

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529

Olney, Illinois

Annual Comprehensive Financial Report

For the Year Ended

June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Illinois Eastern Community Colleges District #529
Olney, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Illinois Eastern Community Colleges District #529 (the District) and the aggregate discretely presented component units (the Foundations) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors on the financial statements of two of the entities composing the four aggregated discretely presented component units, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District and the aggregate discretely presented component units as of June 30, 2023, and the respective changes in financial position, and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of two of the entities comprising the District's four component units, which represent 55 percent, 55 percent, and 47 percent, respectively, of the assets, net assets, and support and revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these two entities, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

Financial Statements section of our report. The financial statements of the District's component units were not audited in accordance with *Government Auditing Standards*. 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 opinions.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in fiscal year 2023, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 on pages 5 through 14, the Schedule of Proportionate Share of Net Pension Liability – SURS and Schedule of Contributions – SURS on page 48, the Schedule of Proportionate Share of Net OPEB Liability- CIP on page 50, and the Schedule of Contributions – CIP on page 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the District and its aggregate discretely presented component units as of and for the year ended June 30, 2023. The information in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The uniform financial statements in Schedules 4 through 8 and the certificate of chargeback reimbursement (Schedule 9) are presented for purposes of additional analysis as required by the Illinois Community College Board and are also not a required part of the basic financial statements. The accompanying Schedule 19 is also presented for purposes of additional analysis required by the Illinois Grant Accountability and Transparency Act and is not a required part of the basic financial statements. Schedules 20 through 22, including the schedule of expenditures of federal awards, are presented for the purposes of additional analysis as required by Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost*

Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. As described in Note 20, Schedules 4 and 6 through 8 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities.

Schedules 1 through 9 and 19 through 22 are the responsibility of management. Schedules 1 through 9 and 19 through 22 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Information on Schedules 1 through 9 and 19 through 22 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedules 1 through 9 and 19 through 22 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except for differences between GAAP for a special-purpose government engaged only in business-type activities and the modified accrual basis of accounting used for the schedules noted above.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 22, 2023, on our consideration of the District's internal control over financial reporting and 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 the District's internal control over financial reporting and compliance.

Martin Hood LLC

Champaign, Illinois
November 22, 2023

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023 AND 2022**

This section of the Illinois Eastern Community College District #529 (the District) Annual Comprehensive Financial Report presents management's discussion and analysis of the financial activity during the fiscal year ended June 30, 2023. Since the design of this management's discussion and analysis focuses on current activities, resulting change, and current known facts, it should be read in conjunction with the District's basic financial statements and notes to the financial statements. Responsibility for the completeness and fairness of this information rests with the District.

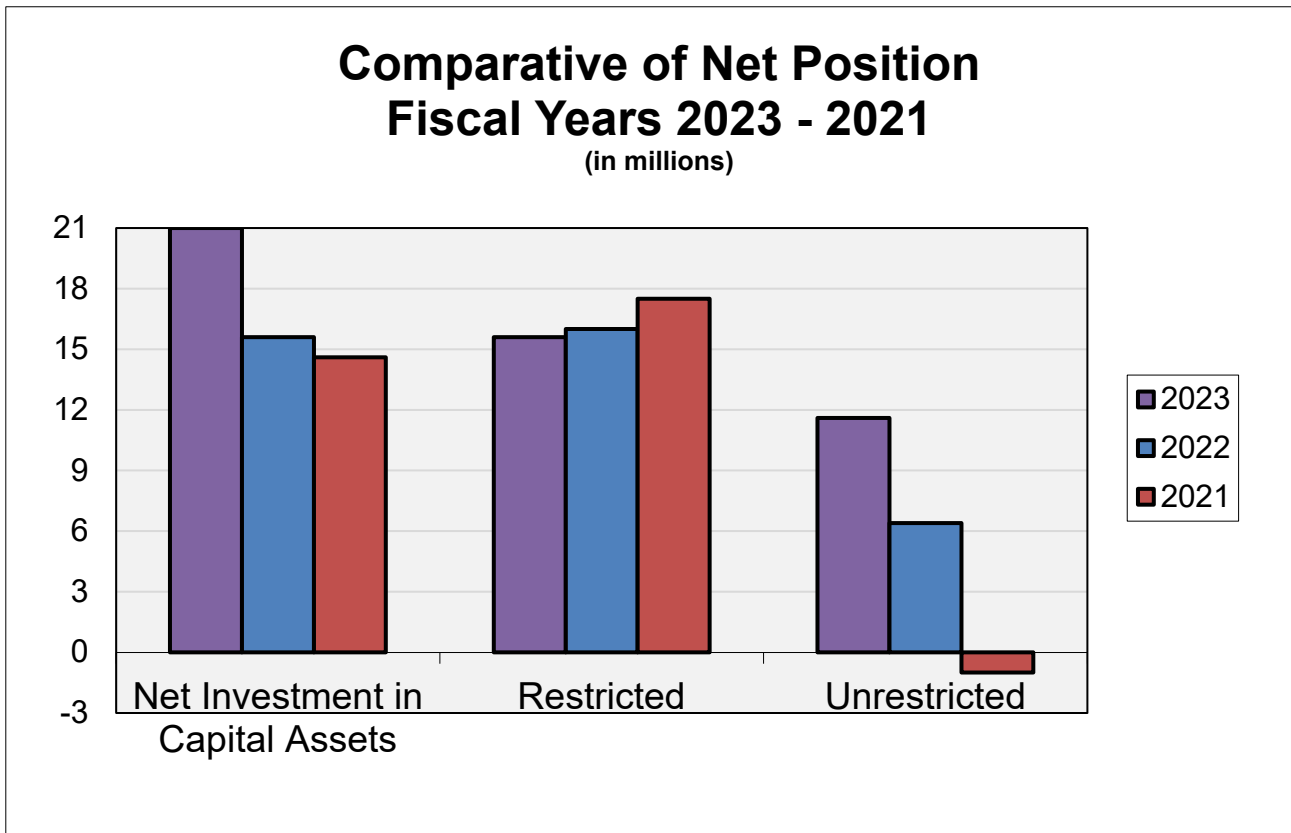
The management discussion and analysis contains comparisons between fiscal years 2023 and 2022 and between 2022 and 2021.

Using This Annual Report

The basic financial statements focus on the District as a whole. These basic financial statements emulate corporate presentation models whereby all District activities have been consolidated into one total. The statement of net position combines and consolidates current financial resources (short-term spendable resources) with capital assets, which gives it a focus on bottom line results of the District. The statement of revenues, expenses, and changes in net position focuses on the costs of the College's activities, which are supported mainly by tuition and fees, state and federal grants and contracts, and property taxes. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to students and the public.

The management discussion and analysis contained herein, focuses only on financial activity of the District. According to Generally Accepted Accounting Principles (GAAP) the financial statement presentation is to include the college Foundations, which are defined as component units of the District. The District's component units have separately issued financial statements. These separately issued financial statements should be used for detailed information on the Foundations' financial activity for the year ending June 30, 2023.

Statement of Net Position



Net position is divided into three categories. The first is net investment in capital assets, which provides the District’s equity position in property, plant, and equipment owned by the District. The next category is restricted net position, which is available to the District, but must be spent for purposes determined by external third parties or enabling legislation. The final category is unrestricted net position, which are resources available to the District for any legal purpose.

During the year ended June 30, 2023, the District’s net position increased by \$10.0 million to \$48.0 million from \$38.0 million at June 30, 2022. The net position represents the balance in the District’s assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted.

The District’s net position invested in capital assets increased \$5.5 million to \$21.1 million. The District also utilized Higher Emergency Education Funding to complete forty synchronous learning classrooms totaling \$0.9 million to support student access to education and expand opportunities to rural partnering high schools across District #529.

Restricted net position of the District decreased \$0.4 million to \$15.6 million, primarily related to a decline in special purpose tax levies fund balance expended for allowable purposes.

Financial Analysis of the District as a Whole
Net Position
As of June 30
(in millions)

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease) 2023-2022</u>	<u>2021</u>	<u>Increase (Decrease) 2022-2021</u>
Current Assets	\$ 51.8	\$ 51.6	\$ 0.2	\$ 48.9	\$ 2.7
Non-Current Assets					
Investments	2.1	0.0	2.1	0.0	0.0
Capital Assets, Net of Depreciation	<u>24.5</u>	<u>19.4</u>	<u>5.1</u>	<u>16.3</u>	<u>3.1</u>
Total Assets	<u>78.4</u>	<u>71.0</u>	<u>7.4</u>	<u>65.2</u>	<u>5.8</u>
Deferred Inflows of Resources	<u>1.3</u>	<u>0.4</u>	<u>0.9</u>	<u>0.4</u>	<u>0.0</u>
Current Liabilities	5.6	5.2	0.4	4.2	1.0
Non-Current Liabilities	<u>7.2</u>	<u>16.0</u>	<u>(8.8)</u>	<u>19.2</u>	<u>(3.2)</u>
Total Liabilities	<u>12.8</u>	<u>21.2</u>	<u>(8.4)</u>	<u>23.4</u>	<u>(2.2)</u>
Deferred Inflows of Resources	<u>18.9</u>	<u>12.2</u>	<u>6.7</u>	<u>11.0</u>	<u>1.2</u>
Net Position					
Net Investment in Capital Assets	21.1	15.6	5.5	14.6	1.0
Restricted for: Expendable	15.6	16.0	(0.4)	17.5	(1.5)
Unrestricted	<u>11.3</u>	<u>6.4</u>	<u>4.9</u>	<u>(0.9)</u>	<u>7.3</u>
Total Net Position	<u>\$ 48.0</u>	<u>\$ 38.0</u>	<u>\$ 10.0</u>	<u>\$ 31.2</u>	<u>\$ 6.8</u>

This schedule is prepared from the District's statement of net position, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated. Total deferred outflows and inflows are due to GASB 68 reporting related to pensions, GASB 75 reporting related to post-employment benefits, and property tax deferrals.

Fiscal Year 2023 Compared to 2022

Current assets of the District increased \$0.2 million from the prior year to \$51.8 million. The District's overall cash position decreased \$10.5 million due to placing funds in short and long-term investments to achieve increased rates of return to support the institution. Accounts receivable of the District increased \$2.3 million on a \$0.2 million decrease in student related receivables, a decrease of \$3.5 million largely due to timing in government claims receivables from the State of Illinois and federal grants that had been requested as of June 30, 2023, and an increase of \$6.0 million from pending insurance claims associated with the loss of the Harry L Crisp Center in Robinson, Illinois. Short-term and long-term investments of the District increased \$8.6 million and \$2.1 million respectively, due to investment in certificates of deposit.

The current liabilities of the District increased \$0.4 million from the prior year with minor movements between each liability type. An increase in accounts payable of \$0.5 million was offset by paydowns on the current portion of bonds and notes payable totaling \$0.6 million. Noncurrent liabilities of the district decreased \$1.3 million due to the continued paydown of outstanding bonds and a decrease in the proportional share of the Community College Health Insurance Security Fund liability of \$8.1 million. During the year ended June 30, 2023, The District adopted GASB Statement 96, *Subscription-Based Information Technology Arrangements*. As a result of this adoption, the District recognized \$0.4 million in current subscription liabilities and \$0.4 million in long-term subscription liabilities.

Fiscal Year 2022 Compared to 2021

Current assets of the District increased \$2.7 million from the prior year. The District's overall cash position decreased \$2.8 million on investments in capital assets primarily from the Series 2020A and B protection, health, and safety bond issuance. Accounts receivable of the District decreased \$2.0 million, largely due to timing in government claims receivables from the State of Illinois and federal grants that had been requested as of June 30, 2021, but received in the year ended June 30, 2022. Short-term investments of the District increased \$7.0 million due to investment in certificates of deposit.

The current liabilities of the District increased \$1.0 million from the prior year. This is attributable to an increase of \$0.2 million in accrued liabilities, related to accrued salaries at June 30, 2022, an increase of \$0.2 million in the current portion of bonds payable, and an increase of 0.4 million in accounts payable. Noncurrent liabilities of the district decreased \$3.2 million due to the continued paydown of outstanding bonds and a decrease in the proportional share of the Community College Health Insurance Security Fund liability of \$1.2 million.

Statement of Revenues, Expenses, and Changes in Net Position

**Operating Results
For the Year Ended June 30
(in millions)**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease) 2023-2022</u>	<u>2021</u>	<u>Increase (Decrease) 2022-2021</u>
Operating Revenue:					
Tuition & Fees	\$ 5.7	\$ 5.4	\$ 0.3	\$ 4.9	\$ 0.5
Auxiliary	1.2	1.3	(0.1)	1.3	0.0
Sales & Services	<u>1.1</u>	<u>1.0</u>	<u>0.1</u>	<u>0.7</u>	<u>0.3</u>
Total	8.0	7.7	0.3	6.9	0.8
Less Operating Expenses	<u>48.9</u>	<u>52.6</u>	<u>(3.7)</u>	<u>52.2</u>	<u>0.4</u>
Net Operating Loss	(40.9)	(44.9)	4.0	(45.3)	0.4
Non-Operating Revenue					
Property Taxes	10.3	9.9	0.4	8.4	1.5
State Grants & Contracts	20.7	24.7	(4.0)	28.6	(3.9)
Federal Grants & Contracts	11.0	16.2	(5.2)	16.0	0.2
Investment Income	1.0	0.2	0.8	0.3	0.1
Other Non-Operating Revenues	<u>7.9</u>	<u>0.7</u>	<u>7.2</u>	<u>1.1</u>	<u>(0.5)</u>
Total	50.9	51.7	(0.8)	54.4	(2.6)
Increase (Decrease) in Net Position	10.0	6.8	3.2	9.1	(2.3)
Net Position, Beg. of Year	<u>38.0</u>	<u>31.2</u>	<u>6.8</u>	<u>22.1</u>	<u>9.1</u>
Net Position, End of Year	\$ <u>48.0</u>	\$ <u>38.0</u>	\$ <u>10.0</u>	\$ <u>31.2</u>	\$ <u>6.8</u>

The statement of revenues, expenses, and changes in net position presents the operating and non-operating results of the District. While relied on for operations, local property taxes, state appropriations, and state and federal grants are considered non-operating revenues according to GAAP.

Fiscal Year 2023 Compared to 2022

Operating revenues of the District increased \$0.3 million from the prior year. Student tuition and fees increased \$0.3 million on increased enrollment in international and out-of-district students. Tuition and fee revenue are reported net of scholarship allowances of \$6.8 million. Auxiliary enterprises and sales and services revenues remained flat against the prior year.

