenue	-	186,192	186,192
Investment revenue	4,240,217	7,333	4,247,550
Other	484,034	-	484,034
	<u>5,780,317</u>	<u>193,525</u>	<u>5,973,842</u>
<b>Total Revenues</b>	<b>\$ 62,074,300</b>	<b>\$ 9,370,960</b>	<b>\$ 71,443,165</b>
Less: Non-operating items			
Tuition chargeback revenue	-	-	-
<b>Adjusted revenues</b>	<b><u>\$ 62,074,300</u></b>	<b><u>\$ 9,370,960</u></b>	<b><u>\$ 71,443,165</u></b>

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

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

Year Ended June 30, 2024

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
Operating expenditures by program			
Instruction	\$ 27,886,418	\$ -	\$ 27,886,418
Academic support	1,317,578	-	1,317,578
Student services	4,283,587	-	4,283,587
Public service / Continuing education	409,500	-	409,500
Auxiliary services	-	-	-
Operations and Maintenance	-	7,659,918	7,659,918
Instructional support	15,163,399	62,971	15,226,370
Scholarships, grants, waivers	3,986,295	-	3,986,295
<b>Total expenditures</b>	<b>53,046,777</b>	<b>7,722,889</b>	<b>60,769,666</b>
Less: Non-operating items			
Tuition chargeback	(416,023)		(416,023)
Instructional service contract	(144,119)		(144,119)
Transfers	(5,771,535)	1,971,197	(3,800,338)
<b>Adjusted expenditures</b>	<b>\$ 46,715,100</b>	<b>\$ 9,694,086</b>	<b>\$ 56,409,186</b>
Operating expenditures by object			
Salaries	\$ 33,559,465	\$ 2,984,877	\$ 36,544,342
Employee benefits	5,500,252	673,664	6,173,916
Contractual services	3,445,797	1,021,631	4,467,428
General materials and supplies	2,944,814	630,342	3,575,156
Conference and meeting expenses	328,707	529	329,236
Fixed charges	223,281	49,722	273,003
Utilities	8,583	1,869,257	1,877,840
Capital outlay	1,791,960	492,360	2,284,320
Other	5,243,918	507	5,244,425
<b>Total expenditures</b>	<b>53,046,777</b>	<b>7,722,889</b>	<b>60,769,666</b>
Less: Non-operating items			
Tuition chargeback	(416,023)		(416,023)
Instructional service contract	(144,119)		(144,119)
Transfers	(5,771,535)	1,971,197	(3,800,338)
<b>Adjusted expenditures</b>	<b>\$ 46,715,100</b>	<b>\$ 9,694,086</b>	<b>\$ 56,409,186</b>

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

**Uniform Financial Statement No. 4 – Restricted Purposes Fund  
Year Ended June 30, 2024**

Revenue by source

Total local government	\$ 8,536,226
State Government	
ICCB - Adult Education	549,400
ICCB - Other	10,624,959
Illinois Student Assistance Commission	2,034,437
On-Behalf SURS	15,555,627
Other	1,466,044
	<u>30,230,467</u>
Federal Government	
Department of Education	19,600,899
Department of Labor	82,817
Department of Health & Human Services	1,617,809
Other	3,489,790
	<u>24,791,315</u>
Other Sources	
Tuition and Fees	
Other	1,538,198
	<u>1,538,198</u>
<b>Total restricted purposes fund revenues</b>	<b><u>\$ 65,096,206</u></b>

Expenditures by program

Instruction	\$ 10,084,096
Academic Support	868,543
Student Services	1,306,680
Public Service/Continuing Education	9,544,379
Auxiliary Services	-
Operations and Maintenance	-
Institutional Support	25,525,406
Scholarships, Grants and Waivers	18,714,723
<b>Total expenditures by program</b>	<b><u>\$ 66,043,827</u></b>

Expenditures by object

Salaries	\$ 7,983,134
Employee Benefits (Including SURS On-Behalf)	17,362,063
Contractual Services	6,670,084
General Materials and Supplies	2,301,545
Travel & Conference//Meeting Expenses	1,671,308
Fixed Charges	1,879,880
Utilities	572,904
Capital Outlay	7,943,570
Other	19,659,337
<b>Total expenditures by object</b>	<b><u>\$ 66,043,825</u></b>

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

**Uniform Financial Statement No. 5 – Expenditures by Activity  
Year Ended June 30, 2024**

<b>Instruction</b>	<b>\$ 37,970,514</b>
<hr/>	
Academic support	
Library center	577,293
Instructional baterials center	130,831
Educational media services	483,872
Academic computing support	9,117
Academic administration and planning	-
Other	985,008
<b>Total Academic Support</b>	<b>2,186,121</b>
<hr/>	
Student services support	
Admissions and records	1,251,450
Counseling and career services	2,442,000
Financial aid administration	992,576
Other	904,241
<b>Total Student Services Support</b>	<b>5,590,267</b>
<hr/>	
Public service / continuing education	
Customized training (instructional)	625,190
Community services	8,521,449
Other	821,577
<b>Total Public Services / Continuing Education</b>	<b>9,968,216</b>
<hr/>	
<b>Auxiliary Services</b>	<b>2,867,438</b>
<hr/>	
Operations and maintenance	
Maintenance	1,432,328
Custodial services	2,978,810
Grounds	865,272
Campus security	2,142,870
Utilities	1,933,136
Administration	450,372
Other	-
<b>Total Operations and Maintenance</b>	<b>9,802,788</b>
<hr/>	
Institutional support	
Executive management	\$ 1,364,219
Fiscal operations	1,726,033
Community relations	1,100,306
Administrative support services	3,610,586
Board of trustees	317,534
General institutional	9,994,312
Institutional research	251,115
Administrative data processing	5,926,851
Other	18,353,837
<b>Total Institutional Support</b>	<b>42,644,793</b>
<hr/>	
Scholarships, student grants and waivers	22,795,208
<b>Total current funds expenditures</b>	<b>\$ 133,825,345</b>
<hr/>	

