ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529

Olney, Illinois

Annual Comprehensive Financial Report

For the Year Ended

June 30, 2024

C O N T E N T S

UNIFORM FINANCIAL STATEMENTS

FISCA YEAR 2025 CERTIFICATION OF PER CAPITA COST

ILLINOIS COMMUNITY COLLEGE BOARD STATE GRANTS FINANCIAL COMPLIANCE SECTION

ADULT EDUCATION AND FAMILY LITERACY COMPONENT GRANTS

CERTIFIED PUBLIC ACCOUNTANTS

AICPA GAQC Member

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, 2024, 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 aggregate 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of two of the entities comprising the District's four component units, which represent 55 percent, 56 percent, and 55 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, 2024. 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

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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.

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 13, the Schedule of Proportionate Share of Net Pension Liability – SURS and Schedule of Contributions – SURS on page 46, the Schedule of Proportionate Share of Net OPEB Liability – CIP on page 48, and the Schedule of Contributions – CIP on page 49 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, 2024. 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 certification of per capita cost (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 are 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 December 6, 2024, 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.

MH CPA PLLC

Champaign, Illinois
December 6, 2024

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023

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, 2024. 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.

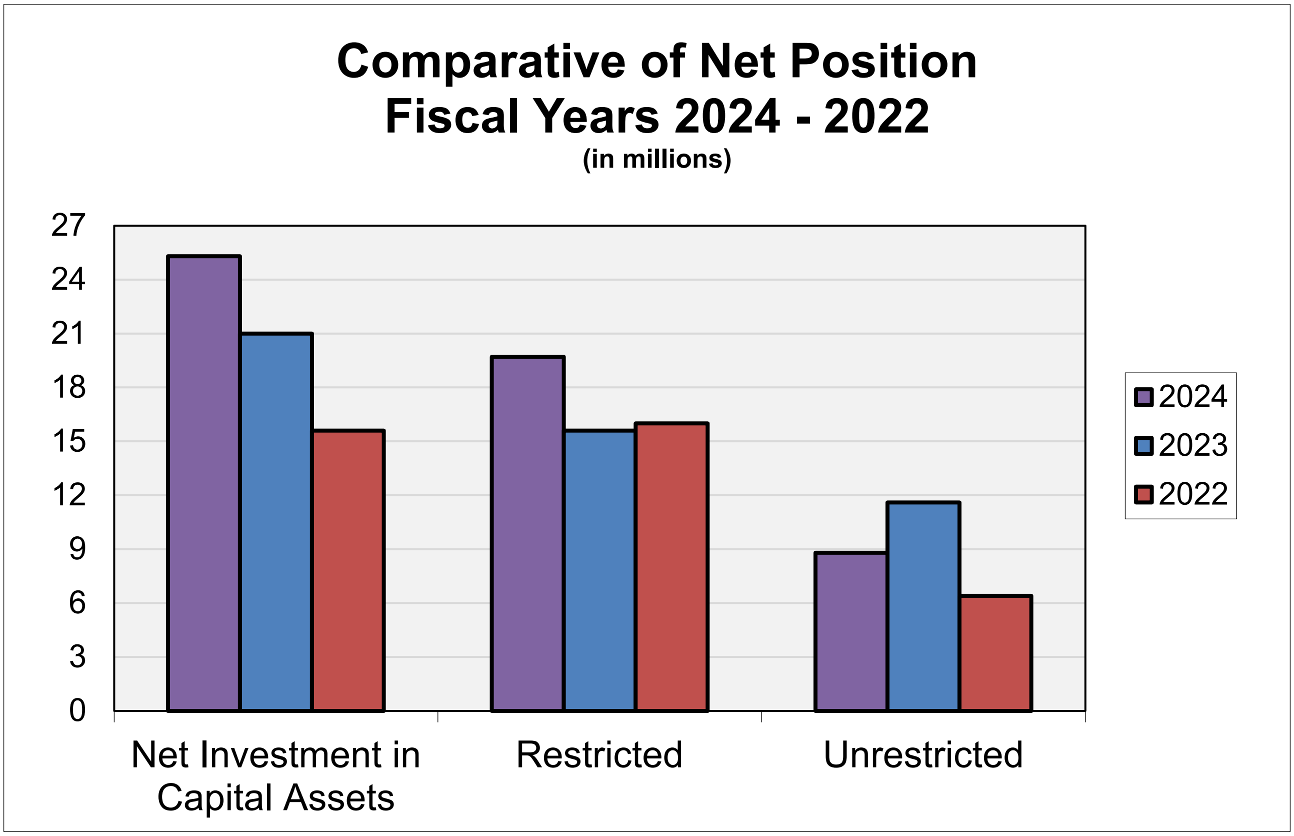
The management discussion and analysis contains comparisons between fiscal years 2024 and 2023 and between 2023 and 2022.