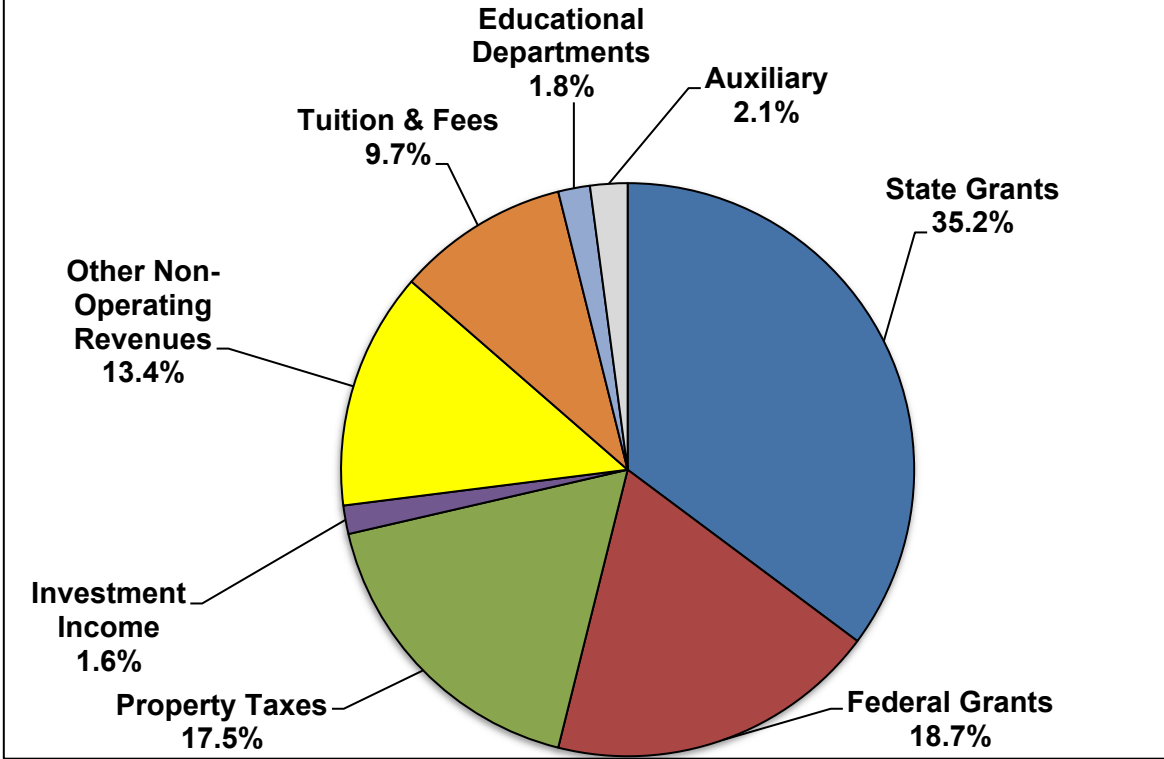
The overall operating expenses of the District decreased \$3.7 million. Salaries of the District increased \$1.7 million. This is attributable to annual raises driven by the District's response to enacted legislation by the State of Illinois to raise minimum wage to \$15 by 2025. Benefits decreased \$6.5 million. This decrease is driven by a reduction in recognized on-behalf payments by the State of Illinois for pension and other post-employment benefits of \$4.7 million. Financial aid and scholarship expense decreased \$0.9 million due to fewer dollars available for Higher Education Emergency Relief Fund emergency aid to students disbursed than in the prior year.

Fiscal Year 2022 Compared to 2021

Operating revenues of the District increased \$0.8 million from the prior year. Student tuition and fees increased \$0.5 million on increased enrollment in international and out-of-district students. Tuition and fee revenue is reported net of scholarship allowances of \$7 million. Auxiliary enterprises remained flat against the prior year. Sales and services revenues increased \$0.3 million due to increased workforce training opportunities yet remain well behind historic average totals.

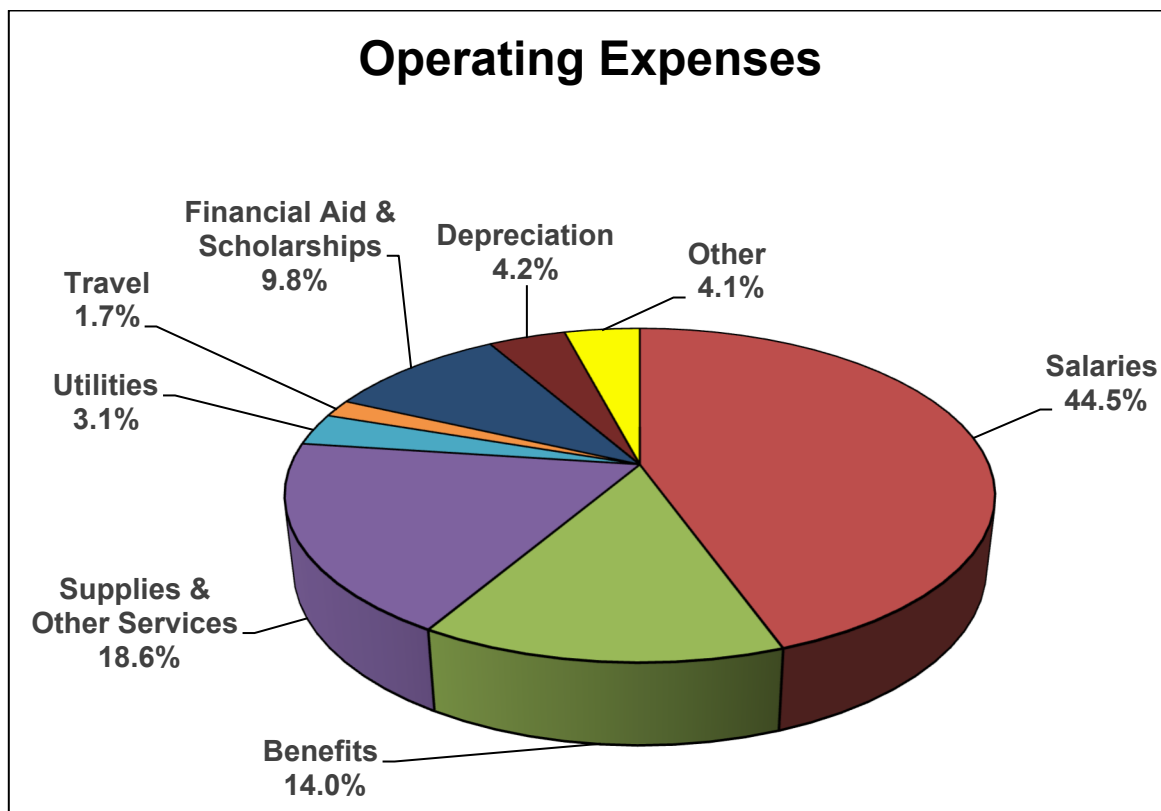
The overall operating expenses of the District increased \$0.4 million. Salaries of the District increased \$1.7 million. This is attributable to annual raises, returning part-time staff following the waning impacts of COVID-19, and minimum wage increases from enacted legislation by the State of Illinois. Benefits decreased \$4.6 million. This decrease is driven by a reduction in recognized on-behalf payments by the State of Illinois for pension and other post-employment benefits of \$4.4 million. Financial aid and scholarship expense increased \$2.2 million. Through the Higher Education Emergency Relief Fund, the District distributed \$3.2 million in emergency aid to students. This represents an increase of \$2.2 million over the year ended June 30, 2021.

Revenue by Source June 30, 2023



Operating Expenses
For the Year Ended June 30
(in millions)

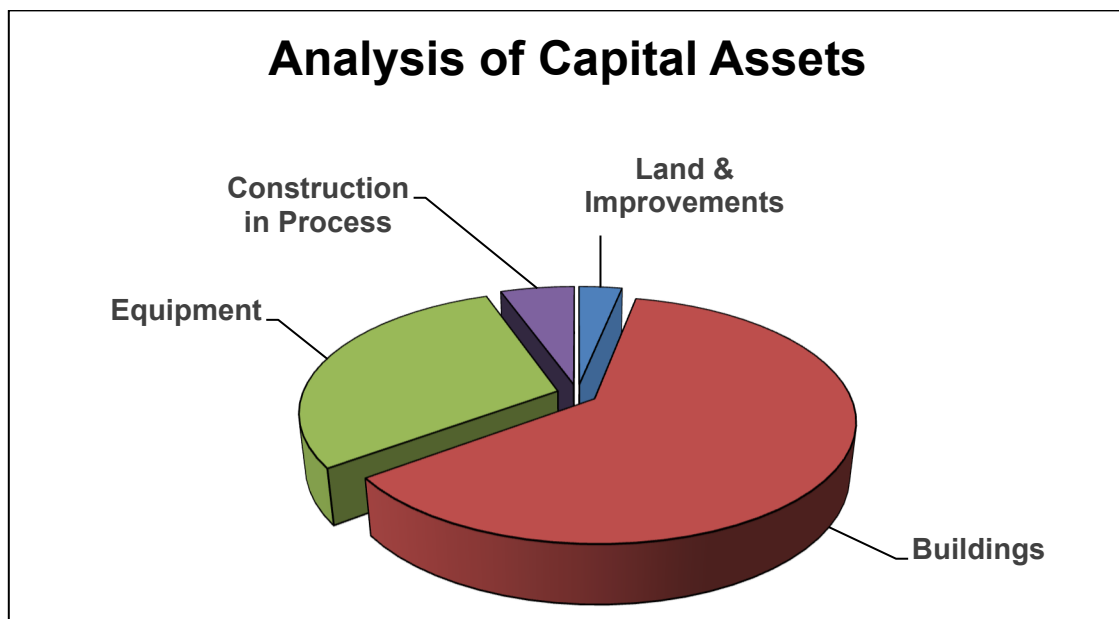
	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease) 2023-2022</u>	<u>2021</u>	<u>Increase (Decrease) 2022-2021</u>
Operating Expense					
Salaries	\$ 21.7	\$ 20.0	\$ 1.7	\$ 18.3	\$ 1.7
Benefits	6.8	13.3	(6.5)	17.9	(4.6)
Supplies & Other Services	8.9	8.2	0.7	7.5	0.7
Utilities	1.5	1.2	0.3	1.1	0.1
Travel	0.8	0.7	0.1	0.4	0.3
Financial Aid & Scholarships	4.8	5.7	(0.9)	3.5	2.2
Depreciation	2.4	1.9	0.5	1.8	0.1
Other	<u>2.0</u>	<u>1.6</u>	<u>0.4</u>	<u>1.6</u>	<u>0.0</u>
Total	<u>\$ 48.9</u>	<u>\$ 52.6</u>	<u>\$ (3.7)</u>	<u>\$ 52.1</u>	<u>\$ 0.5</u>



Capital Asset Administration

**Net Capital Assets
June 30
(in millions)**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease) 2023-2022</u>	<u>2021</u>	<u>Increase (Decrease) 2022-2021</u>
Capital Assets					
Land & Improvements	\$ 2.4	\$ 2.4	\$ 0.0	\$ 2.4	\$ 0.0
Buildings	46.2	47.1	(0.9)	42.7	4.4
Buildings (Leased)	0.0	0.0	0.0	0.2	(0.2)
Equipment	21.9	19.8	2.1	18.8	1.0
Equipment (Leased)	0.2	0.2	0.0	0.2	0.0
Technology Hardware/ Software	1.2	0.0	1.2	0.0	0.0
Construction in Process	<u>4.1</u>	<u>0.6</u>	<u>3.5</u>	<u>1.0</u>	<u>(0.4)</u>
Total	<u>76.0</u>	<u>70.1</u>	<u>5.9</u>	<u>65.3</u>	<u>4.8</u>
Less Accumulated Depreciation	51.0	50.5	0.5	48.8	1.7
Less Accumulated Amortization	<u>0.5</u>	<u>0.2</u>	<u>0.3</u>	<u>0.2</u>	<u>0.0</u>
Total	<u>51.5</u>	<u>50.7</u>	<u>0.8</u>	<u>49.0</u>	<u>1.7</u>
Net Capital Assets	\$ <u>24.5</u>	\$ <u>19.4</u>	\$ <u>5.1</u>	\$ <u>16.3</u>	\$ <u>3.1</u>



As of June 30, 2023, the District had \$24.5 million invested in a broad range of capital assets, net of accumulated depreciation. This amount represents an increase of \$5.1 million due to completed infrastructure work across the District. During the year ended June 30, 2023, the District began construction on a \$4.7 million recreation center addition to the Lincoln Trail College Campus in Robinson, Illinois. At June 30, 2023, the project was roughly 65% complete with an expected completion date of late fall 2023. The District also installed distance learning equipment totaling \$0.9 million. All other asset purchases primarily consisted of equipment necessary to carry on the operations of the District.

Future Outlook and Economic Factors

For fiscal year 2024, the District Board of Trustees moved to increase all types of tuition by 10%. This tuition increase is expected to generate \$0.8 million in increased net revenues for the District to address its strategic plan and adjust to rising costs impacting all areas of the operations.

Economic conditions of the District appear to be strong following a projected increase of 7.5% in the Equalized Assessed Valuation of District #529. This growth exceeds original expectations of 4% and should result in approximately \$0.2 million in increased property tax revenues. For Fiscal Year 2024, the District was allocated a preliminary \$13.9 million in credit hour, equalization, and CTE funding from the State of Illinois for operations. This represents a 5.3% increase from the prior year allocation.

Inflationary pressures will continue to impact operating expenses of the District in early fiscal year 2024. The District will see some utility relief following November 1, 2023 when the new utility agreement for its Ameren territory becomes effective. This will see a decline in the current supply rate by 26.3%. However, the District has been able to place surplus cash holdings in longer-term certificates of deposit to maximize interest earnings as rates for deposits have seen historic increases brought on by the Federal Reserves rate adjustments throughout 2022 and 2023.

The Fiscal Year 2024 budget passed by the Board of Trustees on September 19, 2023, contemplates \$31.3 million in capital outlay. Much of this is for on-going work through the Illinois Capital Development Board for buildings to be constructed at Lincoln Trail College and Olney Central College. However, the District anticipates issuing \$6.0 million in debt certificates to support construction of athletic facilities and a solar array.