Certification of Chargeback Reimbursement for Fiscal Year 2024

**SOUTHWESTERN ILLINOIS  
 COMMUNITY COLLEGE DISTRICT #522**  
 Fiscal Year 2025 Certification of Per Capita Cost  
 For the Fiscal Year Ended June 30, 2024

All Fiscal Year 2024 Noncapital Audited operating Expenditures from the following Funds:

1. Education Fund.....	\$ 51,254,817
2. Operations and Maintenance Fund.....	\$ 7,230,528
3. Operations and Maintenance Fund (Restricted).....	\$ 1,989,829
4. Bond and Interest Fund.....	\$ 4,520,598
5. Public Building Commission Rental Fund.....	\$ -
6. Restricted Purposes Fund.....	\$ 38,707,955
7. Audit Fund.....	\$ 154,400
8. Liability, Protection and Settlement Fund.....	\$ 3,641,554
9. Auxiliary Enterprise Fund (Subsidy Only).....	\$ 2,963,620
<b>10. TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9).....</b>	<b>\$ 110,463,301</b>
11. Depreciation on capital outlay expenditures (equipment, building and fixed equipment paid) from sources other than state and federal funds.....	\$ 4,033,850
<b>12. TOTAL COSTS INCLUDED (line 10 plus line 11).....</b>	<b>\$ 114,497,151</b>
13. Total certified semester credit hours for FY2024.....	148,677.50
<b>14. PER CAPITA COST (line 12 divided by line 13).....</b>	<b>\$ 770</b>

Approved:  12/4/24  
Date  
 Jacob L. Wheeler, Chief Financial Officer

Approved:  12-4-24  
Date  
 Nicholas J. Mance, Chief Executive Officer

Southwestern Illinois College  
Community College District # 522

Combining Balance Sheet – All Fund Types

June 30, 2024

	Current Funds			Plant Funds		Recon- ciliation	Total
	Unrestricted	Restricted	Loan Funds	Operations & Maintenance	Investment in Plant		
<b>Assets</b>							
Cash and cash equivalents	\$ 141,753,448	\$ (2,320,831)	\$ 1,161,355	\$ 14,841,004	\$ -		\$ 155,434,976
Receivables							
Property taxes	44,943,317	-	7,387,840	5,091,313	-		57,422,470
Grants and sponsored programs	478,341	5,172,533	-	-	-	19,490	5,670,364
Student tuition and fees, net of allowance	10,117,196	-	-	-	-	-	10,117,196
Other	2,022,477	-	-	-	-	-	2,022,477
Total receivables	57,561,331	5,172,533	7,387,840	5,091,313	-	19,490	75,232,507
Due from other funds	77,195	66,937	-	-	-	6,360	150,492
Prepaid items	1,526,658	437,155	-	-	-	(853,302)	1,110,511
Land	-	-	-	-	6,515,480	-	6,515,480
Depreciable property, buildings and equipment, net	755	-	-	-	69,014,273	-	69,015,028
Construction in progress	-	-	-	-	4,062,016	3,294,214	7,356,230
<b>Total assets</b>	<b>200,919,387</b>	<b>3,355,794</b>	<b>8,549,195</b>	<b>19,932,317</b>	<b>79,591,769</b>	<b>2,466,762</b>	<b>314,815,224</b>
Deferred outflows of resources							
Deferred outflows related to OPEB liability	-	-	-	-	-	2,435,106	2,435,106
Subsequent years pension expense related to	-	-	-	-	-	619,023	619,023
<b>Total assets and deferred outflow of resources</b>	<b>\$ 200,919,387</b>	<b>\$ 3,355,794</b>	<b>\$ 8,549,195</b>	<b>\$ 19,932,317</b>	<b>\$ 79,591,769</b>	<b>\$ 5,520,891</b>	<b>\$ 317,869,353</b>
<b>Liabilities, deferred inflows of resources and fund balance</b>							
Accounts payable	\$ 848,187	\$ 1,184,303	\$ -	\$ 506,830	\$ -	\$ -	2,539,320
Accrued liabilities	479,842	167,515	-	-	-	504,868	1,152,225
Compensated absences, current	3,140,132	-	-	-	-	-	3,140,132
Due to other Funds	136,813	13,678	-	-	-	-	150,491
Unearned revenue							
Student tuition & fees	7,050,401	-	-	-	-	-	7,050,401
Other	-	977,735	-	734,932	-	-	1,712,667
Total Unearned Revenue	7,050,401	977,735	-	734,932	-	-	8,763,068
Compensated absences due in more than one year	-	-	-	-	-	677,453	677,453
Unamortized bond premium	-	-	-	-	-	823,800	823,800
Net OPEB liability	-	-	-	-	-	11,006,656	11,006,656
Bonds, contracts and leases payable	-	-	-	-	-	24,941,164	24,941,164
<b>Total liabilities</b>	<b>11,655,375</b>	<b>2,343,231</b>	<b>-</b>	<b>1,241,762</b>	<b>-</b>	<b>37,953,941</b>	<b>53,194,309</b>
Deferred inflows of resources							
Subsequent year's property taxes	45,321,361	-	7,450,181	5,134,006	-	-	57,905,548
Deferred inflows related to OPEB	-	-	-	-	-	16,158,626	16,158,626
<b>Net Position</b>							
Non-spendable	1,526,658	437,155	-	-	-	(853,302)	1,110,511
Investment in plant, net of related debt	755	-	-	-	75,529,753	(3,910,000)	71,620,508
Restricted	-	575,408	1,099,014	13,556,549	-	-	15,230,971
Unassigned	142,415,238	-	-	-	4,062,016	(43,828,374)	102,648,880
Total Fund Balance	143,942,651	1,012,563	1,099,014	13,556,549	79,591,769	(48,591,676)	190,610,870
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 200,919,387</b>	<b>\$ 3,355,794</b>	<b>\$ 8,549,195</b>	<b>\$ 19,932,317</b>	<b>\$ 79,591,769</b>	<b>\$ 5,520,891</b>	<b>\$ 317,869,353</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, 2024**