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, 2024.

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, 2024, the District's net position increased by $5.8 million to $53.8 million from $48.0 million at June 30, 2023. 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 $4.2 million to $25.3 million. During the fiscal year, the District began several capital projects at its multiple locations designed to enhance student engagement and activities. The District completed the Crawford County Recreation Center ($4.8 million) and had most of the Athletic Facility at Lincoln Trail College completed by June 30, 2024 ($1.6 million). Several projects began architecture and engineering services during the year-ended June 30, 2024, including the Olney Central College solar array and Wattleworth Hall 3rd floor remodel, Frontier Community College pavilion, and two major projects through the Illinois Capital Development Board.

Restricted net position of the District increased $4.1 million to $19.7 million, primarily related to the issuance of the Series 2024 bonds for capital improvements.

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

	2024	2023	Increase (Decrease) 2024-2023	2022	Increase (Decrease) 2023-2022
Current Assets	$ 52.7	$ 51.8	$ 0.9	$ 51.6	$ 0.2
Non-Current Assets					
Investments	5.6	2.1	3.5	0.0	2.1
Capital Assets, Net of Depreciation	29.2	24.5	4.7	19.4	5.1
Total Assets	87.5	78.4	9.1	71.0	7.4
Deferred Inflows of Resources	1.6	1.3	0.3	0.4	0.9
Current Liabilities	4.6	5.6	(1.0)	5.2	0.4
Non-Current Liabilities	12.8	7.2	5.6	16.0	(8.8)
Total Liabilities	17.4	12.8	4.6	21.2	(8.4)
Deferred Inflows of Resources	17.9	18.9	(1.0)	12.2	6.7
Net Position					
Net Investment in Capital Assets	25.3	21.1	4.2	15.6	5.5
Restricted for: Expendable	19.7	15.6	4.1	16.0	(0.4)
Unrestricted	8.8	11.3	(2.5)	6.4	4.9
Total Net Position	$ 53.8	$ 48.0	$ 5.8	$ 38.0	$ 10.0

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 2024 Compared to 2023

Current assets of the District increased $0.9 million from the prior year to $52.7 million. The District's overall cash position decreased $2.1 million due to placing funds in short and long-term investments based on cash flow need and to achieve increased rates of return to support the institution. Accounts receivable of the District decreased $5.1 million primarily based on receipt of insurance proceeds from the loss of the Harry L Crisp Center in Robinson, IL recorded as a receivable at June 30, 2023. The equalized assessed valuation of the District continued to outpace expectations, increasing by 10.5% over the previous year assessment. This increase along with stable tax rates increased the expected property tax receivable by $1.3 million.

Noncurrent assets of the District increased $8.2 million to $34.8 million. Long-term investments increased $3.5 million on the investment in longer range certificates of deposit based on cash flow needs and maximizing the available rates on longer term assets.

The current liabilities of the District decreased $1.0 million from the prior year predicated on the pay down of outstanding bonds ($0.7 million). Accounts payable and accrued liabilities decreased a combined $0.5 million primarily on timing of payment and purchasing. Noncurrent liabilities of the District increased $5.6 million primarily due to the issuance of the Series 2024 bonds ($5.5 million) for the purposes of capital improvements across the District. The District's proportional share of the Community College Health Insurance Security Fund increased by $0.4 million from the prior year to $6.3 million.

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.