Requests for Information

This financial report is designed to provide a general overview of Illinois Eastern Community College District #529 financial performance. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Illinois Eastern Community College District #529, 233 East Chestnut Street, Olney, IL 62450.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 14,737,007
Short-Term Investments	16,405,386
Restricted Cash and Cash Equivalents	3,874,422
Accounts Receivable (Net of Allowance for Doubtful Accounts of \$450,930)	8,060,046
Prepaid Expenses	40,334
Property Taxes Receivable	8,030,444
Inventories	701,173
Total Current Assets	51,848,812
Noncurrent Assets:	
Long-Term Investments	2,071,050
Capital Assets, Net	24,477,441
Total Assets	78,397,303

DEFERRED OUTFLOWS OF RESOURCES

Other Postemployment Benefit Related Deferred Outflows	1,090,587
Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year	170,349
Total Deferred Outflows of Resources	1,260,936

LIABILITIES

Current Liabilities:	
Accounts Payable	1,940,436
Accrued Liabilities	1,339,278
Due to Student Groups	312,275
Unearned Revenue	328,538
Bonds Payable	1,330,000
Accrued Interest Payable	3,186
Lease Liabilities	11,991
Subscription Liabilities	365,722
Total Current Liabilities	5,631,426
Noncurrent Liabilities:	
Lease Liabilities	28,084
Subscription Liabilities	406,700
Accrued Compensated Absences	885,162
Net Other Postemployment Benefits	5,856,409
Total Noncurrent Liabilities	7,176,355
Total Liabilities	12,807,781

DEFERRED INFLOWS OF RESOURCES

Subsequent Year's Property Taxes	8,030,444
Other Postemployment Benefit Related Deferred Inflows	10,829,265
Total Deferred Inflows of Resources	18,859,709

NET POSITION

Net Investment in Capital Assets	21,128,050
Restricted:	
Capital Projects	7,926,086
Purposes Allowed by Property Tax Levies	334,263
Other	7,312,414
Unrestricted	11,289,936
Total Net Position	\$ 47,990,749

See Accompanying Notes

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

REVENUES

Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$6,769,029	\$	5,716,543
Auxiliary Enterprises:		
Bookstore and Cafeteria		1,214,927
Sales and Services of Educational Departments		1,079,778
Total Operating Revenues		<u>8,011,248</u>

EXPENSES

Operating Expenses:		
Salaries		21,719,077
Benefits		6,820,782
Supplies and Other Services		8,870,636
Utilities		1,529,847
Travel		841,963
Financial Aid and Scholarships		4,760,483
Depreciation and Amortization		2,383,264
Other		2,007,793
Total Operating Expenses		<u>48,933,845</u>

OPERATING LOSS (40,922,597)

NONOPERATING REVENUES (EXPENSES)

Local Property Tax Revenue	10,300,522
State Grants and Contracts	19,723,763
Federal Grants and Contracts	10,348,609
Contributions	507,916
Investment Income	964,046
Interest Expense	(205,071)
Other Nonoperating Revenues	6,505,141
Gain on Sale of Property	37,530
Total Nonoperating Revenues (Expenses)	<u>48,182,456</u>

CAPITAL CONTRIBUTIONS 2,692,632

INCREASE IN NET POSITION 9,952,491

NET POSITION, BEGINNING OF YEAR 38,038,258

NET POSITION, END OF YEAR \$ 47,990,749

See Accompanying Notes

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Student Tuition and Fees	\$ 5,872,401
Payments to Suppliers	(8,061,497)
Payments for Utilities	(1,529,847)
Payments to Employees	(22,310,780)
Payments for Benefits	(3,861,094)
Payments for Financial Aid and Scholarships	(4,760,483)
Auxiliary Enterprise Charges:	
Bookstore and Cafeteria	1,283,585
Sales and Services of Educational Departments	1,079,778
Other Payments	<u>(2,007,793)</u>
Net Cash Used in Operating Activities	<u>(34,295,730)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Local Property Taxes	10,300,522
State Grants and Contracts	13,819,218
Federal Grants and Contracts	14,057,905
Direct Lending Receipts	1,176,435
Direct Lending Payments	(1,176,435)
Contributions	507,916
Other Receipts	<u>312,057</u>
Net Cash Provided by Noncapital Financing Activities	<u>38,997,618</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of Capital Assets	(5,757,718)
Contributions for Capital Purposes	1,000,000
Federal and State Grants for Capital Purposes	1,692,632
Principal Paid on Capital Bond Payable	(1,740,000)
Principal Paid on Lease Liabilities	(12,203)
Principal Paid on Subscription Liabilities	(438,756)
Principal Paid on Notes Payable	(189,496)
Interest Paid on Bonds Payable	<u>(205,071)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(5,650,612)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Net Proceeds from the Sale and Maturities of Investments	23,738,868
Interest on Investments	964,046
Net Purchase of Investments	(34,374,241)
Proceeds from Sale of Capital Assets	<u>42,337</u>
Net Cash Used in Investing Activities	<u>(9,628,990)</u>

See Accompanying Notes

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,577,714)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>29,189,143</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 18,611,429</u></u>
ON THE STATEMENT OF NET POSITION AS FOLLOWS:	
Cash and Cash Equivalents	\$ 14,737,007
Restricted Cash and Cash Equivalents	3,874,422
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 18,611,429</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating Loss	\$ (40,922,597)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:	
Depreciation and Amortization Expense	2,383,264
SURS On-Behalf Payments	5,416,638
Changes in Deferred Outflows and Inflows of Resources	5,584,837
Changes in Assets and Liabilities:	
Accounts Receivable	164,682
Inventories	(43,671)
Prepaid Expenses	302,793
Accounts Payable	865,396
Accrued Liabilities and Due to Student Groups	13,350
Unearned Revenue	46,485
Net Other Postemployment Benefit Liabilities	<u>(8,106,907)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u><u>\$ (34,295,730)</u></u>
SUPPLEMENTAL DISCLOSE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITY	
Capital Assets Acquired through Lease Liabilities	<u>\$ 38,796</u>
Capital Assets Acquired through Subscription Liabilities	<u><u>\$ 1,211,178</u></u>

See Accompanying Notes

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
 COMPONENT UNITS
 STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2023**

Assets

Cash and Cash Equivalents	\$ 812,949
Investments	13,905,107
Other Long-Term Deposits	46,711
Accounts, Grant, and Notes Receivable	1,776,494
Prepaid Expenses	13,834
Operating Right of Use Assets	5,112
Property and Equipment, Net	672,275
Total Assets	\$ 17,232,482

Liabilities

Accounts and Grant Payable and Accrued Expenses	\$ 35,079
Notes Payable	77,766
Operating Lease Liability	5,554
Total Liabilities	118,399

Net Assets

Without Donor Restrictions	5,495,510
With Donor Restrictions	11,618,573
Total Net Assets	17,114,083

Total Liabilities and Net Assets	\$ 17,232,482
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See Accompanying Notes

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
 COMPONENT UNITS
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2023**

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues, Gains, and Other Support:	
Contributions	\$ 125,195
Rental Income	106,117
Investment Income (Loss)	462,981
Other Income	99,961
Net Assets Released from Prior Years Restrictions	496,901
Total Revenue, Gains, and Other Support	1,291,155
Expenses and Losses:	
Program Services Expenses:	
Scholarships, Awards, and Projects	285,025
Athletic Programs	10,382
Instructional Programs	283,307
Other	189,933
Total Program Services Expenses	768,647
Management and General	287,938
Fundraising	61,499
Total Expenses and Losses	1,118,084
Increase in Net Assets Without Donor Restrictions	173,071

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Contributions	622,894
Investment Income (Loss)	887,549
Other Income	12,555
Net Assets Released from Prior Year Restrictions	(496,901)
Increase in Net Assets With Donor Restrictions	1,026,097

INCREASE IN NET ASSETS 1,199,168

NET ASSETS, BEGINNING OF YEAR 15,914,915

NET ASSETS, END OF YEAR \$ 17,114,083

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Notes to Basic Financial Statements
June 30, 2023

Illinois Eastern Community Colleges District #529 (the District) is a four-college community college district located in southeastern Illinois. The colleges are located in Olney, Illinois (Olney Central College); Fairfield, Illinois (Frontier Community College); Robinson, Illinois (Lincoln Trail College); and Mt. Carmel, Illinois (Wabash Valley College). The District covers all/part of the following counties: Clark, Clay, Crawford, Cumberland, Edwards, Hamilton, Jasper, Lawrence, Richland, Wabash, Wayne, and White. The District provides classes in academic/transfer, technical, and general studies to students in the area as well as community education classes in some of the outlying cities.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The District's financial statements are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

1. Reporting Entity

Illinois Eastern Community Colleges District #529 is governed by an elected seven-member Board of Trustees. As required by generally accepted accounting principles in the United States of America (GAAP), these basic financial statements present the financial position and results of operations of Illinois Eastern Community Colleges District #529 (the primary government), as well as its component units, Olney Central College Foundation, Frontier Community College Foundation, Lincoln Trail College Foundation, and Wabash Valley College Foundation (the Foundations).

The Foundations are legally separate, tax-exempt component units of the District. The Foundations act primarily as fundraising organizations to supplement the resources that are available to the District in support of its programs. The Foundations are governed by separate Boards of Directors. Although the District does not control the timing or amount of receipts from the Foundations, the majority of resources, and income thereon that the Foundations hold and invest are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundations can only be used by, or for the benefit of, the District, the Foundations are considered to be component units of the District. The combined assets, liabilities, net assets, revenues, and expenses of the Foundations are included in the basic financial statements presented in the Statement of Financial Position – Component Units and the Statement of Activities – Component Units.

The individual activities of the four Foundations are reported in separate financial statements. Copies of the separately issued financial statements of the Foundations are available upon request to Ryan Hawkins, CFO of the District. There are no other entities for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be materially misstated or incomplete.

2. Basis of Accounting and Significant Accounting Policies

- a. The financial statements of the District are prepared in accordance with GAAP. The GASB is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.
- b. The District has disclosed pension information based on the requirements of GASB Statement Number 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.
- c. 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 accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.
- d. Certain assets are classified as restricted on the statement of net position because their use is limited by tax levies, grant agreements, or other contractual agreements.
- e. For purposes of preparing the statements of cash flows, the District considers demand deposits and certificates of deposit with an original maturity of 90 days or less to be cash equivalents.
- f. Investments are reported at fair value in accordance with guidelines defined by GASB Statement Number 72. Bank deposits and certificates of deposit are recorded at cost. Investment income consists of interest earned on bank deposits and certificates of deposit.

The District is authorized to invest in instruments outlined under Chapter 30, Section 235 of Illinois Compiled Statutes. Such instruments include: direct obligations of federally insured banks and savings and loan associations; insured obligations of Illinois credit unions; securities issued or guaranteed by the U.S. Government; money market mutual funds investing only in U.S. Government based securities; commercial paper of U.S. corporations with assets over \$500 million; short-term obligations as defined in the Public Fund Investment Act; and the investment pools managed by the State Treasurer of Illinois. The investments consist of negotiable and non-negotiable certificates of deposit with initial maturity terms in excess of three months, which are held at cost. The difference between the cost and fair value of the negotiable certificates of deposit is insignificant.

- g. Accounts receivable include uncollateralized student obligations, which generally require payment by the first day of class and government receivables. Accounts receivable are stated at the invoice amount.

Account balances unpaid at the middle of the term are considered delinquent. Collection costs may be applied to account balances still outstanding 30 days following the end of the semester. Payments of accounts receivable are applied to the specific invoices identified on the students' remittance advice or, if unspecified, to the earliest unpaid invoices.

The carrying amount of accounts receivable for student tuition is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of accounts based on the aging of the accounts receivable by semesters. If the actual defaults are higher than the historical experience, management's estimates of recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. The total allowance as of June 30, 2023 was \$450,930.

Accounts receivable also includes outstanding balances from federal and state funding sources and other miscellaneous items. No allowance has been provided for these receivables, as management believes these are fully collectible based on past experience with these funding sources.

- h. The District levies property taxes each year on all taxable real property located within the District. Property taxes are recorded on an accrual basis of accounting. The District records the 2022 levy payable in 2023 as property taxes receivable, less any amounts collected prior to June 30, 2023 and a deferred inflow of resources, as this levy is intended to finance the District's 2023-2024 fiscal year. The amounts accrued from year to year will vary based upon the tax collections of the respective counties.

Property tax receivables have not been reduced for an allowance as the District's historical collection experience indicates this amount is insignificant.

- i. The District has classified its revenues as either operating or nonoperating. Operating revenue includes activities that have the characteristics of exchange transactions, such as (a) student tuition and fees, net of scholarship discounts and allowances and (b) sales and services of auxiliary enterprises. Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as (a) local property taxes, (b) state appropriations, (c) most federal, state, and local grants and contracts and federal appropriations, and (d) gifts and contributions.
- j. Nonoperating revenues include non-exchange transactions, in which the District receives value without directly giving equal value in return; this includes property taxes, federal, state, and local grants, state appropriations, and other gifts and contributions. On an accrual basis, the revenues from property taxes are recognized in the period for which they are 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, or expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

- k. Inventories are stated at the lower of average cost or market. Cost is determined on the weighted average method.
- l. Capital assets include property, plant, equipment, leased assets, which are recorded at cost, and subscription-based information technology arrangement assets. Major additions and those expenditures that substantially increase the useful life of a capital asset are capitalized. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Assets are depreciated using the straight-line method over the estimated useful lives of the assets. Leased assets and subscription assets are amortized using the straight-line method over the term of the agreement. The useful lives used by the District include 40 years for buildings, 20 years for building improvements, and a range of five to ten years for equipment.
- m. The financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category. These items, subsequent year's pension expense related to federal, trust, or grant contributions in the current year and deferred other post-employment benefit (OPEB) contributions are reported in the Statements of Net Position. The subsequent year's pension expense related to federal, trust, or grant contributions deferred outflow item is the amount of contributions made by the District to the State Universities Retirement System (SURS or the System) for retirement benefits on grant funded salaries during the year ended June 30, 2023. One of the OPEB related deferred outflows items is the amount of contributions made by the District to the Community College Health Insurance Security Fund (CIP) for health insurance benefits during the year ended June 30, 2023. These contributions occurred after the SURS and CIP measurement dates of June 30, 2022 for the net pension liability and net OPEB liability and will be included in the net pension liability and net OPEB liability measurement at June 30, 2023, and pension expense and other post-employment expense in fiscal year 2024. The District's other OPEB related deferred outflows item is the allocated portion of the net difference between projected and actual experience of the total OPEB liability, the District's changing portion of the allocated CIP liability, and the differences between the District's contribution and its share of contribution.
- n. The financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which will occur related to revenue recognition. One occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The other post-employment benefit deferred inflow consists of the allocated portion of changes in assumptions, the net difference between projected and actual experience of the total OPEB liability, and the net difference between projected and actual investment earnings on OPEB plan investments. Additionally, this category includes a deferred inflow for the District changing proportion of the allocated CIP liability.