	Current Funds			Plant Funds			Total
	Unrestricted	Restricted	Loan	Operations & Maintenance - Restricted	Investment in Plant	Reconciliation	
<b>Revenues:</b>							
Local Government Sources							
Property Taxes	\$ 29,075,301	\$ -	\$ 4,552,040	\$ 3,266,481	\$ -	\$ -	\$ 36,893,822
Corporate personal property replacement taxes	2,824,296	-	-	-	-	-	2,824,296
Other Local Sources	294,116	8,536,226	-	-	-	-	8,830,342
State Government Sources							
ICCB state grants	13,475,634	11,174,359	-	-	-	-	24,649,993
Other state grants	-	3,500,480	-	2,301,504	-	-	5,801,984
Federal government	2,095	24,791,315	-	-	-	(3,836,676)	20,956,734
Student tuition and fees	24,459,186	-	-	-	-	(11,222,288)	13,236,898
Investment income	6,371,748	50,294	1,241	104,092	-	-	6,527,375
Auxiliary enterprise revenue	206,054	-	-	-	-	-	206,054
Facilities Revenue	186,342	-	-	-	-	-	186,342
Other Sources	20,475,613	1,487,905	576,766	-	-	(19,721,696)	2,818,588
Payments on Behalf of the District	-	15,555,627	-	-	-	-	15,555,627
Expended on capital assets	-	-	-	-	18,593,599	(18,605,783)	(12,184)
<b>Total Revenues</b>	<b>\$ 97,370,385</b>	<b>\$ 65,096,206</b>	<b>\$ 5,130,047</b>	<b>\$ 5,672,077</b>	<b>\$ 18,593,599</b>	<b>\$ (53,386,443)</b>	<b>\$ 138,475,871</b>
<b>Expenditures:</b>							
Current							
Instruction	\$ 27,151,412	\$ 14,656,050	\$ -	\$ -	\$ -	\$ -	\$ 41,807,462
Academic Support	1,317,579	574,434	-	-	-	(8,053)	1,883,960
Student Services	3,458,156	20,446,748	-	-	-	(15,065,264)	8,839,640
Public Service	423,839	11,242,749	-	-	-	(365,750)	11,300,838
Institutional Support	21,105,099	9,492,382	2,101	895,328	-	(4,647,747)	26,847,163
Operation and Maintenance of Plant	9,107,409	1,482,924	-	1,094,502	-	-	11,684,835
Auxiliary enterprises	2,866,040	204,971	-	-	-	(62,160)	3,008,851
Depreciation & Amortization	91,219	-	-	-	5,899,196	236,199	6,226,614
Capital Outlay	2,536,599	7,943,570	-	12,549,960	-	(18,790,624)	4,239,505
Debt Service:							
Principal	-	-	4,335,000	-	-	(4,335,000)	-
Interest	-	-	183,498	-	-	560,254	743,752
<b>Total Expenditures</b>	<b>68,057,352</b>	<b>66,043,828</b>	<b>4,520,599</b>	<b>14,539,790</b>	<b>5,899,196</b>	<b>(42,478,145)</b>	<b>116,582,621</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>29,313,033</b>	<b>(947,622)</b>	<b>609,448</b>	<b>(8,867,713)</b>	<b>12,694,403</b>	<b>(10,908,298)</b>	<b>21,893,251</b>
Other Financing Sources (uses):							
Transfers in	7,593,753	22,264	-	6,606,113	-	-	14,222,130
Transfers out	(13,343,097)	(879,033)	-	-	-	-	(14,222,130)
Bond premium amortization	-	-	-	-	-	252,686	252,686
	(5,749,344)	(856,769)	-	6,606,113	-	252,686	252,686
<b>Excess (deficiency) of revenue over expenditures and transfers</b>	<b>23,563,689</b>	<b>(1,804,391)</b>	<b>609,448</b>	<b>(2,261,600)</b>	<b>12,694,403</b>	<b>(10,655,612)</b>	<b>22,145,937</b>
Fund Equity - Beginning of Year	120,378,959	2,816,954	489,566	15,818,149	66,897,366	(37,936,064)	168,464,930
Fund Equity - End of Year	\$ 143,942,648	\$ 1,012,563	\$ 1,099,014	\$ 13,556,549	\$ 79,591,769	\$ (48,591,676)	\$ 190,610,867