Statement of Revenues, Expenses, and Changes in Net Position

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

	2024	2023	Increase (Decrease) 2024-2023	2022	Increase (Decrease) 2023-2022
Operating Revenue:					
Tuition & Fees	$ 6.2	$ 5.7	$ 0.5	$ 5.4	$ 0.3
Auxiliary	1.3	1.2	0.1	1.3	(0.1)
Sales & Services	0.9	1.1	(0.2)	1.0	0.1
Total	8.4	8.0	0.4	7.7	0.3
Less Operating Expenses	49.3	48.9	0.4	52.6	(3.7)
Net Operating Loss	(40.9)	(40.9)	0.0	(44.9)	4.0
Non-Operating Revenue					
Property Taxes	9.7	10.3	(0.6)	9.9	0.4
State Grants & Contracts	23.0	20.7	2.3	24.7	(4.0)
Federal Grants & Contracts	8.7	11.0	(2.3)	16.2	(5.2)
Investment Income	1.9	1.0	0.9	0.2	0.8
Other Non-Operating Revenues	3.4	7.9	(4.5)	0.7	7.2
Total	46.7	50.9	(4.2)	51.7	(0.8)
Increase (Decrease) in Net Position	5.8	10.0	(4.2)	6.8	3.2
Net Position, Beg. of Year	48.0	38.0	10.0	31.2	6.8
Net Position, End of Year	$ 53.8	$ 48.0	$ 5.8	$ 38.0	$ 10.0

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

Fiscal Year 2024 Compared to 2023

Operating revenues of the District increased $0.4 million from the prior year. Student tuition and fees increased $0.5 million on a 10% increase in the in-district tuition rate despite a 1.1% decrease in reimbursable credit hours. Tuition and fee revenue are reported net of scholarship allowances of $7.3 million, an increase of $0.5 million from the prior year. Auxiliary enterprises and sales and services revenues remained flat against the prior year.

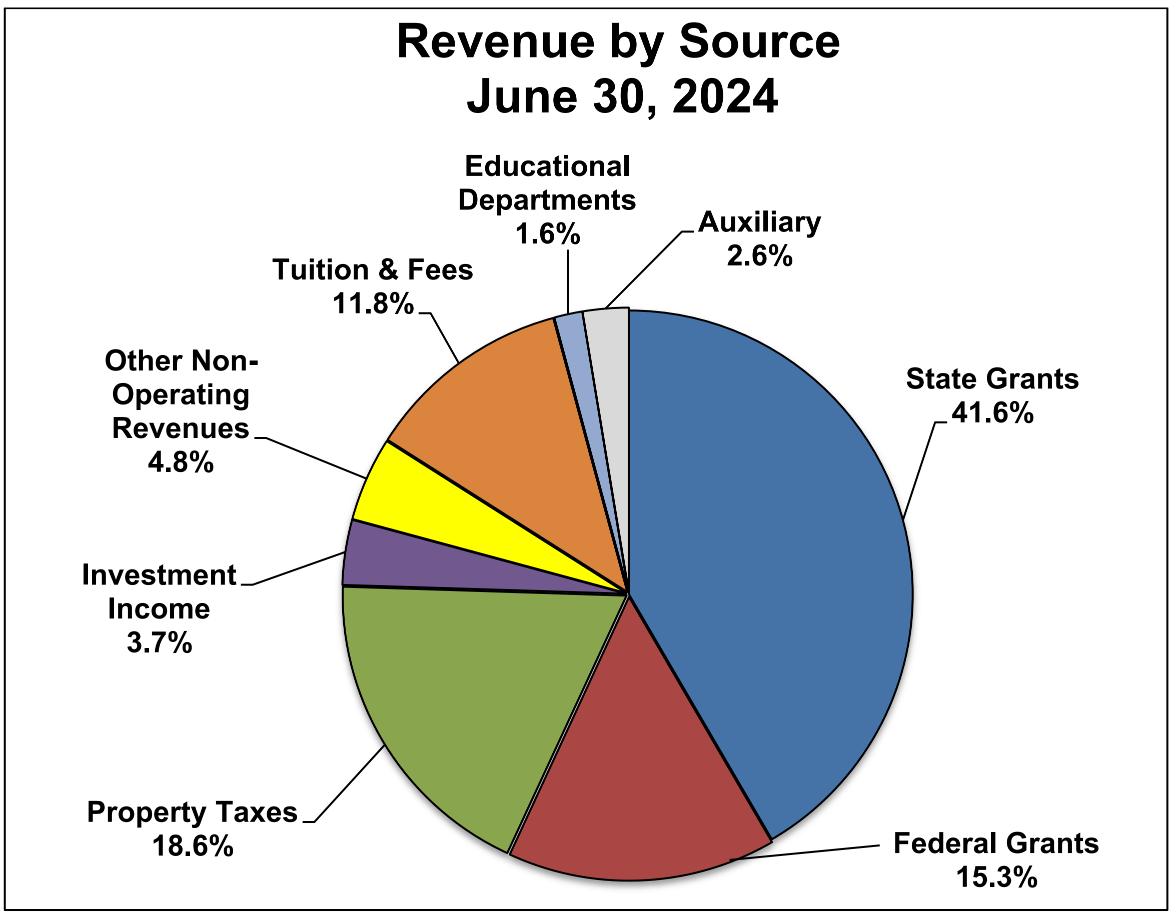
The overall operating expenses of the District increased slightly over the prior year to $49.3 million ($0.4 million increase). Salaries of the District increased $0.3 million. This is attributable to annual raises driven by the District's response to enacted legislation by the State of Illinois to raise minimum wage to $15 by 2025. Benefits increased $1.2 million. This increase is driven by a 3% increase in health insurance costs and a moderate increase in recognized on-behalf payments by the