- o. Unearned revenue includes amounts received which represent payments for services to be provided in future periods for which asset recognition criteria has been met, but for which revenue recognition criteria have not been met. These amounts consist of unexpended grant funds and tuition and fee charges for a portion of the in-progress Summer semester and all of the upcoming Fall semester. The tuition and fee charges are prorated according to the timing of the semester.
- p. Accrued compensated absences consist of accumulated unused vacation days that employees have earned but not taken. For sick leave, the District operates under a policy which allows accumulation from year to year. The policy allows unused sick leave to be applied toward service credit for retirement. Since the accumulated sick leave is not subject to reasonable estimation, no liability has been recorded in the financial statements. The rate of accrued compensated absence is calculated based on the employee's equivalent hourly rate as of the Statement of Net Position date.
- q. 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 related debt that has been used as of the statement of net position date to finance capital additions.
 - 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 or enabling legislation.
 - Unrestricted Net Position – This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources may be 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.

When both restricted and unrestricted resources are available to finance expenses for which restricted resources exist, it is the District's policy to first apply restricted resources to such expenses.

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

For purposes of measuring the net other post-employment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan net position of the Community College Health Insurance Security Fund (CIP) and additions to/deduction from CIP's plan net position has been determined on the same basis as they are reported by CIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and its public universities and community colleges are under a special funding situation. A special funding situation exists when a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and the non-employer is the only entity with a legal obligation to make contributions directly to the pension plan. The District recognizes its proportionate share of the State's pension expense relative to the District's employees as a non-operating revenue and pension expense, with the expense further allocated to the related function by employees. The State of Illinois is considered a non-employer contributing entity.

- s. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The most sensitive estimates affecting the financial statements were:

1. The valuation of the net other post-employment benefit liability.
 2. The valuation of the allowance for uncollectible accounts receivable.
 3. The useful lives of depreciable capital assets.
 4. The amount of expenses eligible for reimbursement under the District's state and federal grants.
- t. In June 2017, GASB issued GASB Statement 96 (GASB 96), *Subscription-Based Implementation Arrangements (SBITAs)*. The provisions of GASB 96 require that certain governments recognize a liability and asset for all information technology asset subscription arrangements greater than 12 months. The District adopted the new standard during Fiscal Year 2023. The adoption of the standard had no impact on net position as of June 30, 2022, as previously reported. The adoption of the standard caused a \$121,212 increase in operating expenses and a \$28,218 increase in nonoperating expenses for the year ended June 30, 2023.

3. Deposits and Investments

Investments

At June 30, 2023, the District held the following investments:

Investment Type	
Non-Negotiable Certificates of Deposit	\$ 17,815,754
U.S. Government Securities	388,807
Money Market	245,533
Municipal Bond	26,342
Total	<u>\$ 18,476,436</u>

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. At June 30, 2023, the bank balance of the District's deposits, which includes certificates of deposit, was \$19,429,463. At June 30, 2023, all deposits were covered by federal depository insurance or by collateral held by the District's agent in the District's name. It is the District's policy to collateralize all uninsured deposits.

4. Accounts Receivable, Net

Accounts Receivable, Net consists of the following at June 30, 2023:

Student Tuition and Fees Receivables, Net	\$ 1,866,717
State Replacement Tax	357,076
Tuition Receivables from Agencies	253,981
Grants from Federal and State Sources	817,217
Insurance Receivable	6,000,000
Other Receivables	1,771,624
Less: Amounts Related to Future Terms	<u>(3,006,569)</u>
Total Accounts Receivable, Net	<u>\$ 8,060,046</u>
Unrestricted	\$ 7,297,671
Restricted	<u>762,375</u>
Total Accounts Receivable, Net	<u>\$ 8,060,046</u>

5. Capital Assets, Net

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	June 30, 2022	Additions	Disposals	June 30, 2023
Capital Assets, not being Depreciated:				
Land & Site Improvements	\$ 2,393,387	\$ -	\$ -	\$ 2,393,387
Construction in Progress	618,087	3,931,809	(439,886)	4,110,010
Total Capital Assets, not being Depreciated	<u>3,011,474</u>	<u>3,931,809</u>	<u>(439,886)</u>	<u>6,503,397</u>
Capital Assets, being Depreciated:				
Buildings	47,090,137	32,459	(1,000,000)	46,122,596
Equipment	19,810,143	2,678,640	(588,043)	21,900,740
Total Capital Assets, being Depreciated	<u>66,900,280</u>	<u>2,711,099</u>	<u>(1,588,043)</u>	<u>68,023,336</u>
Less: Accumulated Depreciation				
Buildings	(33,877,323)	(754,778)	1,000,000	(33,632,101)
Equipment & Other Assets	(16,632,994)	(1,307,456)	583,236	(17,357,214)
Total Accumulated Depreciation	<u>(50,510,317)</u>	<u>(2,062,234)</u>	<u>1,583,236</u>	<u>(50,989,315)</u>
Total Capital Assets, being Depreciated, Net	<u>16,389,963</u>	<u>648,865</u>	<u>(4,807)</u>	<u>17,034,021</u>
Subscription Assets:				
Technology Hardware/ Software	-	1,211,178	-	1,211,178
Less: Accumulated Amortization				
Technology Hardware/ Software	-	(312,719)	-	(312,719)
Total Subscription Assets Being Amortized, Net	<u>-</u>	<u>898,459</u>	<u>-</u>	<u>898,459</u>
Lease Assets:				
Vehicles	203,284	38,796	-	242,080
Total Lease Assets, being Amortized	<u>203,284</u>	<u>38,796</u>	<u>-</u>	<u>242,080</u>
Less: Accumulated Amortization				
Vehicles	(192,205)	(8,311)	-	(200,516)
Total Accumulated Amortization	<u>(192,205)</u>	<u>(8,311)</u>	<u>-</u>	<u>(200,516)</u>
Total Lease Assets being Amortized, Net	<u>11,079</u>	<u>30,485</u>	<u>-</u>	<u>41,564</u>
Total Capital Assets, Net	<u>\$ 19,412,516</u>	<u>\$ 5,509,618</u>	<u>\$ (444,693)</u>	<u>\$ 24,477,441</u>

6. Subscription-Based Information Technology Arrangements

The District has entered into subscription-based technology arrangements (SBITA) involving staff software, academic software, communications software, and various information systems software arrangements. The District is obligated under these non-cancellable arrangements on a subscription basis which require either one time or annual payments. These arrangements have terms running through April 2027.

The total costs of the District's SBITA assets are recorded as \$1,211,178 less accumulated amortization on those assets of \$312,719 as of June 30, 2023.

Future minimum payments under these arrangements are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 365,722	\$ 18,546	\$ 384,268
2025	363,114	10,252	373,366
2026	22,958	876	23,834
2027	20,628	238	20,866
Total	<u>\$ 772,422</u>	<u>\$ 29,912</u>	<u>\$ 802,334</u>

7. Unearned Revenue

Unearned revenue consists of the following at June 30:

Unearned Student Tuition and Fees	\$ 264,813
Other Unearned Revenue	63,725
Total Unearned Revenue	<u>\$ 328,538</u>

8. Long-Term Debt

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

	June 30, 2022	Additions	Retired	June 30, 2023	Due Within One Year
Compensated Absences	\$ 729,610	\$ 155,552	\$ -	\$ 885,162	\$ -
Bonds	3,070,000	-	1,740,000	1,330,000	1,330,000
Notes Payable	189,496	-	189,496	-	-
Subscription Liabilities	-	1,211,178	438,756	772,422	365,722
Other Postemployment Benefit	13,963,316	-	8,106,907	5,856,409	-
Lease Liabilities	13,481	38,797	12,203	40,075	11,991
	<u>\$ 17,965,903</u>	<u>\$ 1,405,527</u>	<u>\$ 10,487,362</u>	<u>\$ 8,884,068</u>	<u>\$ 1,707,713</u>

On April 8, 2020, the District issued General Obligation Community College Bonds Series 2020A and 2020B for the purpose of protection health and safety projects. The original amount issued was \$3,850,000, with principal payments made annually beginning December 1, 2021 and through December 1, 2023. Interest rates on the bonds range from 2.375 percent to 2.875 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2021.

In November 2020, the District issued General Obligation Community College Bonds Series 2020D for the purposes of paying claims of the District. The original amount issued was \$2,325,000 with principal payments made annually beginning December 1, 2022 and through December 1, 2026. Interest rates on the bonds range from 2.03 percent to 2.75 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2021. The District subsequently purchased the entire amount of the issuance. The District has eliminated this intra-entity activity in the basic financial statements and in the notes to the financial statements.

Maturities of the bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 1,330,000	\$ 19,119	\$ 1,349,119

Total interest incurred for all long term debt for the year ended June 30, 2023 was \$92,073.

The District also obtained a note payable arrangement from a related party, Olney Central College Foundation, for an amount up to \$461,886, that is to be taken as costs are incurred related to a Title III grant performed by the District at Olney Community College. Amounts are intended to be repaid in annual installments on October 1 through fiscal year 2024. The note incurs interest at 3.00 percent, and the District is not discounting the note payable as the discount is not significant. The note was paid off during fiscal year 2023.

The legal debt margin of the District at June 30, 2023 is as follows:

Assessed valuation - 2022 levy	\$ 1,984,266,679
Debt limit - 2.875 percent of assessed valuation	\$ 57,047,667
Bonded indebtedness	3,300,000
Legal debt margin	\$ 53,747,667

9. Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

Contributions

The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90 percent 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 was 12.83 percent of employee payroll. The normal cost is equal to the value of the 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 8.00 percent of their annual covered salary, except for police officers and fire fighters who contribute 9.5 percent of their earnings. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

The District makes 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 6.00 percent 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).

Net Pension Liability

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

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the District is \$0. The proportionate share of the State's net pension liability associated with the District at June 30, 2022, was \$116,682,961 or 0.4013 percent. The District's proportionate

share changed by 0.0255 percent from 0.4267 percent since the last measurement date on June 30, 2021. This amount is not recognized in the financial statements. The net pension liability was measured as of June 30, 2022, and the total pension used to calculate the net pension liability was determined based on the June 30, 2021, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2022.

Defined Benefit Pension Expense

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

Employer Proportionate Share of Defined Benefit Pension Expense

The District's proportionate share of collective defined benefit pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective defined benefit pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2022. As a result, the District recognized on-behalf revenue and defined benefit pension expense of \$7,637,526 from this special funding situation for the fiscal year ended June 30, 2023.

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

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

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

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

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

Year Ending June 30,	
2023	\$ (332,941,204)
2024	(528,966,820)
2025	(249,290,775)
2026	442,534,804
Total	<u>\$ (668,663,995)</u>

Employer Deferral of Fiscal Year 2023 Pension Expense

The District paid \$170,439 in federal, trust or grant contributions to SURS defined benefit pension plan for the fiscal year ended June 30, 2023. These contributions were made subsequent to the pension liability measurement date of June 30, 2022, and are recognized as Deferred Outflows of Resources as of June 30, 2023.

Assumptions and Other Inputs

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

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

Mortality rates were based on the Pub-2010 employee and retiree gender district 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 consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

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

Discount Rate

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

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

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

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

Additional information regarding the SURS basic financial statements, including the Plan’s Net Position, can be found in the SURS comprehensive annual financial report by accessing the website at www.SURS.org.

10. Defined Contribution Pension Plan

Plan Description

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

Benefits Provided

A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2022, can be found in the System’s Annual Comprehensive Financial Report (ACFR) Notes to the Financial Statements.

Contributions

All employees who have elected to participate in the RSP are required to contribute 8.00 percent of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.60 percent of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.60 percent 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.

Defined Contribution Pension Expense

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

Employer Proportionate Share of Defined Contribution Pension Expense

The District's 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 0.2240 percent. As a result, the District recognized on-behalf revenue and defined contribution pension expense of \$201,090 from this special funding situation for the fiscal year ended June 30, 2023, of which \$19,865 constituted forfeitures.

11. Post-Employment Benefits Other Than Pension (OPEB)

Plan Description

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 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 SURS and the boards of trustees of the various community college districts.

Plan Membership

All members receiving benefits from the 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 the 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.

Contributions

The Act requires every active contributor (employee) of SURS to contribute 0.50 percent of covered payroll and every community college district to contribute 0.50 percent of covered payroll. Retirees pay a premium for coverage that is also determined by the ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires a special funding situation whereby the State of Illinois to make an annual appropriation to the CIP to cover any expected expenditures in excess of the contributions by active employees, employers, and retirees. The result is pay as you go financing of the plan. The employer contributions made by the state of Illinois on behalf of the District to CIP and the District's contributions for the year ended June 30, 2023 was \$87,947.

Net OPEB Liability

At June 30, 2022, CIP reported a net OPEB liability of \$684,560,152.

Employer Proportionate Share of Net OPEB Liability

The proportionate share of the net OPEB liability reported by the District is \$5,856,405. The State of Illinois is considered a non-employer contributing entity and the state's contribution meets the definition of special funding situation. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined based on the June 30, 2021 actuarial valuation rolled forward. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers and the state of Illinois. At June 30, 2022, the District's proportion was .855499 percent. The portion of the State of Illinois' liability that is associated with the District is \$5,856,405. The total portion associated with the District is \$11,712,810.

OPEB Expense

At June 30, 2022, CIP reported a collective net OPEB expense of (\$287,349,940).

Employer Proportionate Share of OPEB Expense

For the year ended June 30, 2023, the District recognized proportionate share of collective OPEB expense of (\$2,509,925). The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported contributions made to CIP during fiscal year 2022.

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

Deferred Outflows of Resources are the consumption of net position by the system that is applicable to future reporting periods, and thus will not be recognized as an outflow (expense) until the future periods.

Deferred Inflows of Resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Outflows and Deferred Inflows of Resources by Sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 46,265	\$ 2,439,376
Changes in Assumptions	-	7,894,256
Net Difference between projected and actual earnings on pension plan investments	-	303
Changes in proportion and differences between employer contributions and share of contributions	<u>954,092</u>	<u>495,330</u>
Total deferred amounts to be recognized in OPEB expense in future periods	1,000,357	10,829,265
OPEB contributions made subsequent to the measurement date	<u>90,230</u>	-
Total	<u><u>\$ 1,090,587</u></u>	<u><u>\$ 10,829,265</u></u>

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

Year Ending June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2023	\$ 200,071	\$ 2,165,853
2024	200,071	2,165,853
2025	200,071	2,165,853
2026	200,071	2,165,853
2027	200,073	2,165,853
Total	<u>\$ 1,000,357</u>	<u>\$ 10,829,265</u>

Employer Deferral of Fiscal Year 2022 OPEB Expense

The State of Illinois paid \$90,230 in OPEB contributions on-behalf of the District for the fiscal year ended June 30, 2023. These contributions were made subsequent to the OPEB liability measurement date of June 30, 2022 and are recognized as Deferred Outflows of Resources as of June 30, 2023. These will be recognized in OPEB expense in Fiscal Year 2023.