Southwestern Illinois College  
Community College District # 522

Combining Balance Sheet – Current Unrestricted Funds  
June 30, 2024

	Education	Operations & Maintenance	Auxiliary Enterprises	Working Cash	Audit	Liability, Protection & Settlement	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 57,796,345	\$ 20,878,664	\$ 3,489,249	\$ 52,478,139	\$ (43,846)	\$ 7,154,897	\$ 141,753,446
Receivables							
Property taxes	27,996,601	10,606,376	-	-	257,538	6,082,802	44,943,317
Grants and sponsored programs	263,087	215,254	-	-	-	-	478,341
Student tuition and fees, net of allowance	10,117,196	-	-	-	-	-	10,117,196
Other	1,958,657	4,500	59,320	-	-	-	2,022,477
Total receivables	40,335,541	10,826,130	59,320	-	257,538	6,082,802	57,561,331
Due from other funds	40,881	2,480	14,362	-	2,426	17,046	77,195
Prepaid items	1,301,694	122,445	48,107	-	-	54,412	1,526,658
Depreciable property, buildings and equipment, net of depreciation	-	-	755	-	-	-	755
<b>Total assets</b>	<b>\$ 99,474,461</b>	<b>\$ 31,829,719</b>	<b>\$ 3,611,793</b>	<b>\$ 52,478,139</b>	<b>\$ 216,118</b>	<b>\$ 13,309,157</b>	<b>\$ 200,919,387</b>
<b>Liabilities, deferred inflows of resources, and fund balance</b>							
Accounts payable	\$ 822,210	\$ 51,157	\$ 78,588	\$ -	\$ -	\$ (103,768)	\$ 848,187
Accrued liabilities	253,464	14,108	8,872	-	-	203,398	479,842
Compensated absences, current	2,810,829	171,340	72,149	-	-	85,814	3,140,132
Due to other Funds	159,402	19,530	927	-	(45,000)	1,954	136,813
Unearned revenue							
Student tuition & fees	7,071,737	-	(21,336)	-	-	-	7,050,401
Other	-	-	-	-	-	-	-
Total Unearned Revenue	7,071,737	-	(21,336)	-	-	-	7,050,401
<b>Total liabilities</b>	<b>11,117,642</b>	<b>256,135</b>	<b>139,200</b>	<b>-</b>	<b>(45,000)</b>	<b>187,398</b>	<b>11,655,375</b>
Deferred inflows of resources							
Subsequent year's property taxes	28,231,675	10,696,709	-	-	259,964	6,133,013	45,321,361
<b>Fund Balance</b>							
Non-spendable	1,301,694	122,445	48,107	-	-	54,412	1,526,658
Investment in plant, net of related	-	-	755	-	-	-	755
Restricted							
Unassigned	58,823,450	20,754,430	3,423,731	52,478,139	1,154	6,934,334	142,415,238
<b>Total Fund Balance</b>	<b>60,125,144</b>	<b>20,876,875</b>	<b>3,472,593</b>	<b>52,478,139</b>	<b>1,154</b>	<b>6,988,746</b>	<b>143,942,651</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 99,474,461</b>	<b>\$ 31,829,719</b>	<b>\$ 3,611,793</b>	<b>\$ 52,478,139</b>	<b>\$ 216,118</b>	<b>\$ 13,309,157</b>	<b>\$ 200,919,387</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, 2024

	Education	Operations & Maintenance	Auxiliary Enterprises	Working Cash	Audit	Liability, Protection & Settlement	Total
<b>Revenues</b>							
Local Government Sources							
Property Taxes	\$ 18,233,298	\$ 6,476,909	\$ -	\$ -	\$ 94,467	\$ 4,270,627	\$ 29,075,301
Corporate personal property replacement taxes	1,553,363	1,270,933	-	-	-	-	2,824,296
Other Local Sources	-	-	294,116	-	-	-	294,116
State Government Sources							
ICCB state grants	12,046,041	1,429,593	-	-	-	-	13,475,634
Other state grants	-	-	-	-	-	-	-
Federal government	2,095	-	-	-	-	-	2,095
Student tuition and fees	24,459,186	-	-	-	-	-	24,459,186
Investment income	4,240,217	7,333	-	2,124,198	-	-	6,371,748
Auxiliary enterprise revenue	-	-	206,054	-	-	-	206,054
Facilities Revenue	-	186,192	150	-	-	-	186,342
Other Sources	1,540,100	-	116,325	18,779,190	-	39,999	20,475,614
Payments on Behalf of the District	-	-	-	-	-	-	-
Expended on capital assets	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>62,074,300</b>	<b>9,370,960</b>	<b>616,645</b>	<b>20,903,388</b>	<b>94,467</b>	<b>4,310,626</b>	<b>97,370,386</b>
<b>Expenditures</b>							
Current							
Instruction	27,151,412	-	-	-	-	-	27,151,412
Academic Support	1,317,579	-	-	-	-	-	1,317,579
Student Services	3,466,132	-	(7,976)	-	-	-	3,458,156
Public Service	409,501	-	14,338	-	-	-	423,839
Institutional Support	18,910,197	40,874	-	275,829	154,400	1,723,799	21,105,099
Operation and Maintenance of Pla	-	7,189,654	-	-	-	1,917,755	9,107,409
Auxiliary enterprises	-	-	2,866,040	-	-	-	2,866,040
Depreciation & Amortization	-	-	91,219	-	-	-	91,219
Capital Outlay	1,791,960	492,360	12,344	-	-	239,935	2,536,599
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>53,046,781</b>	<b>7,722,888</b>	<b>2,975,965</b>	<b>275,829</b>	<b>154,400</b>	<b>3,881,489</b>	<b>68,057,352</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>9,027,519</b>	<b>1,648,072</b>	<b>(2,359,320)</b>	<b>20,627,559</b>	<b>(59,933)</b>	<b>429,137</b>	<b>29,313,034</b>
<b>Other Financing Sources (uses)</b>							
Transfers in	-	1,971,197	5,622,557	-	-	-	7,593,754
Transfers out	(5,771,535)	-	(7,807)	(7,563,754)	-	-	(13,343,096)
Bond premium amortization	(5,771,535)	1,971,197	5,614,750	(7,563,754)	-	-	(5,749,342)
<b>Excess (deficiency) of revenues over expenditures and other financing uses</b>	<b>3,255,984</b>	<b>3,619,269</b>	<b>3,255,430</b>	<b>13,063,805</b>	<b>(59,933)</b>	<b>429,137</b>	<b>23,563,692</b>
Fund Equity - Beginning of Year	56,869,160	17,257,606	217,163	39,414,334	61,087	6,559,609	120,378,959
Fund Equity - End of Year	\$ 60,125,144	\$ 20,876,875	\$ 3,472,593	\$ 52,478,139	\$ 1,154	\$ 6,988,746	\$ 143,942,657