State of Illinois for pension and other post-employment benefits. Financial aid and scholarship expense decreased $1.6 million due to in large part to utilizing all Higher Education Emergency Relief Funds in the prior year.

Fiscal Year 2023 Compared to 2022

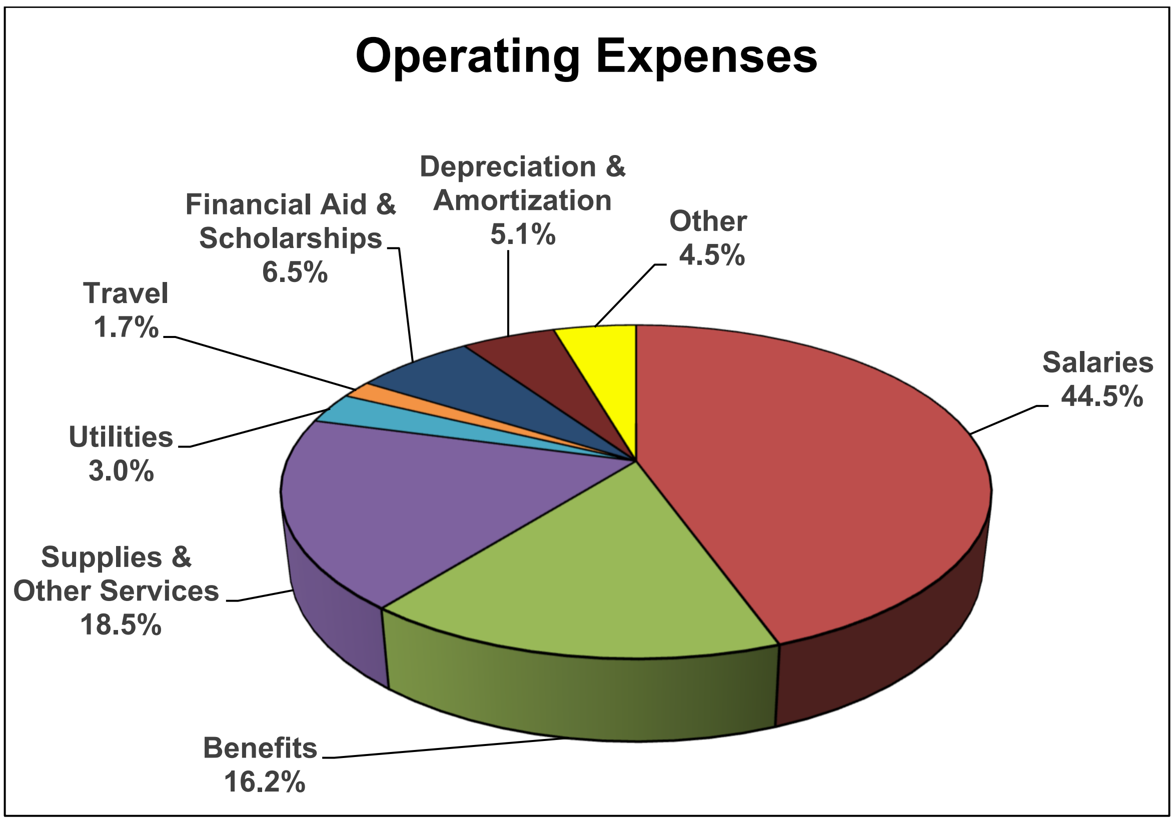
Operating revenues of the District increased $0.3 million from the prior year. Student tuition and fees increased $0.3 million on increased enrollment in international and out-of-district students. Tuition and fee revenue are reported net of scholarship allowances of $6.8 million. Auxiliary enterprises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