Assumptions and Other Inputs

The total CIP plan’s net OPEB liability was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

- Inflation – 2.25 percent
- Salary increases – depends on service and ranges from 12.75 percent at less than 1 year of service to 3.50 percent at 34 or more years of service under 50 and ranges from 12.00 percent at less than 1 year of service to 3.00 percent at 34 or more years of service for employees over 50. Salary increases include a 3.00 percent wage inflation assumption.
- Investment rate of return – 0.00 percent, net of OPEB plan investment expense, including inflation
- Healthcare cost trend rates – actual trend used for fiscal year 2022 based on premium increases. For fiscal years on or after 2023, trend starts at 8.00 percent for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate rate of 4.25 percent in 2039. For MAPD costs, trends rates are 0 percent in 2024 to 2028, 19.42 percent in 2029 to 2033 and 5.86 percent in 2034, declining gradually to an ultimate rate of 4.25 percent in 2039.

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

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

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 “20-year Municipal GO AA Index” has been selected. The discount rate is 3.69 percent as of June 30, 2022. The increase in the discount rate from 1.92 percent at June 30, 2021 to 3.69 percent caused the total OPEB liability to decrease by approximately \$119.2 million from 2021 to 2022.

Sensitivity of total CIP’s net OPEB liability to changes in the Single Discount Rate

The following presents the District’s proportional share of the net OPEB liability, calculated using a Single Discount Rate of 3.69 percent, as well as what the total CIP’s plan net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current discount rate:

1% Decrease 2.69%	Current Single Discount Rate Assumption 3.69%	1% Increase 4.69%
\$6,410,879	\$5,856,409	\$5,382,251

Sensitivity of the total CIP’s plan Net OPEB liability to changes in the Healthcare Cost Trend Rate

The following presents the District’s share of the net OPEB liability, calculated using the healthcare cost trend rates as well as what the total CIP’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point that is higher or lower than the current healthcare cost trend rate. The key trend rates are 9.18 percent in 2023 decreasing to an ultimate trend rate of 4.25 percent in 2039.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$5,233,595	\$5,856,409	\$6,617,426

- One percentage point decrease in healthcare trend rates are 8.18 percent in 2023 decreasing to an ultimate trend rate of 3.25 percent in 2039.
- One percentage point increase in healthcare trend rates are 10.18 percent in 2023 decreasing to an ultimate trend rate of 5.25 percent in 2039.

No amount was owed to the plan at June 30, 2023. The District provides no other financially significant post-employment benefit to employees.

12. On-Behalf Payments for Fringe Benefits

For the year ending June 30, 2023, payments for fringe benefits made by the State of Illinois on behalf of the District to SURS were \$7,838,616 for pensions and on-behalf expenses incurred by CIP were (\$2,509,926) for other post-employment benefits.

13. Related-Party Transactions

As described in Note 1, the District has four related Foundations comprising the aggregate discretely presented component units, Olney Central College Foundation, Frontier Community College Foundation, Lincoln Trail College Foundation, and Wabash Valley College Foundation. The Foundations provide scholarship funding and capital improvement funding for the District. Transactions with component units totaled \$671,982 for the year ended June 30, 2023 as follows:

Olney Central College Foundation	\$ 193,510
Wabash Valley College Foundation	221,940
Lincoln Trail College Foundation	212,167
Frontier Community College Foundation	44,365
	<u>\$ 671,982</u>

At June 30, 2023, \$609 was payable to the Foundations.

In February 2020, the District entered into a memorandum of understanding with Olney Central College Foundation (OCCF) to receive financial assistance for Olney Central College. See Note 8 to the basic financial statements for more detail. This assistance was repaid in full in Fiscal Year 2023.

During Fiscal Year 2023, the District assisted Lincoln Trail College Foundation (LTCF) with the grant LTCF received from the Department of Commerce and Economic Opportunity. The District incurred expenditures totaling \$209,101 during Fiscal Year 2023 on behalf of LTCF. As a result, the District has recognized accounts receivable from LTCF in the amount of \$3,500 at June 30, 2023. LTCF has recognized a grant receivable and payable to the District in the amount of \$3,500 at June 30, 2023.

14. Functional Expense

The District's functional allocation of expenses is as follows for the year ended June 30, 2023:

Instruction	\$ 15,812,489
Academic Support	654,071
Student Services	5,359,792
Public Services	389,504
Auxiliary Services	5,478,375
Operations and Maintenance of Plant	4,024,733
Institutional Support	9,295,803
Scholarships, Student Grants, and Waivers	5,535,814
Depreciation and Amortization Expense	2,383,264
Total	<u>\$ 48,933,845</u>

15. Risk Management Issues

The District is exposed to various risks of loss due to torts, theft, or damage to assets, errors and omissions, and natural disasters. The District purchases commercial insurance for these risks. There has been no significant reduction in coverage over the past two years and settlements have not exceeded insurance coverage in any of the past three years.

As of the date of the Independent Auditor's Report, the District has received claims regarding the District's compliance with Illinois Community College Board grant regulations and while management believes that potential exposure does exist, there was no loss contingency accrued to the financial statements for the year ended June 30, 2023 due to the inability to appropriately estimate the outcome of the proceedings.

16. Commitments

The District has various construction contract commitments through the date of the Independent Auditor's Report. The remaining commitment on the contracts was approximately \$3,998,000 and is expected to be incurred in Fiscal Year 2023.

17. New Government Accounting Standards

In June 2022, GASB issued GASB Statement 101 (GASB 101), *Compensated Absences*. The provisions of GASB 101 require that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. GASB 101 will be effective for the College's Fiscal Year 2025.

The District's management is currently reviewing what impact, if any, this new standard will have on its future financial statements and disclosures.

18. Subsequent Event

In October 2023, the District issued General Obligation Debt Certificates (Limited Tax), Series 2023 (the certificates). The certificates were issued for a par amount of \$6,035,000. The proceeds of the certificates will be used to fund facility additions and renovations across the District and pay costs associated with the issuance of the certificates. The certificates will mature on December 1, 2033, with annual payments due December 1 each year beginning in 2024. Interest is due semi-annually on each June 1 and December 1, commencing June 1, 2024. Interest is at an initial rate of 5 percent from the delivery date through and including February 7, 2024, at which time the interest rate will be 6 percent through December 1, 2033. Principal payments range from \$455,000 to \$780,000. The certificates have a call date of February 7, 2024.

19. Discretely Presented Component Units

The following notes are provided for the District's component units, the Foundations:

A. Summary of Significant Accounting Policies

- a. The basic financial statements of the District's discretely presented component units have been prepared in accordance with the accounting principles generally accepted in the United States of America applicable to nonprofit entities. Accounting principles generally accepted in the United States of America requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as net assets without donor restrictions and net assets with donor restrictions. The following is a description of each class:

Net Assets Without Donor Restrictions

The net assets without donor restrictions include all resources available for use by the boards of directors in carrying out the activities of Foundations in accordance with their Articles of Incorporation and Bylaws.

Net Assets With Donor Restrictions

The net assets with donor restrictions are only expendable for the purpose specified by the donor or through the passage of time. When a restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

- b. The District's discretely presented component units report gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.
- c. The Foundations are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

B. Investments

The following is a summary of component unit investments at June 30, 2023:

	<u>Amortized Cost</u>	<u>Fair Value</u>
Mutual Funds	\$ 8,918,718	\$ 10,400,801
Equity Securities	799,686	1,339,883
Corporate Bonds	366,799	343,764
Foreign Bonds	20,045	19,084
Municipal Bonds	137,157	119,442
U.S. Government Securities	608,748	629,951
Mortgage Backed Securities	19,911	18,080
Certificates of Deposit	661,778	661,655
Other	372,447	372,447
	<u>\$ 11,905,289</u>	<u>\$ 13,905,107</u>

Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, establishes a framework for measuring fair value under generally accepted accounting principles. Topic 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Topic 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. Topic 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 Inputs to the valuation methodology are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Foundations have the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

Mutual Funds, Equity Securities, Corporate Bonds, U.S. Government Securities, Mortgage-Backed Securities – Valued at unadjusted quoted prices for identical assets in active markets that the Foundations have the ability to access.

Certificates of Deposit and Other – Valued at cost, which approximates fair value.

The following table sets forth by level within the fair value hierarchy, the Foundations' investments at fair value as of June 30, 2023:

	Investments as of June 30, 2023			Total
	Level 1	Level 2	Level 3	
Investments at Fair Value:				
Mutual Funds	\$ 10,400,801	\$ -	\$ -	\$ 10,400,801
Equity Securities	1,055,033	284,850	-	1,339,883
Corporate Bonds	343,764	-	-	343,764
Foreign Bonds	19,084	-	-	19,084
Municipal Bonds	119,442	-	-	119,442
U.S. Government Securities	629,951	-	-	629,951
Mortgage Backed Securities	18,080	-	-	18,080
Total Fair Value	12,586,155	284,850	-	12,871,005
Investments at Cost:				
Certificates of Deposit	661,655	-	-	661,655
Other	372,447	-	-	372,447
Total	\$ 13,620,257	\$ 284,850	\$ -	\$ 13,905,107

C. Property and Equipment, Net

Property and equipment, net consists of the following as of June 30, 2023:

Land	\$ 396,437
Buildings	927,262
Equipment	75,201
Vehicles (Leased)	120,140
Mineral Interest	1,907
Land Improvements	25,658
Leasehold Improvements	31,140
Total	1,577,745
Less: Accumulated Depreciation	(905,470)
Property and Equipment, Net	\$ 672,275

Depreciation expense for the year ended June 30, 2023 was \$29,242.

D. Notes Payable

Notes payable consists of the following as of June 30:

Chemistry Lab Note Payable - Old National Bank, dated August 5, 2014, interest rate at 3.49%. Principal and interest payments of \$895 with a maturity date of August 5, 2019. The note was renewed on August 5, 2019 at an interest rate of 4.00% and payable in monthly payments of \$897 with final payment due August 5, 2024.	\$ 11,369
Wayne County Revolving Loan Fund - Dated January 9, 2017, the \$150,000 loan bears interest at 0.50% per year. Monthly principal and interest payments are due as follows: Interest payments only of \$375 commencing on June 15, 2017 semi annually until January 15, 2019 and payments of \$1,594 commencing on January 15, 2019 for 96 months. The note is unsecured.	<u>66,397</u>
Total	<u><u>\$ 77,766</u></u>

Annual maturities of notes payable for the years after June 30, 2023 are as follows:

<u>Fiscal Year Ending June 30</u>	
2024	\$ 29,610
2025	19,806
2026	19,032
2027	<u>9,318</u>
Total	<u><u>\$ 77,766</u></u>

20. Supplemental Information

Schedules 4 and 6 through 8 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities.

In the schedules noted, the modified accrual basis differs from GAAP for a special-purpose government engaged only in business-type activities because:

- Capital assets are not depreciated, and depreciation and amortization expense is not presented in the schedules, except for funds considered to be proprietary operations.
- Payments of principal on long-term debt are reported as expenditures in the schedules.
- Debt service expenditures in the schedules are recorded only when payment is due, except for funds considered to be proprietary operations.
- Expenditures in the schedules include the cost of capital asset acquisitions, except for funds considered to be proprietary operations.

- Pension expenditures in the schedules include payments made by the District in the current fiscal year for federal, trust, or grant-funded salaries in the current fiscal year.
- OPEB expenditures in the schedules include payments made by the District in the current fiscal year for salaries in the current fiscal year.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY - SURS
For the Year Ended June 30, 2023
(Unaudited)

	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2022</u>
a) IECC's Proportionate Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	0%	0%	0%	0%	0%
b) IECC's Proportionate Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability Associated with IECC	<u>94,138,266</u>	<u>101,854,540</u>	<u>115,234,130</u>	<u>109,288,464</u>	<u>118,639,012</u>	<u>127,172,475</u>	<u>130,994,627</u>	<u>121,743,564</u>	<u>116,682,961</u>
Total b) + c)	<u>\$ 94,138,266</u>	<u>\$ 101,854,540</u>	<u>\$ 115,234,130</u>	<u>\$ 109,288,464</u>	<u>\$ 118,639,012</u>	<u>\$ 127,172,475</u>	<u>\$ 130,994,627</u>	<u>\$ 121,743,564</u>	<u>\$ 116,682,961</u>
IECC Defined Benefit Covered Payroll	<u>\$ 15,721,786</u>	<u>\$ 15,676,719</u>	<u>\$ 16,079,959</u>	<u>\$ 15,191,656</u>	<u>\$ 15,468,356</u>	<u>\$ 16,060,042</u>	<u>\$ 15,911,436</u>	<u>\$ 15,001,353</u>	<u>\$ 16,111,248</u>
Proportion of Collective Net Pension Liability Associated with IECC as a Percentage of Defined Benefit Covered Payroll	599%	650%	717%	719%	767%	792%	823%	812%	724%
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%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - SURS
For the Year Ended June 30, 2023
(Unaudited)

	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>
IECC's Federal, Trust, Grant, and Other Contribution	\$ 124,684	\$ 86,189	\$ 86,267	\$ 64,774	\$ 79,807
IECC's Contribution in Relation to Required Contribution	124,684	86,189	86,267	64,774	79,807
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
IECC's Covered Payroll	<u>\$ 1,046,888</u>	<u>\$ 736,032</u>	<u>\$ 679,803</u>	<u>\$ 516,950</u>	<u>\$ 640,505</u>
Contributions as a Percentage of Covered Payroll	11.91%	11.71%	12.69%	12.53%	12.46%
	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2023</u>
IECC's Federal, Trust, Grant, and Other Contribution	\$ 95,325	\$ 119,730	\$ 172,540	\$ 169,409	\$ 170,439
IECC's Contribution in Relation to Required Contribution	95,325	119,730	172,540	169,409	170,439
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
IECC's Covered Payroll	<u>\$ 775,630</u>	<u>\$ 942,755</u>	<u>\$ 1,325,193</u>	<u>\$ 1,375,073</u>	<u>\$ 1,328,441</u>
Contributions as a Percentage of Covered Payroll	12.29%	12.70%	13.02%	12.32%	12.83%