**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, 2024

Property Taxes	\$ 25,064,511	\$ 18,223,298	\$ 6,476,909	\$ 24,700,207	\$ (364,304)
Corporate personal property replacement taxes	1,585,115	1,533,363	1,270,933	2,804,296	1,219,181
State Government Sources					
ICCB state grants	12,031,070	12,046,041	1,429,593	13,475,634	1,444,564
Federal government	1,200	2,095	-	2,095	895
Student tuition and fees	21,006,996	24,459,186	-	24,459,186	3,452,190
Investment income	3,006,000	4,240,217	7,333	4,247,550	1,241,550
Auxiliary enterprise revenue	-	1,056,066	-	1,056,066	1,056,066
Facilities Revenue	175,000	-	186,192	186,192	11,192
Other Sources	704,996	484,033	-	484,033	(220,963)
<b>Total Revenues</b>	<b>63,574,888</b>	<b>62,044,299</b>	<b>9,370,960</b>	<b>71,415,259</b>	<b>7,840,371</b>
<b>Expenditures</b>					
Instruction	31,038,108	27,135,487	-	27,135,487	3,902,621
Academic Support	1,333,043	1,318,119	-	1,318,119	14,924
Student Services	4,318,380	3,469,765	-	3,469,765	848,615
Public Service	271,512	(48,031)	-	(48,031)	319,543
Institutional Support	18,798,995	18,921,735	40,876	18,962,611	(163,616)
Operation and Maintenance of Plant	6,341,415	-	7,199,772	7,199,772	(858,357)
Capital Outlay	1,090,000	1,791,960	492,360	2,284,320	(1,194,320)
<b>Total Expenditures</b>	<b>63,191,453</b>	<b>52,589,035</b>	<b>7,733,008</b>	<b>60,322,043</b>	<b>2,869,410</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>383,435</b>	<b>9,455,264</b>	<b>1,637,952</b>	<b>11,093,216</b>	<b>4,970,961</b>
<b>Other Financing Sources (uses)</b>					
Transfers in	-	-	1,971,197	1,971,197	(1,971,197)
Transfers out	4,025,000	(5,771,535)	-	(5,771,535)	9,796,535
	4,025,000	(5,771,535)	1,971,197	(3,800,338)	7,825,338
<b>Excess (deficiency) of revenues over expenditures and other financing uses</b>	<b>4,408,435</b>	<b>3,683,729</b>	<b>3,609,149</b>	<b>7,292,878</b>	<b>12,796,299</b>
Fund Equity - Beginning of Year	50,938,246	56,869,160	17,257,606	74,126,766	
Fund Equity - End of Year	\$ 55,346,681	\$ 60,552,889	\$ 20,866,755	\$ 81,419,644	\$ 12,796,299

**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.

# 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, 2024 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, 2024, 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, 2024, 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.

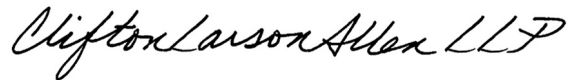
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Required Supplementary Information**

Management has omitted 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 that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**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.



**CliftonLarsonAllen LLP**

Belleville, Illinois  
December 16, 2024

## Adult Education and Family Literacy Grant Programs

### Balance Sheet

June 30, 2024

	State Basic	Performance	Total (Memorandum Only)
<u>Assets</u>			
Cash	\$ 12,850	\$ 1,282	\$ 14,132
 Total Assets	 <u>\$ 12,850</u>	 <u>\$ 13,032</u>	 <u>\$ 25,882</u>
 <u>Liabilities and fund balance</u>			
Accounts Payable	\$ 3,096	\$ -	\$ 3,096
Accrued Payroll	7,771	1,108	8,879
Accrued Liabilities	1,983	174	2,157
Total Liabilities	<u>12,850</u>	<u>1,282</u>	<u>14,132</u>
 Fund Balance - Unreserved	 -	 -	 -
Total Fund balance	<u>-</u>	<u>-</u>	<u>-</u>
 Liabilities and fund balance	 <u>\$ 12,850</u>	 <u>\$ 1,282</u>	 <u>\$ 14,132</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, 2024