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

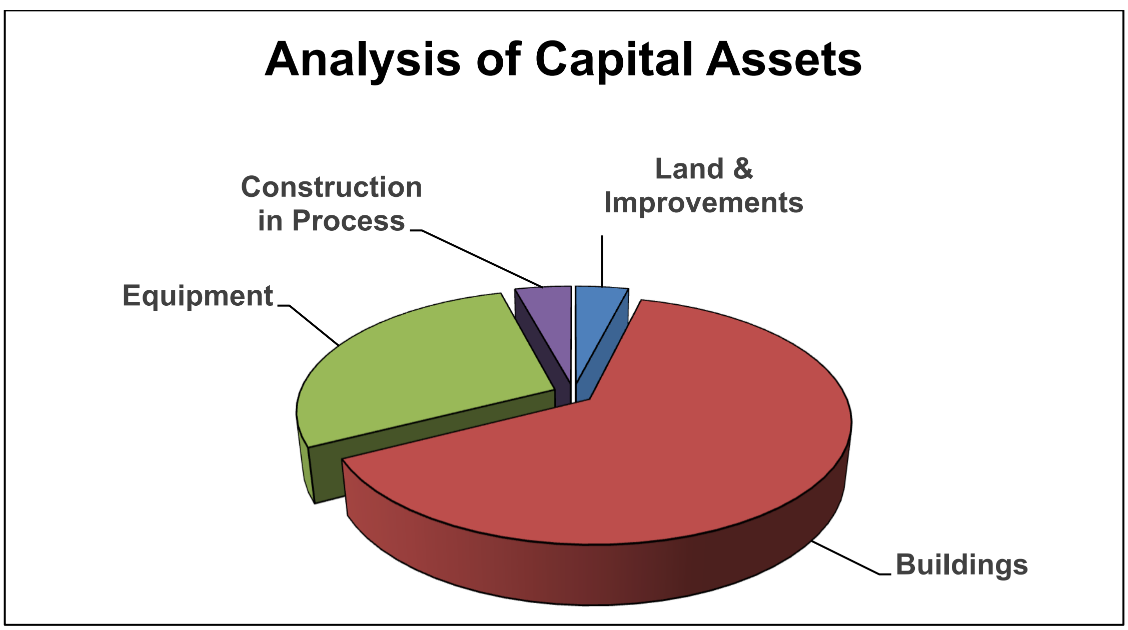
	2024	2023	Increase (Decrease) 2024-2023	2022	Increase (Decrease) 2023-2022
Operating Expense					
Salaries	$ 22.0	$ 21.7	$ 0.3	$ 20.0	$ 1.7
Benefits	8.0	6.8	1.2	13.3	(6.5)
Supplies & Other Services	9.1	8.9	0.2	8.2	0.7
Utilities	1.5	1.5	0.0	1.2	0.3
Travel	0.8	0.8	0.0	0.7	0.1
Financial Aid & Scholarships	3.2	4.8	(1.6)	5.7	(0.9)
Depreciation & Amortization	2.5	2.4	0.1	1.9	0.5
Other	2.2	2.0	0.2	1.6	0.4
Total	$ 49.3	$ 48.9	$ 0.4	$ 52.6	$ (3.7)



Capital Asset Administration

Net Capital Assets
June 30
(in millions)