NOTE: The system implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedules are intended to show information for 10 years.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Notes to Required Supplementary Information – Pension Liability
For the Year Ended June 30, 2023
(Unaudited)

Changes of Benefit Terms

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

Changes of Assumptions

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

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

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY - CIP
For the Year Ended June 30, 2023
(Unaudited)

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2022</u>
a) IECCs Proportionate Percentage of the Collective Net OPEB Liability	0.835067%	0.837049%	0.839573%	0.832615%	0.804555%	0.855499%
b) IECC's Proportionate Amount of the Collective Net OPEB Liability	\$ 15,228,583	\$ 15,780,483	\$ 15,855,669	\$ 15,176,595	\$ 13,963,316	\$ 5,856,409
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability Associated with IECC	<u>15,028,021</u>	<u>15,780,483</u>	<u>15,855,669</u>	<u>15,176,633</u>	<u>13,963,316</u>	<u>5,856,409</u>
Total b) + c)	<u>\$ 30,256,604</u>	<u>\$ 31,560,966</u>	<u>\$ 31,711,338</u>	<u>\$ 30,353,228</u>	<u>\$ 27,926,632</u>	<u>\$ 11,712,818</u>
IECC's Covered-Employee Payroll	<u>\$ 14,532,552</u>	<u>\$ 14,627,862</u>	<u>\$ 15,135,752</u>	<u>\$ 15,314,620</u>	<u>\$ 14,961,326</u>	<u>\$ 16,135,600</u>
IECC's Proportionate Share of Collective Net OPEB Liability as a Percentage of Covered-Employee Payroll	105%	108%	105%	99%	93%	36%
CIP Plan Net Position as a Percentage of Total OPEB Liability	-2.87%	-3.54%	-4.13%	-5.07%	-6.38%	-22.03%

NOTE: The fund implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedules are intended to show information for 10 years.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS-CIP
For the Year Ended June 30, 2023
(Unaudited)

Year Ended June 30	Statutorily Required Contributions*	Covered Payroll	Actual Contribution as a % of Covered Payroll
2023	\$ 87,947	\$ 17,589,400	0.50%
2022	80,678	16,135,600	0.50%
2021	74,807	14,961,326	0.50%
2020	76,573	15,314,620	0.50%
2019	75,363	15,135,752	0.50%
2018	73,097	14,627,862	0.50%
2017	72,448	14,532,552	0.50%
2016	77,006	15,401,194	0.50%
2015	75,728	15,145,510	0.50%
2014	76,959	15,391,726	0.50%

* Statutorily required contributions equal actual contributions recognized by the plan.

NOTE: The fund implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedules are intended to show information for 10 years.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Notes to Required Supplementary Information – OPEB Liability
For the Year Ended June 30, 2023
(Unaudited)

Changes of Benefit Terms

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

Assumptions Used

- 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 June 30, 2022, contribution rates are 0.50 percent of pay for active members, 0.50 percent of pay for community colleges and 0.50 percent 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 percent, net of OPEB plan investment expense, including inflation
- Inflation – 2.25 percent
- Salary Increases – Depends on age and service and ranges from 12.75 percent at less than 1 year of service to 3.50 percent at 34 or more years of service for employees under 50 and ranges from 12.00 percent at less than 1 year or service to 3.00 percent at 34 or more years of service for employees over 50. Salary increase includes a 3.00 percent wage inflation assumption
- Retirement Age – Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2021, actuarial valuation.
- Mortality – Retirement and Beneficiary Annuitants: Pub-2010 Healthy Mortality Table. Disabled Annuitants: Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-2010 Employee Mortality Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.
- Healthcare Cost Trend Rates – Trend used plan year end 2023 is based on premium increases. For non-Medicare costs, trend rates start at 8.00 percent for plan year 2024 and decrease gradually to an ultimate rate of 4.25 percent in 2039. For MAPD costs, trend rates are 0 percent in 2024 to 2028, 19.42 percent in 2029 to 2033 and 5.86 percent in 2034, declining gradually to an ultimate rate of 4.25 percent in 2039.
- Aging Factors – Based on the 2013 SOA Study “Health Care Costs – From Birth to Death”
- Expenses – Health administrative expenses are included in the development of the per-capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ASSESSED VALUATIONS AND TAXES LEVIED -
GOVERNMENTAL FUND TYPES
Levy Years 2022, 2021, and 2020

	<u>2022 Levy</u>	<u>2021 Levy</u>	<u>2020 Levy</u>
ASSESSED VALUES AS EQUALIZED			
Clark	\$ 8,108,535	\$ 7,640,947	\$ 6,677,907
Clay	193,181,265	182,479,494	170,942,121
Crawford	532,578,512	509,028,014	501,910,571
Cumberland	88,357	74,214	63,546
Edwards	102,934,316	92,832,409	85,779,152
Hamilton	933,664	873,963	750,105
Jasper	206,345,861	192,550,859	180,693,896
Lawrence	197,172,384	175,388,236	164,595,384
Richland	281,528,948	260,065,570	248,637,243
Wabash	188,067,939	177,444,978	168,722,481
Wayne	202,908,692	180,389,347	165,638,587
White	70,418,206	61,268,705	66,680,192
	<hr/>	<hr/>	<hr/>
TOTAL	\$ 1,984,266,679	\$ 1,840,036,736	\$ 1,761,091,185
	<hr/>	<hr/>	<hr/>
TAX RATES (PER \$100 OF ASSESSED VALUATION)			
Education Fund	\$ 0.1685	\$ 0.1726	\$ 0.1750
Operations and Maintenance Fund	0.0727	0.0747	0.0750
Bond and Interest Fund	0.0961	0.1051	0.1007
Liability, Protection, and Settlement Fund	0.0575	0.0565	0.0610
Protection, Health, and Safety	0.0101	0.0116	0.0075
Audit Fund	0.0025	0.0038	0.0045
	<hr/>	<hr/>	<hr/>
TOTAL	\$ 0.4074	\$ 0.4243	\$ 0.4237
	<hr/>	<hr/>	<hr/>
TAXES EXTENDED			
Education Fund	\$ 3,345,922	\$ 3,175,000	\$ 3,081,821
Operations and Maintenance Fund	1,442,549	1,375,000	1,320,782
Bond and Interest Fund	1,914,363	1,934,212	1,773,263
Liability, Protection, and Settlement Fund	1,075,271	1,040,000	1,075,003
Protection, Health, and Safety	201,871	213,741	132,345
Audit Fund	50,468	70,000	80,000
	<hr/>	<hr/>	<hr/>
TOTAL	\$ 8,030,444	\$ 7,807,953	\$ 7,463,214
	<hr/>	<hr/>	<hr/>

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS -
GOVERNMENTAL FUND TYPES
Year Ended June 30, 2023**

Levy Year	Assessed Valuation	Combined Rate	Taxes Extended	Total		Percent Collected	Allowance for Uncollectible Taxes	Balance After Allowance
				Collected to June 30, 2022	Collected During Year Ended June 30, 2023			
2022	\$ 1,984,266,679	0.4074	\$ 8,030,444	\$ -	\$ -	0.00%	\$ -	\$ 8,030,444
2021	\$ 1,840,036,736	0.4243	\$ 7,807,953	-	7,807,953	100.00%	-	-
				<u>\$ -</u>	<u>\$ 7,807,953</u>			<u>\$ 8,030,444</u>

2022 TAXES EXTENDED

	Uncollected June 30, 2023	Allowance For Uncollectible Taxes	Balance After Allowance
Education Fund	\$ 3,345,922	\$ -	\$ 3,345,922
Operations and Maintenance Fund	1,442,549	-	1,442,549
Bond and Interest Fund	1,914,363	-	1,914,363
Liability, Protection, and Settlement Fund	1,075,271	-	1,075,271
Protection, Health, and Safety Fund	201,871	-	201,871
Audit Fund	50,468	-	50,468
	<u>\$ 8,030,444</u>	<u>\$ -</u>	<u>\$ 8,030,444</u>

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF DEBT MATURITIES
June 30, 2023

GENERAL OBLIGATION COMMUNITY COLLEGE BONDS

Year Ended June 30,	<u>Amounts Due During the Current Year</u>				Principal Outstanding at June 30,
	Interest Rate	Principal	Interest	Total	
	Tax Exempt 2020A&B Series:				
2024	2.750%	\$ 1,330,000	\$ 19,119	\$ 1,349,119	\$ -
	Taxable 2020D Series:				
2024	2.030%	\$ 500,000	\$ 47,500	\$ 547,500	\$ 1,500,000

	<u>Amounts Due in Future Years</u>				
	Interest Rate	Principal	Interest	Total	
	Taxable 2020D Series:				
2025	2.750%	\$ 700,000	\$ 31,625	\$ 731,625	\$ 800,000
2026	2.750%	700,000	12,375	712,375	100,000
2027	2.750%	100,000	1,375	101,375	-
		<u>\$ 1,500,000</u>	<u>\$ 45,375</u>	<u>\$ 1,545,375</u>	

TOTAL AMOUNT DUE IN FUTURE YEARS

2020D Series	<u>\$ 1,500,000</u>	<u>\$ 45,375</u>	<u>\$ 1,545,375</u>
	<u>\$ 1,500,000</u>	<u>\$ 45,375</u>	<u>\$ 1,545,375</u>

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 1
ALL FUNDS SUMMARY - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2023

	Education Fund	Operations and Maintenance Fund	Bond and Interest Fund	Operations and Maintenance Fund (Restricted)	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Auxiliary Enterprise Activities	Total
FUND BALANCE - BEGINNING OF YEAR	\$ 18,183,902	\$ 3,903,480	\$ 518,083	\$ 4,366,939	\$ 523,320	\$ 6,314,688	\$ 19,920	\$ 864,060	\$ 7,392,872	\$ 42,087,264
REVENUES										
Local Tax Revenue	4,123,066	2,816,934	1,976,222	261,307	-	-	72,099	1,060,428	-	10,310,056
ICCB Grants	13,217,168	-	-	-	1,379,136	-	-	-	-	14,596,304
All Other State Revenue	-	-	-	445,304	268,379	-	-	-	-	713,683
Federal Revenue	27,451	-	-	-	11,038,378	-	-	-	-	11,065,829
Student Tuition and Fees	11,008,033	1,034,782	-	-	-	-	-	-	438,474	12,481,289
On-Behalf CIP	-	-	-	-	(2,509,926)	-	-	-	-	(2,509,926)
On-Behalf SURS	-	-	-	-	7,838,618	-	-	-	-	7,838,618
All Other Revenue	714,166	185,795	-	7,082,178	200,330	153,753	524	20,570	2,983,728	11,341,044
Total Revenues	29,089,884	4,037,511	1,976,222	7,788,789	18,214,915	153,753	72,623	1,080,998	3,422,202	65,836,897
EXPENDITURES										
Instruction	13,285,253	537	-	-	4,556,571	-	-	-	-	17,842,361
Academic Support	558,281	-	-	-	104,439	-	-	-	8,689	671,409
Student Services	2,325,771	140	-	-	3,452,651	-	-	-	53,080	5,831,642
Public Service/Continuing Education	21,571	-	-	-	92,297	-	-	-	328,723	442,591
Auxiliary Services	5,648	-	-	-	676,192	-	-	-	5,063,805	5,745,645
Operations and Maintenance	48,922	3,835,017	-	356,694	405,008	-	-	-	21,080	4,666,721
Institutional Support	7,238,482	172,862	2,184,211	3,921,215	1,756,836	11,741	65,300	1,638,038	-	16,988,685
Scholarships, Student Grants, & Waivers	4,952,302	-	-	-	7,034,262	-	-	-	315,421	12,301,985
Total Expenditures	28,436,230	4,008,556	2,184,211	4,277,909	18,078,256	11,741	65,300	1,638,038	5,790,798	64,491,039
NET TRANSFERS	(3,585,516)	100,000	-	1,900,000	-	(148,000)	-	-	1,733,516	-
FUND BALANCE - END OF YEAR	\$ 15,252,040	\$ 4,032,435	\$ 310,094	\$ 9,777,819	\$ 659,979	\$ 6,308,700	\$ 27,243	\$ 307,020	\$ 6,757,792	\$ 43,433,122

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 2
SUMMARY OF FIXED ASSETS AND LONG-TERM DEBT
For the Year Ended June 30, 2023

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Land and Site Improvements	\$ 2,393,387	\$ -	\$ -	\$ 2,393,387
Buildings	47,090,137	32,459	(1,000,000)	46,122,596
Equipment	20,013,427	3,928,614	(588,043)	23,353,998
Construction in Progress	618,087	3,931,809	(439,886)	4,110,010
Total	<u>70,115,038</u>	<u>7,892,882</u>	<u>(2,027,929)</u>	<u>75,979,991</u>
Less Accumulated Depreciation and Accumulated Amortization:				
Buildings	33,934,644	754,778	(1,000,000)	33,689,422
Equipment	16,767,878	1,628,486	(583,236)	17,813,128
Total Accumulated Depreciation and Accumulated Amortization	<u>50,702,522</u>	<u>2,383,264</u>	<u>(1,583,236)</u>	<u>51,502,550</u>
CAPITAL ASSETS, NET	<u>\$ 19,412,516</u>	<u>\$ 5,509,618</u>	<u>\$ (444,693)</u>	<u>\$ 24,477,441</u>
LONG-TERM DEBT				
Lease Obligations	\$ 13,482	\$ 38,796	\$ (12,203)	\$ 40,075
Subscription Liabilities	-	1,211,178	(438,756)	772,422
Notes Payable	189,496	-	(189,496)	-
Bonds Payable	5,395,000	-	(2,065,000)	3,330,000
OPEB Liability	13,963,316	-	(8,106,907)	5,856,409
Accrued Vacation	729,610	155,552	-	885,162
TOTAL LONG-TERM DEBT	<u>\$ 20,290,904</u>	<u>\$ 1,405,526</u>	<u>\$ (10,812,362)</u>	<u>\$ 10,884,068</u>