	State Basic	Performance	Total (Memorandum Only)
<u>Revenue</u>			
State Sourced Revenue	421,580.00	127,820.00	\$ 549,400.00
Total Revenue	<u>\$ 421,580.00</u>	<u>\$ 127,820.00</u>	<u>\$ 549,400.00</u>
<u>Expenditures</u>			
Instruction Expenses			
Professional/Tech Salaries	117,179.00	30,920.00	148,099.00
Part-Time Salaries	7,168.00	-	7,168.00
Faculty Salaries	156,244.00	1,834.00	158,078.00
Total Instructional Salaries	280,591.00	32,754.00	313,345.00
Benefits	42,339.00	10,826.00	53,165.00
Instructional Supplies	19,975.00	-	19,975.00
Scholarships/Tuition	16,448.00	-	16,448.00
Total Instructional Expenses	359,353.00	43,580.00	402,933.00
Administrative Expenses			
Administrative Salaries	34,759.00	29,364.00	64,123.00
Clerical Salaries	3,856.00	30,848.00	34,704.00
Total Administrative Salaries	38,615.00	60,212.00	98,827.00
Benefits	5,827.00	19,901.00	25,728.00
Office Supplies	10,929.00	2,100.00	13,029.00
Telephone/Utilities	2,936.00	-	2,936.00
Travel and Meeting	3,920.00	2,027.00	5,947.00
Total Administrative Expenses	62,227.00	84,240.00	146,467.00
Total Expenses	421,580.00	127,820.00	549,400.00
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, 2024. 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, 2024 and 2023, 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

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

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)	\$ 359,353	85.2%



## 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, 2024. 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, 2024 are presented in accordance with the Illinois Community College Board's Fiscal Management Manual, in all material respects.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Belleville, Illinois  
December 16, 2024

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

Year Ended June 30, 2024

### Total Reimbursable Semester Credit Hours by Term

	Summer		Fall		Spring		Total
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	
Baccalaureate	8,311.0	25.5	33,722.0	183.0	33,692.0	50.0	75,983.5
Business Occupational	2,847.0	-	9,492.5	114.0	9,507.0	70.0	22,030.5
Technical Occupational	1,666.0	194.5	11,346.0	919.5	12,601.5	768.5	27,496.0
Health Occupational	1,529.0	332.5	5,672.5	766.0	6,097.5	791.0	15,188.5
Remedial/Development	438.0	-	1,665.0	-	1,215.0	-	3,318.0
Adult Basic Education / Adult Secondary Education	-	627.0	-	1,806.0	-	2,228.0	4,661.0
<b>Total credit hours certified</b>	<b>14,791.0</b>	<b>1,179.5</b>	<b>61,898.0</b>	<b>3,788.5</b>	<b>63,113.0</b>	<b>3,907.5</b>	<b>148,677.5</b>

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)	122,213.0	2,064.0	124,277.0
	Dual Credit	Dual Enrollment	Total
Semester credit hours (all terms)	24,863.5	1,107.0	25,970.5
District 2024 Equalized Assess Valuation			\$ 9,287,154,695

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

Year Ended June 30, 2024

**Reconciliation of Total Semester Credit Hours**

	Total Unrestricted			Total Restricted		
	Total Unrestricted Credit Hours	Certified to the ICCB	Difference	Total Restricted Credit Hours	Certified to the ICCB	Difference
Baccalaureate	75,725.0	75,725.0	-	258.50	258.50	-
Business Occupational	21,847.0	21,847.0	-	184.00	184.00	-
Technical Occupational	25,613.5	25,613.5	-	1,882.50	1,882.50	-
Health Occupational	13,299.0	13,299.0	-	1,889.50	1,889.50	-
Remedial/Development	3,318.0	3,318.0	-	-	-	-
Adult Basic Education						
Adult Secondary Education	-	-	-	4,661.00	4,661.00	-
<b>Total credit hours</b>	<b>139,802.50</b>	<b>139,802.50</b>	<b>-</b>	<b>8,875.50</b>	<b>8,875.50</b>	<b>-</b>

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

	Total Attending as Certified to the ICCB		
	Total Attending	ICCB	Difference
Reimbursable in-district residents	122,213.0	122,213.0	-
Reimbursable out-of-district on chargeback or contractual agreement	2,064.0	2,064.0	-
<b>Total credit hours</b>	<b>124,277.0</b>	<b>124,277.0</b>	<b>-</b>

	Total Reimbursable as Certified to the ICCB		
	Total Reimbursable	ICCB	Difference
Dual Credit	24,863.5	24,863.5	-
Dual Enrollment	1,107.0	1,107.0	-
<b>Total credit hours</b>	<b>25,970.5</b>	<b>25,970.5</b>	<b>-</b>