	2024	2023	Increase (Decrease) 2024-2023	2022	Increase (Decrease) 2023-2022
Capital Assets					
Land & Improvements	$ 3.2	$ 2.4	$ 0.8	$ 2.4	$ 0.0
Buildings	51.9	46.2	5.7	47.1	(0.9)
Equipment	22.9	21.9	1.0	19.8	2.1
Equipment (Leased)	0.3	0.2	0.1	0.2	0.0
Technology Hardware/Software	1.2	1.2	0.0	0.0	1.2
Construction in Process	3.4	4.1	(0.7)	0.6	3.5
Total	82.9	76.0	6.9	70.1	5.9
Less Accumulated Depreciation	52.9	51.0	1.9	50.5	0.5
Less Accumulated Amortization	0.8	0.5	0.3	0.2	0.3
Total	53.7	51.5	2.2	50.7	0.8
Net Capital Assets	$ 29.2	$ 24.5	$ 4.7	$ 19.4	$ 5.1



As of June 30, 2024, the District had $29.2 million invested in a broad range of capital assets, net of accumulated depreciation and amortization. This amount represents an increase of $4.7 million due to completed infrastructure work across the District. During the year ended June 30, 2024, the District completed construction on a $4.8 million recreation center addition to the Lincoln Trail College Campus in Robinson, Illinois.

Future Outlook and Economic Factors

For fiscal year 2025, the District Board of Trustees moved to increase tuition for in-district, out-of-district, and online students. The tuition increases are 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 10% in the Equalized Assessed Valuation of District #529. This growth exceeds original expectations by 3% and should result in approximately $1.3 million in increased property tax revenues ($0.7 million for the operating funds). For Fiscal Year 2025, the District was allocated a preliminary $13.6 million in credit hour, equalization, and CTE funding from the State of Illinois for operations. This represents a 3.6% decrease from the prior year allocation ($0.5 million). In addition to this decrease in funding the estimated collection from Illinois Replacement Taxes is expected to be $0.6 million less than the prior year. In total, this will result in a decrease from these sources for the operating funds of $0.4 million for fiscal year 2025.

The Fiscal Year 2025 budget passed by the Board of Trustees on July 16, 2024, contemplates $29.2 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. The District should break ground on the Applied Technology Center at Olney Central College in fiscal year 2025.

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, 2024

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 12,564,152
Short-Term Investments	23,023,623
Restricted Cash and Cash Equivalents	3,926,322
Accounts Receivable (Net of Allowance for Doubtful Accounts of $536,071)	3,001,927
Prepaid Expenses	229,874
Property Taxes Receivable	9,376,778
Inventories	625,408
Total Current Assets	52,748,084
Noncurrent Assets:	
Long-Term Investments	5,572,541
Capital Assets, Net	29,189,717
Total Assets	87,510,342
DEFERRED OUTFLOWS OF RESOURCES	
Other Postemployment Benefit Related Deferred Outflows	1,508,264
Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year	129,259
Total Deferred Outflows of Resources	1,637,523
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,508,315
Accrued Liabilities	1,287,922
Due to Student Groups	326,138
Unearned Revenue	298,418
Bonds Payable	640,000
Accrued Interest Payable	113,799
Lease Liabilities	28,060
Subscription Liabilities	365,313
Total Current Liabilities	4,567,965
Noncurrent Liabilities:	
Lease Liabilities	32,562
Subscription Liabilities	42,197
Bonds Payable	5,535,000
Accrued Compensated Absences	947,875
Net Other Postemployment Benefits	6,280,647
Total Noncurrent Liabilities	12,838,281
Total Liabilities	17,406,246
DEFERRED INFLOWS OF RESOURCES	
Subsequent Year's Property Taxes	9,376,778
Other Postemployment Benefit Related Deferred Inflows	8,569,582
Total Deferred Inflows of Resources	17,946,360
NET POSITION	
Net Investment in Capital Assets	25,319,949
Restricted:	
Capital Projects	11,513,061
Purposes Allowed by Property Tax Levies	350,181
Other	7,860,533
Unrestricted	8,751,535
Total Net Position	$ 53,795,259