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 3
OPERATING FUNDS REVENUES AND EXPENDITURES - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local Government:			
Property Taxes	\$ 3,211,690	\$ 1,378,540	\$ 4,590,230
Corporate Personal Property Replacement Tax	911,376	1,353,053	2,264,429
Other Local Government Sources	-	85,341	85,341
Total Local Government	<u>4,123,066</u>	<u>2,816,934</u>	<u>6,940,000</u>
State Government:			
ICCB Base Operating Grants	4,155,504	-	4,155,504
ICCB Equalization Grant	8,366,400	-	8,366,400
ICCB Career and Technical Education	695,264	-	695,264
Total State Government	<u>13,217,168</u>	<u>-</u>	<u>13,217,168</u>
Federal Government:			
Department of Education	<u>27,451</u>	-	<u>27,451</u>
Total Federal Government	<u>27,451</u>	<u>-</u>	<u>27,451</u>
Student Tuition and Fees:			
Tuition	8,774,404	-	8,774,404
Fees	<u>2,233,629</u>	<u>1,034,782</u>	<u>3,268,411</u>
Total Student Tuition and Fees	<u>11,008,033</u>	<u>1,034,782</u>	<u>12,042,815</u>
Other Sources:			
Sales and Service Fees	49,623	15,000	64,623
Facilities Revenue	-	37,808	37,808
Investment Income	393,885	90,606	484,491
Gifts, Scholarships, Grants, Bequests	16,196	-	16,196
Other	<u>254,462</u>	<u>42,381</u>	<u>296,843</u>
Total Other Sources	<u>714,166</u>	<u>185,795</u>	<u>899,961</u>
Total Operating Revenues	29,089,884	4,037,511	33,127,395
Less: Nonoperating Item -			
Tuition Chargeback Revenue	-	-	-
Adjusted Revenue	<u>\$ 29,089,884</u>	<u>\$ 4,037,511</u>	<u>\$ 33,127,395</u>

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 3
OPERATING FUNDS REVENUES AND EXPENDITURES - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
By Program:			
Instruction	\$ 13,285,253	\$ 537	\$ 13,285,790
Academic Support	558,281	-	558,281
Student Services	2,325,771	140	2,325,911
Public Service/Continuing Education	21,571	-	21,571
Auxiliary Services	5,648	-	5,648
Operations and Maintenance	48,922	3,835,017	3,883,939
Institutional Support	7,238,482	172,862	7,411,344
Scholarships, Student Grants, & Waivers	4,952,302	-	4,952,302
Total Expenditures	28,436,230	4,008,556	32,444,786
Transfers	(3,585,516)	100,000	(3,485,516)
Total Expenditures and Transfers	24,850,714	4,108,556	28,959,270
Less: Nonoperating Item - Tuition Chargeback	-	-	-
Adjusted Expenditures	\$ 24,850,714	\$ 4,108,556	\$ 28,959,270
By Object:			
Salaries	\$ 16,397,408	\$ 1,174,643	\$ 17,572,051
Employee Benefits	2,407,800	261,583	2,669,383
Contractual Services	1,577,133	536,770	2,113,903
General Materials and Supplies	1,875,125	274,019	2,149,144
Conference and Meeting Expenses	258,003	175	258,178
Fixed Charges	25,012	-	25,012
Utilities	51,400	1,478,058	1,529,458
Capital Outlay	625,616	282,703	908,319
Other	5,218,733	605	5,219,338
Total Expenditures	28,436,230	4,008,556	32,444,786
Transfers	(3,585,516)	100,000	(3,485,516)
Total Expenditures and Transfers	24,850,714	4,108,556	28,959,270
Less: Nonoperating Item - Tuition Chargeback	-	-	-
Adjusted Expenditures	\$ 24,850,714	\$ 4,108,556	\$ 28,959,270

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2023

RESTRICTED PURPOSES FUND REVENUES BY SOURCES

State Government:

Illinois Community College Board - Adult Education	\$ 238,759
Illinois Community College Board - Other	1,140,377
On-Behalf CIP	(2,509,926)
On-Behalf SURS	7,838,618
Other	268,379
Total State Government	<u>6,976,207</u>

Federal Government:

Department of Education - Nonfinancial Aid	2,172,645
Department of Education - passed through ICCB	639,075
PELL Grant	4,647,404
Supplementary Educational Opportunity Grant	406,612
Federal Work-Study Program	408,379
Department of Labor - passed through Small Business Administration	19,886
Department of Labor - passed through Mine Safety Health Administration	34,997
Department of Human and Health Services - passed through Project Child	25,713
CARES Act	2,683,667
Total Federal Government	<u>11,038,378</u>

Other Sources

	<u>200,330</u>
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	<u>\$ 18,214,915</u>
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ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2023

OPERATING EXPENDITURES

By Program:	
Instruction	\$ 4,556,571
Academic Support	104,439
Student Services	3,452,651
Public Service/Continuing Education	92,297
Auxiliary Services	676,192
Operations and Maintenance	405,008
Institutional Support	1,756,836
Scholarships, Student Grants, & Waivers	<u>7,034,262</u>
 Total Expenditures	 <u><u>\$ 18,078,256</u></u>
By Object:	
Salaries	\$ 2,082,095
Employee Benefits	5,830,966
Contractual Services	553,469
General Materials and Supplies	684,562
Conference and Meeting Expenses	104,043
Fixed Charges	233
Utilities	-
Capital Outlay	1,430,696
Other	7,392,192
<i>Scholarships, Grants, Waivers *</i>	<u>7,034,262</u>
 Total Expenditures	 <u><u>\$ 18,078,256</u></u>

* Per ICCB reporting requirements, this line is presented as a memo only figure and is not added into the total expenditure amount.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 5
CURRENT FUNDS* EXPENDITURES BY ACTIVITY - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2023

INSTRUCTION

Instructional Programs	\$ 12,681,619
Other	5,160,742
Total Instruction	<u>17,842,361</u>

ACADEMIC SUPPORT

Library Center	533,922
Academic Computing Support	2,511
Other	134,976
Total Academic Support	<u>671,409</u>

STUDENT SERVICES SUPPORT

Admissions and Records	404,402
Counseling and Career Services	466,147
Financial Aid Administration	876,943
Other	4,084,150
Total Student Services Support	<u>5,831,642</u>

PUBLIC SERVICES

Community Education	144,273
Customized Training	132,414
Community Services	105,471
Other	60,433
Total Public Service	<u>442,591</u>

AUXILIARY SERVICES

5,745,645

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 5
CURRENT FUNDS* EXPENDITURES BY ACTIVITY - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2023

OPERATIONS AND MAINTENANCE OF PLANT

Administration	135,270
Custodial Services	695,156
Maintenance	1,209,091
Grounds Maintenance	338,861
Plant Utilities	1,626,661
Other	304,988
Total Operations and Maintenance of Plant	4,310,027

INSTITUTIONAL SUPPORT

Executive Management	2,182,030
Fiscal Operations	186
Administrative Support Services	1,433,113
Community Relations	-
Board of Trustees	33,034
General Institution	5,166,951
Administrative Data Processing	2,056,204
Total Institutional Support	10,871,518

SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS

12,301,985

Total Current Funds Expenditures

\$ 58,017,178

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

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
CERTIFICATION OF CHARGEBACK REIMBURSEMENT
FOR FISCAL YEAR 2024**

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

1	Education Fund	\$ 27,810,614
2	Operations and Maintenance Fund	\$ 3,725,853
3	Public Building Commission Operation and Maintenance Fund	\$ -
4	Bond and Interest Fund	\$ 382,048
5	Public Building Commission Rental Fund	\$ -
6	Restricted Purposes Fund	\$ 11,291,417
7	Audit Fund	\$ 65,300
8	Liability, Protection, and Settlement Fund	\$ 1,638,038
9	Auxiliary Enterprises Fund (subsidy only)	<u>\$ 2,281,416</u>
10	TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)	<u>\$ 47,194,686</u>
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$ 1,828,197</u>
12	TOTAL COSTS INCLUDED (line 10 plus line 11)	<u>\$ 49,022,883</u>
13	Total certified semester credit hours for FY 2023	<u>80,118.00</u>
14	PER CAPITA COST (line 12 divided by line 13)	<u>\$ 611.88</u>
15	All FY 2023 state and federal operating grants for noncapital expenditures DO NOT INCLUDE ICCB GRANTS	<u>\$ 11,078,537</u>
16	FY 2023 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>\$ 138.28</u>
17	District's average ICCB grant rate (excluding equalization grants) for FY 2024	<u>\$53.32</u>
18	District's student tuition and fee rate per semester credit hour for FY 2024	<u>\$ 132.00</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u>\$ 288.28</u>

Approved: _____

Chief Fiscal Officer / Date

11-22-2023

Approved: _____

Chief Executive Officer / Date

11/22/23

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE
REQUIREMENTS FOR ADULT EDUCATION
AND FAMILY LITERACY GRANTS

Board of Trustees
Illinois Eastern Community Colleges District #529
Olney, Illinois

Report on the Financial Statements

Opinion

We have audited the accompanying balance sheet of the Adult Education and Family Literacy Grants Program of Illinois Eastern Community Colleges District #529 (the District) as of June 30, 2023, and the related combining statement of revenues, expenditures, and changes in fund balance for the year then ended.

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 grants of the District at June 30, 2023, and the results of their operations for the year then ended in conformity 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 and the grant policy guidelines of the Illinois Community College Board's (ICCB) *Fiscal Management Manual*. Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit also includes a review of compliance with the provisions of laws, regulations, contracts, and grants between the District and the State of Illinois and the ICCB. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

Responsibilities of Management for the Financial Statements and Compliance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the financial reporting provisions of the ICCB. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to error or fraud. Management is also responsible for compliance with the requirements of the ICCB.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

The accompanying balance sheets and statements of revenues and expenditures were prepared for the purpose of complying with the terms of the ICCB Grants and are not intended to be a complete presentation of the College's revenue and expenditures in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic grant program financial statements taken as a whole. The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant (Schedule 12) is presented for purposes of additional analysis as required by the ICCB and is not a required part of the basic grant program financial statements. This schedule is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic grant program financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic grant program financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic grant program financial statements taken as a whole.

Report on Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with terms, covenants, provisions, or conditions of the Adult Education and Family Literacy grants as presented in the policy guidelines of the ICCB's *Fiscal Management Manual*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures; other matters may have come to our attention regarding the District's noncompliance.

Martin Hood LLC

Champaign, Illinois
November 22, 2023

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
BALANCE SHEET
June 30, 2023**

	State Basic	Performance	Total
Assets			
Cash	\$ -	\$ 4,125	\$ 4,125
Receivable	-	-	-
Total Assets	<u>-</u>	<u>4,125</u>	<u>4,125</u>
Liabilities			
Accounts Payable to Illinois Community College Boar	-	4,125	4,125
Due to the District	-	-	-
Total Liabilities	<u>-</u>	<u>4,125</u>	<u>4,125</u>
Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 4,125</u>	<u>\$ 4,125</u>

See Accompanying Notes on Page 71

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended June 30, 2023**

	State Basic	Performance	Total
Revenues			
State Sources	\$ 166,724	\$ 72,035	\$ 238,759
Expenditures			
Personnel Services (Salaries and Wages)	132,218	20,975	153,193
Fringe Benefits	20,493	4,563	25,056
Travel	4,463	6,436	10,899
Supplies	9,550	15,545	25,095
Contractual Services	-	23,202	23,202
Miscellaneous	-	1,314	1,314
Total Expenditures	166,724	72,035	238,759
Excess of Revenue Over Expenditures	-	-	-
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -

See Accompanying Notes on Page 71

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
 ICCB COMPLIANCE STATEMENT FOR THE
 ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
 EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY
 For the Year Ended June 30, 2023**

	<u>Generation (Dollars)</u>	<u>Generation as a percent of Actual Expenditure (Percentage)</u>
State Basic		
Generation (45 Percent Minimum Required)	\$ 138,693	83.19%

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Notes to the ICCB Grant Financial Statements
June 30, 2023

The Adult Education and Family Literacy Grant Programs were established as special revenue sub-funds of Illinois Eastern Community Colleges District #529 (the District) to account for revenues and expenditures of the respective programs. These programs are administered by the Illinois Community College Board (ICCB). The following is a summary of the significant policies followed by the District in respect to these funds.

Basis of Accounting

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

Budgets and Budgetary Accounting

Each year the District prepares a budget for the grants. The budget is prepared on the same basis of accounting as the records are maintained.

Capital Outlay

Capital outlay is charged to expenditure in the period which it is purchased instead of being recognized as an asset and depreciated over its useful life. As a result, the expenditures reflected in the statements include cost of capital outlay purchased during the year rather than a provision for depreciation.

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

Board of Trustees
Illinois Eastern Community Colleges District #529
Olney, Illinois

Report on the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed

Opinion

We have audited the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Illinois Eastern Community Colleges District #529 (the District) for the year ended June 30, 2023.

In our opinion, the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of the District for the year ended June 30, 2023 is fairly presented in accordance with the financial reporting provisions of the Illinois Community College Board (ICCB) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the guidelines of the ICCB's *Fiscal Management Manual*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement 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.



Responsibilities of Management for the Financial Statement and Compliance

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the ICCB. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement, which is free from material misstatement, whether due to error or fraud.

In preparing the financial statement, 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.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 District'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 statement.
- Conclude whether, in our judgment, 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement noted above. The information on Schedules 14 through 18 is presented for purposes of additional analysis as required by the Illinois Community College Board and is not a required part of the financial statement. These schedules are the responsibility of the District's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. These schedules have been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 22, 2023, on our consideration of the District's internal control over financial reporting and 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 the District's internal control over financial reporting and compliance.