## **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

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

**Consolidated Year-End Financial Report (CYEFR)**

Year Ended June 30, 2024

CSFA Number	Program Name	State	Federal	Other	Total
402-00-1458	Foster Grandparent Program	\$ 44,600	\$ -	\$ -	\$ 44,600
402-00-1459	Retired and Senior Volunteer Program	25,053	-	-	25,053
402-00-1481	Federal Senior Companion Program State Match	142,318	-	-	142,318
420-00-2361	Manufacturing Training Academies	3,145,568	-	-	3,145,568
420-27-2731	Job Training Economic Development Program (ARPA)	-	282,000	-	282,000
420-30-2614	Illinois Works Pre-apprenticeship Program	418,534	-	-	418,534
420-75-1631	Community Service Block Grant Discretionary Grant Program	17,726	-	-	17,726
444-80-2810	AmeriCorps Formula Traditional	19,789	136,102	-	155,891
482-00-0781	Serve Illinois - AmeriCorps Competitive (transferred to DHS)	-	31,960	-	31,960
494-80-1133	Transit Illinois Jobs Now for the Regional Transportation Authority	-	314,190	-	314,190
503-00-0883	Arts Education	-	(1)	-	(1)
601-00-1591	Nurse Educator Fellowship Program	22,589	-	-	22,589
684-00-0465	Postsecondary Perkins Basic Grant - Federal CTE	-	1,238,643	-	1,238,643
684-00-0818	Illinois Veteran's Grant (Obsolete)	198,293	-	-	198,293
684-00-0819	East St.Louis Education Center (Obsolete)	310,826	-	-	310,826
684-00-0820	Career and Technical Education Formula Grants (not a grant)	871,089	-	-	871,089
684-00-0825	Base Operating Grant	6,877,919	-	-	6,877,919
684-00-0826	Equalization Grant	5,718,370	-	-	5,718,370
684-00-2727	Governor's Emergency Education Relief Fund II - Federal	-	60,024	-	60,024
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	551,245	459,788	-	1,011,033
684-01-2213	Workforce Equity Initiative	672,077	-	-	672,077
684-01-1670	Innovative Bridge	59,490	-	-	59,490
684-05-2840	College Bridge Programs	135,945	-	-	135,945
684-05-2866	Early Childhood Access Consortium for Equity	1,612,019	820,861	-	2,432,880
691-00-1381	ISAC Monetary Award Program	2,032,778	-	-	2,032,778
	Other Grant Programs and Activities	-	20,229,236	11,573,242	31,802,478
	All other costs not allocated	-	1,218,511	56,342,927	57,561,438
	<b>Total</b>	<b>\$ 22,876,228</b>	<b>\$ 24,793,783</b>	<b>\$ 67,916,169</b>	<b>\$ 115,586,180</b>

# 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 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.



**CliftonLarsonAllen LLP**

Belleville, Illinois  
December 16, 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, 2024. 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, 2024.

***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 other 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 2024-001, 2024-002 and 2024-003. 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

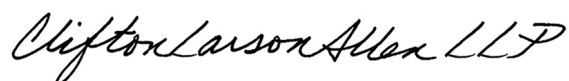
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a material weakness.

*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 2024-001 and 2024-002, 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 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**

Belleville, Illinois  
December 16, 2024

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor <i>Pass-Through Grantor</i> Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures through 6/30/2024	Passed to Subrecipients
<b>Department of Education</b>				
Work Study	84.033		182,066	-
Supplemental Education Opportunity Grant	84.007		302,239	-
Pell Grant	84.063		9,801,159	-
Direct Loans	84.268		3,553,414	-
Subtotal Student Financial Assistance Cluster			13,838,878	-
COVID-19 Education Stabilization Fund - Institution	84.425F		2,723,187	-
<i>Passed through Illinois Community College Board</i>				
Governor's Emergency Education Relief (GEER)	84.425C	GEER 522	60,024	-
Subtotal ALN 84.425			2,783,211	-
TRIO Programs	84.042A		323,505	-
<i>Passed through Illinois Community College Board</i>				
Career and Technical Education - Perkins Postsecondary	84.048	CTE-522-24	1,238,643	-
Adult Basic Education	84.002		459,788	-
Early Childhood Consortium	93.575	ECE-52201-22	820,861	-
<i>Subtotal - Illinois Community College Board</i>			2,519,292	-
<b>Total - Department of Education</b>			<b>19,464,886</b>	-
<b>The Corporation for National and Community Services</b>				
Senior Companion Program	94.016		392,931	-
Foster Grandparent Program	94.011		307,291	-
Retired and Senior Volunteer Program	94.002		84,828	-
<i>Passed through the State of Illinois, Department of Public Health</i>				
Southwestern Illinois College - Belleville Americorps	94.006		168,062	-
<b>Total - Corporation for National and Community Services</b>			<b>953,112</b>	-
<b>Department of Commerce</b>				
Build Back Better	11.300		2,285,564	-
<b>Total - Department of Commerce</b>			<b>2,285,564</b>	-

**Schedule of Expenditures of Federal Awards (continued)**

Year Ended June 30, 2024

Federal Grantor <i>Pass-Through Grantor</i> Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures through 6/30/2024	Passed to Subrecipients
<b>Department of Labor</b>				
<i>Passed through St Clair County Intergovernmental Grants</i>				
Out of School Youth - Fee for Services	17.259		165,072	-
<i>Passed through Madison Education and Training Division</i>				
Pre-Apprenticeship Training	17.285		15,183	-
<b>Total - Department of Labor</b>			<b>180,256</b>	<b>-</b>
<b>Department of Housing and Urban Development</b>				
<i>Passed through St Clair County Housing Authority</i>				
Service Coordination Program	14.850		76,259	-
<b>Total - Department of Housing and Urban Development</b>			<b>76,259</b>	<b>-</b>
<b>Department of Health and Human Services</b>				
<i>Passed through AgeSmart Community Resources</i>				
3E Caregiver Counseling	93.052		12,518	-
Senior health Insurance Program	93.324		-	-
<b>Total - Department of Health and Human Services</b>			<b>12,518</b>	<b>-</b>
<b>Federal Highway Administration</b>				
<i>Passed Through Illinois Department of Transportation</i>				
Highway Construction Careers Training program	20.205		314,190	-
<b>Total - Federal Highway Administration</b>			<b>314,190</b>	<b>-</b>
<b>National Endowment for the Arts</b>				
<i>Passed through Illinois Art Council Agency</i>				
Poetry Out Loud	45.025		4,020	-
<b>Total - National Endowment for the Arts</b>			<b>4,020</b>	<b>-</b>
<b>Department of the Treasury</b>				
Job Training Economic Development	21.027		282,000	-
<b>Total - Department of the Treasury</b>			<b>282,000</b>	<b>-</b>
<b>GRAND TOTAL</b>			<b>23,572,805</b>	<b>-</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, 2024. 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, 2024.