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

REVENUES	
Operating Revenues:	
Student Tuition and Fees, Net of Scholarship Allowances of $7,268,404	$ 6,153,817
Auxiliary Enterprises:	
Bookstore and Cafeteria	1,347,551
Sales and Services of Educational Departments	866,257
Total Operating Revenues	8,367,625
EXPENSES	
Operating Expenses:	
Salaries	21,970,360
Benefits	7,979,380
Supplies and Other Services	9,103,760
Utilities	1,467,847
Travel	843,734
Financial Aid and Scholarships	3,212,843
Depreciation and Amortization	2,506,393
Other	2,242,624
Total Operating Expenses	49,326,941
OPERATING LOSS	(40,959,316)
NONOPERATING REVENUES (EXPENSES)	
Local Property Tax Revenue	9,685,917
State Grants and Contracts	21,625,537
Federal Grants and Contracts	7,946,074
Contributions	1,536,849
Investment Income	1,909,017
Interest Expense	(144,609)
Other Nonoperating Revenues	987,896
Gain on Sale of Property	123,262
Total Nonoperating Revenues (Expenses)	43,669,943
CAPITAL CONTRIBUTIONS	3,093,883
INCREASE IN NET POSITION	5,804,510
NET POSITION, BEGINNING OF YEAR	47,990,749
NET POSITION, END OF YEAR	$ 53,795,259

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITES	
Student Tuition and Fees	$ 5,918,935
Payments to Suppliers	(9,649,657)
Payments for Utilities	(1,467,847)
Payments to Employees	(22,788,324)
Payments for Benefits	(4,168,252)
Payments for Financial Aid and Scholarships	(3,212,843)
Auxiliary Enterprise Charges:	
Bookstore and Cafeteria	1,326,454
Sales and Services of Educational Departments	866,257
Other Payments	(2,242,624)
Net Cash Used in Operating Activities	(35,417,901)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITES	
Local Property Taxes	9,685,917
State Grants and Contracts	14,743,386
Federal Grants and Contracts	7,424,735
Proceeds Received from Issuance of Bonds Payable	140,000
Direct Lending Receipts	1,295,557
Direct Lending Payments	(1,295,557)
Contributions	1,536,849
Other Receipts	6,698,419
Net Cash Provided by Noncapital Financing Activities	40,229,306
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITES	
Purchase of Capital Assets	(6,139,205)
Contributions for Capital Purposes	1,000,000
Federal and State Grants for Capital Purposes	2,093,883
Proceeds Received for Debt Certificates	6,035,000
Principal Paid on Capital Bond Payable	(1,330,000)
Principal Paid on Lease Liabilities	(29,083)
Principal Paid on Subscription Liabilities	(364,912)
Interest Paid on Bonds Payable	(144,609)
Net Cash Provided by Capital and Related Financing Activities	1,121,074
CASH FLOWS FROM INVESTING ACTIVITES	
Net Proceeds from the Sale and Maturities of Investments	24,187,210
Interest on Investments	1,909,017
Net Purchase of Investments	(34,279,964)
Proceeds from Sale of Capital Assets	130,303
Net Cash Used in Investing Activities	(8,053,434)

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,120,955)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	18,611,429
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 16,490,474
ON THE STATEMENT OF NET POSITION AS FOLLOWS:	
Cash and Cash Equivalents	$ 12,564,152
Restricted Cash and Cash Equivalents	3,926,322
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 16,490,474
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating Loss	$ (40,959,316)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:	
Depreciation and Amortization Expense	2,506,393
SURS On-Behalf Payments	6,028,393
Changes in Deferred Outflows and Inflows of Resources	(2,636,270)
Changes in Assets and Liabilities:	
Accounts Receivable	(239,723)
Inventories	75,765
Prepaid Expenses	(189,540)
Accounts Payable	(411,584)
Accrued Liabilities and Due to Student Groups	13,863
Unearned Revenue	(30,120)
Net Other Postemployment Benefit Liabilities	424,238
NET CASH USED IN OPERATING ACTIVITES	$ (35,417,901)
SUPPLEMENTAL DISCLOSE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITY	
Capital Assets Acquired through Lease Liabilities	$ 49,630
Contributed Capital Assets	$ 1,036,875

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
COMPONENT UNITS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