Martin Hood LLC

Champaign, Illinois
November 22, 2023

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
Year Ended June 30, 2023

CATEGORIES	Total Semester Credit Hours by Term (In-District and Out-of-District Reimbursable)							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	3,046.00	178.00	18,822.00	44.00	18,220.00	17.00	40,088.00	239.00
Business Occupational	510.50	-	2,797.50	-	2,261.00	82.00	5,569.00	82.00
Technical Occupational	1,653.00	6.50	8,003.00	88.00	11,892.00	186.50	21,548.00	281.00
Health Occupational	1,169.00	-	3,633.50	100.00	5,199.00	50.00	10,001.50	150.00
Remedial Development	-	-	114.00	-	87.00	-	201.00	-
Adult Basic Education/Adult Secondary Education	98.50	612.50	63.00	709.00	6.50	469.00	168.00	1,790.50
TOTAL CREDIT HOURS CERTIFIED	<u>6,477.00</u>	<u>797.00</u>	<u>33,433.00</u>	<u>941.00</u>	<u>37,665.50</u>	<u>804.50</u>	<u>77,575.50</u>	<u>2,542.50</u>
					Attending In-District		Attending Out-of-District on Chargeback or Contractual Agreement	Total
					Unrestricted	Restricted		
Reimbursable semester credit hours (all terms)					<u>61,766.00</u>	<u>2,278.50</u>	<u>158.00</u>	<u>64,202.50</u>
					Dual Credit	Dual Enrollment		
Reimbursable semester credit hours (all terms)					<u>13,097.00</u>	<u>2,412.50</u>		
District 2022 equalized assessed valuation							<u>\$ 1,984,266,679</u>	
CORRECTIONAL CREDIT HOURS					Summer	Fall	Spring	Total
Baccalaureate					-	-	-	-
Business Occupational					-	-	-	-
Technical Occupational					-	-	-	-
Health Occupational					-	-	-	-
Remedial Development					-	-	-	-
Adult Basic Education/Adult Secondary Education					-	-	-	-
TOTAL CORRECTIONAL CREDIT HOURS CERTIFIED					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
RECONCILIATION OF SEMESTER CREDIT HOURS
Year Ended June 30, 2023**

CATEGORIES	<u>Total Unrestricted Credit Hours</u>	<u>Total Unrestricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>	<u>Total Restricted Credit Hours</u>	<u>Total Restricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate	40,088.00	40,088.00	-	239.00	239.00	-
Business Occupational	5,569.00	5,569.00	-	82.00	82.00	-
Technical Occupational	21,548.00	21,548.00	-	281.00	281.00	-
Health Occupational	10,001.50	10,001.50	-	150.00	150.00	-
Remedial Development	201.00	201.00	-	-	-	-
Adult Basic Education/ Adult Secondary Education	168.00	168.00	-	1,790.50	1,790.50	-
TOTAL CREDIT HOURS	<u>77,575.50</u>	<u>77,575.50</u>	<u>-</u>	<u>2,542.50</u>	<u>2,542.50</u>	<u>-</u>
CORRECTIONAL CREDIT HOURS						
Baccalaureate	-	-	-	-	-	-
Business Occupational	-	-	-	-	-	-
Technical Occupational	-	-	-	-	-	-
Health Occupational	-	-	-	-	-	-
Remedial Development	-	-	-	-	-	-
TOTAL CORRECTIONAL CREDIT HOURS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
				Total Attending as Certified to the ICCB (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)	Difference
In-district				64,044.50	64,044.50	-
Out-of-district on chargeback or contractual agreement				158.00	158.00	-
TOTAL				<u>64,202.50</u>	<u>64,202.50</u>	<u>-</u>
				Total Reimbursable Certified to ICCB	Total Reimbursable Certified to ICCB	Difference
Dual credit				13,097.00	13,097.00	-
Dual enrollment				2,412.50	2,412.50	-

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Documentation of Residency Verification Steps
For the Year Ended June 30, 2023

Residency Policy

Students should provide official documentation of residency before or at the time of registration but no later than the first day of classes, to determine whether they qualify for in-District, out-of-District, out-of-State, or international tuition rates. (International students cannot establish Illinois residence status.)

1. To qualify for Illinois residency, the student must fulfill one of the following two requirements:
 - a. If under 18, document that at least one parent, stepparent, or appointed guardian is a legal resident of Illinois, or
 - b. If 18 or older, document residency in Illinois, in a capacity other than as a student at a post-secondary institution, for at least 30 days prior to the beginning date of class unless evidence is presented that the student has permanently relocated.

Evidence of legal residency must be based on ownership and/or occupancy of a home in Illinois or a copy of one of the following:

1. An Illinois driver's license registration
 2. An Illinois automobile license registration
 3. An Illinois voter's registration card
 4. Employment in the state of Illinois
 5. Payment of Illinois income taxes
 6. A document pertaining to the student's past or existing status as an Illinois student (e.g., high school record)
 7. Other non-self-serving documentation providing verification of the student's address.
 8. A statement by the student certifying his/her address and residency. The college shall verify the certification by sending correspondence to the address.
 9. An affidavit signed by a staff member from the college who registered the student and personally evaluated one or more of the items listed in 1 through 8.
2. To qualify for in-District residency, the student, in addition to meeting conditions of A or B above, must be a resident of Illinois Eastern Community Colleges District #529, which includes the following school districts:

Clay City Community Unit School District No. 10
Edwards County Community Unit District No. 1
Fairfield Community High School District No. 225
Flora Community Unit School District No. 35
Grayville Community Unit District No. 1

Hutsonville Community Unit School District No. 1
Lawrence County Community School Unit District No. 20
North Wayne Community Unit District No. 200
Oblong Community Unit School District No. 4
Palestine Community Unit School District No. 3
Red Hill Community Unit School District No. 10
Richland County Community Unit School District No. 1
Robinson Community Unit School District No. 2
Wabash Community Unit District No. 348

Students who live within the following public school districts may or may not be residents of Illinois Eastern Community Colleges District #529. Students from these Districts should check their property tax statement to determine community college district residency.

Carmi-White County Community Unit District No. 5
Jasper County Community Unit School District No. 1
North Clay Community Unit School District No. 25

Students shall be classified as residents of Illinois Eastern Community Colleges District 529 without meeting the 30-day residency requirement of the district if they are currently residing in the district and are youth:

- who are currently under the legal guardianship of the Illinois Department of Children and Family Services (DCFS) or have been recently been emancipated from the Department, and
- who have had previously met the 30-day residency requirement of the district but who had a placement change into a new community college district. The student, a caseworker or other personnel of DCFS, or the student's attorney or guardian ad litem appointed under the Juvenile Court Act of 1987 shall provide the district with proof of current in-district residency.

Students shall not be classified as residents of the district where attending, even though they may have met the general 30-day residency provision, if they are:

- Federal job corps workers stationed in the District;
- Members of the armed services stationed in the District;
- Inmates of state or federal correctional/rehabilitation institutions located in the District;
- Full-time students attending a post-secondary educational institution in the District who have not demonstrated, through documentation, a verifiable interest in establishing permanent residency;
- Students attending under the provisions of a chargeback or contractual agreement with another community college.

3. Illinois Out-of-District: Any student who lives outside the Illinois Eastern Community Colleges District but who is a resident of the state of Illinois will be considered an out-of-District student. Students shall be classified as residents of the State without meeting the general 30-day residency provision if they are:
 - Federal job corps workers stationed in Illinois;
 - Members of the armed services stationed in Illinois;
 - Inmates of state correctional/rehabilitation institutions located in Illinois; or
 - Employed full-time in Illinois.
4. Out-of-State: Any student who is a resident of another state will be considered an out-of-state student and will be charged the rate established by the Board of Trustees.
5. Out-of-Country: Any student who is a resident of a foreign country will be considered an out-of-country student and will be charged the rate established by the Board of Trustees.
6. Undocumented: Public Act 093-007 states an individual shall be deemed an Illinois resident, until the individual establishes a residence outside of this state: if all of the following conditions are met.
 - a. The individual resides with his or her parent or guardian while attending a public or private high school in the state of Illinois.
 - b. The individual graduated from a public or private high school or received the equivalent of a high school diploma in the state of Illinois.
 - c. The individual attended school in the state of Illinois for at least 3 years as of the date the individual graduated from high school or received the equivalent of a high school diploma.
 - d. The individual registers as an entering student in the community college not earlier than the 2003 fall semester.
 - e. In the case of an individual who is not a citizen or permanent resident of the United States, the individual provides the community college with an affidavit stating that the individual will file an application to become a permanent resident of the United States at the earliest opportunity the individual is eligible to do so. Students may obtain the IECC Affidavit form from any of the IECC college student record's office.

A Resolution on Residency of Undocumented Students, was resolved on January 20, 2017, by the Illinois Community College Board, to clarify tuition policy for undocumented students particularly adult students not included in provisions of PA 93-007. The resolution states that in-district tuition should be paid by those community college students meeting the residency rules for in-district tuition regardless of citizen status. Students who do not meet the requirements of the in-district rule should pay out-of-district tuition.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Background Information on State Grant Activity
For the Year Ended June 30, 2023

Unrestricted Grants

Base Operating Grants – General operating funds provided to colleges based upon credit enrollment.

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

Restricted Grants

Career and Technical Education – Program Improvement Grant – Grant funding recognizes 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 acquire. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

Statewide Initiatives

Other Grants – These other grants are additional contractual grants provided for special or specific system-related initiatives. These grants are supported by signed contracts between the District and the State of Illinois. A description of the grants supported by grant agreements may be found in the appendix of the grant agreement governing these grants.

Restricted Adult Education Grants/State

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

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

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Schedule of Findings and Questioned Costs – ICCB Grant Compliance
For the Year Ended June 30, 2023

Findings – ICCB Grant Compliance

No findings noted in the current fiscal year.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Schedule of Prior Audit Findings – ICCB Grant Compliance
For the Year Ended June 30, 2023

Findings – ICCB Grant Compliance

No findings were noted in the prior fiscal year.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT -
CONSOLIDATED YEAR-END FINANCIAL REPORT
For Year Ended June 30, 2023

CSFA #	Program	State Amount	Federal Amount	Other Amount	Total
420-35-0083	Small Business Development Centers	\$ -	\$ 19,887	\$ -	\$ 19,887
422-60-0119	Mine Health and Safety Grants	-	34,997	-	34,997
601-00-1592	Nursing Schools Grant	66,642	-	-	66,642
684-00-0465	Postsecondary Perkins Basic Grants - Federal CTE	-	288,788	-	288,788
684-00-2727	Governor's Emergency Education Relief Fund II - Federal	-	106,790	-	106,790
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	238,759	162,443	-	401,202
684-01-1670	Innovative Bridge and Transition Grant - State	156,682	-	-	156,682
684-05-2866	Early Childhood Access Consortium for Equity	-	81,053	-	81,053
	Other Grants Programs and Activities	-	11,489,405	1,088,670	12,578,075
	All Other Costs not Allocated	-	-	35,404,800	35,404,800
	Total	<u>\$ 462,083</u>	<u>\$ 12,183,363</u>	<u>\$ 36,493,470</u>	<u>\$ 49,138,916</u>

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Grantor's Number	Expenditures	Provided to Subrecipients
U.S. Department of Education				
Major Programs:				
Education Stabilization Fund:				
Direct:				
COVID-19 Higher Education Emergency Relief Fund - Student Portion	84.425E		\$ 1,605,827	\$ -
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F		309,959	-
COVID-19 Higher Education Emergency Relief Fund - SIP	84.425M		264,923	-
COVID-19 Higher Education Emergency Relief Fund - SSARP	84.425T		502,958	-
Passed-Through the Illinois Community College Board:				
COVID-19 Governor's Emergency Education Relief Fund	84.425C	GEER-529	106,790	-
Total Education Stabilization Fund			<u>2,790,457</u>	<u>-</u>
Student Financial Assistance Cluster:				
Direct:				
PELL Grant Program	84.063		4,647,404	-
Supplementary Education Opportunity Grant Program	84.007		406,612	-
Federal Work-Study Program	84.033		408,379	-
Direct Loan Program	84.268		1,176,435	-
Total Student Financial Assistance Cluster			<u>6,638,830</u>	<u>-</u>
TRIO Cluster:				
Direct:				
Upward Bound	84.047A		948,035	-
Student Support Services	84.042A		353,916	-
Total TRIO Cluster			<u>1,301,951</u>	<u>-</u>
Other Direct Programs:				
TITLE III	84.031A		839,244	-
Pass-Through Programs from the Illinois Community College Board:				
Perkins-Postsecondary/Adult:				
Federal Adult Education - Basic	84.002	5290023	162,443	-
Perkins-Postsecondary/Adult	84.048	CTE52923	288,788	-
Total Perkins-Postsecondary/Adult			<u>451,231</u>	<u>-</u>
Total U.S. Department of Education			<u>12,021,713</u>	<u>-</u>
U.S. Department of Labor				
Pass-through program from the Illinois Department of Commerce and Economic Opportunity:				
Annual Refresher Training	17.600	MST23IECC	34,997	-
Small Business Administration				
Pass-Through Programs from the Illinois Department of Commerce and Economic Opportunity - Small Business Assistance:				
Small Business Development	59.037		19,887	-
U.S. Department of Health and Human Services				
Pass-Through Program from Project Child:				
COVID-19 INCCRRA Child Restoration Grant	93.575		23,463	-
Quality Improvement Grant	93.596		2,250	-
Pass-Through Programs from the Illinois Community College Board:				
Early Childhood Education	93.575	ECE-25901-22	81,053	-
Total U.S. Department of Health and Human Services			<u>106,766</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>\$ 12,183,363</u>	<u>\$ -</u>

See Accompanying Notes on Page 85

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (Schedule 20) includes the federal grant activity of Illinois Eastern Community Colleges District #529 (the District) for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the District, which are presented in conformity with accounting principles generally accepted in the United States of America.

The District did not use the 10 percent de minimis indirect cost rate.

2. Basis of Accounting

The schedule has been prepared on the accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2023.

3. Property and Equipment

Property and equipment purchases that are presented as expenditures in the schedule may be capitalized by the District, if applicable.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023

1. Summary of Auditor's Results

- (i) Type of audit report issued on the financial statements: Unmodified
- (ii) The audit did not disclose a significant deficiency or a material weakness in internal control required to be reported in accordance with *Government Auditing Standards*.
- (iii) The audit did not disclose instances of noncompliance material to the financial statements required to be reported in accordance with *Government Auditing Standards*.
- (iv) The audit did not disclose a significant deficiency or a material weakness in internal control over a major federal award.
- (v) Type of report issued on compliance for the major programs: Unmodified
- (vi) The audit did not disclose a finding that is required to be reported in accordance with 2 CFR section 200.516a.
- (vii) Major Programs:
 U.S. Department of Education:
 - COVID-19 Education Stabilization Fund
 - Assistance Listing #84.425C
 - Assistance Listing #84.425E
 - Assistance Listing #84.425F
 - Assistance Listing #84.425M
 - Assistance Listing #84.425T
 - Student Financial Aid Cluster
 - Assistance Listing #84.063
 - Assistance Listing #84.007
 - Assistance Listing #84.033
 - Assistance Listing #84.268
 - TRIO Cluster
 - Assistance Listing #84.047A
 - Assistance Listing #84.042A
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$750,000.
- (ix) The District does qualify as a low-risk auditee.

2. Findings – Financial Statement Audit

None noted

3. Findings and Questioned Costs – Major Federal Award Programs Audit

None noted

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

No findings were noted in the prior fiscal year.

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

Board of Trustees
Illinois Eastern Community Colleges District #529
Olney, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Illinois Eastern Community Colleges District #529 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 22, 2023.

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

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 opinion 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 the District's financial statements are free of 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Hood LLC

Champaign, Illinois
November 22, 2023

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

Board of Trustees
Illinois Eastern Community Colleges District #529
Olney, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Illinois Eastern Community Colleges District #529 's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements 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 Auditor's 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.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Martin Hood LLC

Champaign, Illinois
November 22, 2023