### 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.

### STUDENT FINANCIAL AID INSTITUTIONAL AND PROGRAM ELIGIBILITY METRICS

The Institution is in compliance with the following institutional and program eligibility requirements under the Higher Education Act of 1965 and Federal regulations under 34 CFR 668.23:

- Correspondence courses the institution offers under 34 CFR 600.7(b) and (g)
- Regular students that enroll in correspondence courses under 34 CFR 600.7(b) and (g)
- Institution's regular students that are incarcerated under 34 CFR 600.7(c) and (g)
- Completion rates for confined or incarcerated individuals enrolled in non-degree programs at nonprofit institutions under 34 CFR 600.7(c)(3)(ii) and (g)
- Institution's regular students that lack a high school diploma or its equivalent under 34 CFR 600.7(d) and (g)
- Completion rates for short-term programs under 34 CFR 668.8(f) and (g)
- Placement rates for short-term programs under 34 CFR 668.8(e)(2)

**SOUTHWESTERN ILLINOIS COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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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?       x       yes \_\_\_\_\_ 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**

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
Various	Student Financial Assistance Cluster
11.300	Economic Development Cluster
84.048	Career and Technical Education – Basic Grants to States
93.575	Child Care and Development Block Grant (CCDF Cluster)

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, 2024**

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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, 2024**

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

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**2024-001 Reporting**

Federal agency: U.S Department of Commerce

Federal program title: Investments for Public Works and Economic Development Facilities

Assistant Listing Number: 11.300

Federal Award Identification Number: 05-79-06232 - 2024

Award Period: July 1, 2023 to June 30, 2024

Type of Finding:

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

**Criteria or specific requirement:** Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure reports are formally reviewed by someone who did not prepare the report to verify the correct information and data is submitted. Additionally, per 2 CFR 200.328(c) the recipient or subrecipient must submit financial reports as required by the Federal award. Reports submitted annually by the recipient or subrecipient must be due no later than 90 calendar days after the reporting period. Reports submitted quarterly or semiannually must be due no later than 30 calendar days after the reporting period.

**Condition:** The College did not have a formal review process in place as well as submit report timely.

**Context:** During our testing, we identified 2 out of 2 financial reports did not have documentation of formal review. Additionally, 1 of the 2 reports was not submitted within the required timeframe.

**Questioned costs:** None.

**Cause:** Supervisory review and approval is currently undocumented, and is only communicated verbally.

**Effect:** Improper data could be submitted to the awarding agency.

**Repeat Finding:** No.

**Recommendation:** The College should implement formal review procedures to document review and approvals over required reports in addition to procedures to ensure reports are being submitted 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, 2024**

**2024-002 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: P007A233410, P033A233410, P063P232032, P268K24032

Award Period: July 1, 2023 to June 30, 2024

Type of Finding:

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

**Criteria or specific requirement:** Per 34 CFR 668.22(j)(1) an institution must return the amount of title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew.

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 used the incorrect withdrawal date when calculating Return to Title IV (R2T4) calculation and returned funds late.

**Context:** During our testing, we identified 3 out of 40 R2T4 calculations used an incorrect withdrawal date in their calculation. Also, 2 out of 40 of the R2T4 selections had funds that were not returned timely (after 45 days).

**Questioned costs:** None.

**Cause:** The College input the incorrect dates when completing R2T4 calculations.

**Effect:** The College could return incorrect amounts based off of their calculations, which could affect student repayment amounts based off of amount earned.

**Repeat Finding:** No.

**Recommendation:** We recommend that the College review policies and procedures related to R2T4 calculations to ensure calculations are performed accurately and federal funds are returned 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, 2024**

**2024-003 Allowable Costs**

Federal agency: U.S Department of Education & Department of Health and Human Services

Federal program title: Career and Technical Education - Basic Grant to States & Child Care and Development Block Grant

Assistant Listing Number: 84.048 & 93.575

Federal Award Identification Number: V048A220030-2024 and 2101ILccc5-2024

Award Period: July 1, 2023 to June 30, 2024

Type of Finding:

- Compliance, Other Matters
- Material Weakness in Internal Control over Compliance

**Criteria or specific requirement:** Per 2 CFR 200.430(g)(1) states charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control that provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

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 have proper documentation of Time and Effort reporting.

**Context:** During our testing, we identified that time and effort reports were not documented properly to track hours worked on federal grant and did not have documentation of formal review.

**Questioned costs:** None.

**Cause:** The College did not have proper procedures in place to track time and effort for personnel on federal grants.

**Effect:** The College could potentially expense incorrect amount to federal grants.

**Repeat Finding:** No.

**Recommendation:** We recommend the College review policies and procedures to ensure all personnel on federal grants have documented time and effort reports as stated in federal regulations.

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