Assets	
Cash and Cash Equivalents	$ 573,465
Investments	15,772,854
Other Long-Term Deposits	47,255
Accounts and Notes Receivable	1,938,480
Prepaid Expenses	15,834
Property and Equipment, Net	644,909
Total Assets	$ 18,992,797
Liabilities	
Accounts Payable and Accrued Expenses	$ 20,174
Notes Payable	47,522
Total Liabilities	67,696
Net Assets	
Without Donor Restrictions	6,162,908
With Donor Restrictions	12,762,193
Total Net Assets	18,925,101
Total Liabilities and Net Assets	$ 18,992,797

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
COMPONENT UNITS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	
Revenues, Gains, and Other Support:	
Contributions	$ 334,377
Rental Income	116,104
Investment Income (Loss)	694,151
Gain on Sale of Property and Equipment	18,829
Other Income	97,220
Net Assets Released from Prior Years Restrictions	604,651
Total Revenue, Gains, and Other Support	1,865,332
Expenses and Losses:	
Program Services Expenses:	
Scholarships, Awards, and Projects	249,963
Athletic Programs	10,289
Instructional Programs	348,752
Other	127,684
Total Program Services Expenses	736,688
Management and General	368,932
Fundraising	92,315
Total Expenses and Losses	1,197,935
Increase in Net Assets Without Donor Restrictions	667,397
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	
Contributions	381,079
Investment Income (Loss)	1,367,192
Net Assets Released from Prior Year Restrictions	(604,651)
Increase in Net Assets With Donor Restrictions	1,143,620
INCREASE IN NET ASSETS	1,811,017
NET ASSETS, BEGINNING OF YEAR	17,114,084
NET ASSETS, END OF YEAR	$ 18,925,101

See Accompanying Notes

Illinois Eastern Community Colleges District #529 (the District) is one of thirty-nine community colleges in Illinois, located in southeastern Illinois. The District delivers educational offerings from its four locations 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 statement 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, 2024 was $536,071.

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 2023 levy payable in 2024 as property taxes receivable, less any amounts collected prior to June 30, 2024 and a deferred inflow of resources, as this levy is intended to finance the District's 2024-2025 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 5 to 10 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 Statement 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, 2024. 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, 2024. These contributions occurred after the SURS and CIP measurement dates of June 30, 2023 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, 2024, and pension expense and other post-employment expense in fiscal year 2025. 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 amount of expenses eligible for reimbursement under the District's state and federal grants.

3. Deposits and Investments

Investments

At June 30, 2024, the District held the following investments:

Investment Type	
Non-Negotiable Certificates of Deposit	$ 28,333,597
Money Market	231,871
Municipal Bond	26,782
Promissory Notes	3,914
Total	$ 28,596,164

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, 2024, the bank balance of the District's deposits, which includes certificates of deposit, was $17,075,672. At June 30, 2024, 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, 2024:

Student Tuition and Fees Receivables, Net	$ 2,324,514
State Replacement Tax	231,100
Tuition Receivables from Agencies	239,543
Grants from Federal and State Sources	1,260,210
Other Receivables	2,188,688
Less: Amounts Related to Future Terms	(3,242,128)
Total Accounts Receivable, Net	$ 3,001,927
Unrestricted	$ 1,785,845
Restricted	1,216,082
Total Accounts Receivable, Net	$ 3,001,927

5. Capital Assets, Net

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	June 30, 2023	Additions	Disposals	June 30, 2024
Capital Assets, not being Depreciated:				
Land & Site Improvements	$ 2,393,387	$ 827,363	$ -	$ 3,220,750
Construction in Progress	4,110,010	2,626,343	(3,304,189)	3,432,164
Total Capital Assets, not being Depreciated	6,503,397	3,453,706	(3,304,189)	6,652,914
Capital Assets, being Depreciated:				
Buildings	46,122,596	5,782,335	-	51,904,931
Equipment	21,900,740	1,244,228	(237,576)	22,907,392
Total Capital Assets, being Depreciated	68,023,336	7,026,563	(237,576)	74,812,323
Less: Accumulated Depreciation				
Buildings	(33,632,101)	(709,034)	-	(34,341,135)
Equipment & Other Assets	(17,357,214)	(1,452,019)	230,535	(18,578,698)
Total Accumulated Depreciation	(50,989,315)	(2,161,053)	230,535	(52,919,833)
Total Capital Assets, being Depreciated, Net	17,034,021	4,865,510	(7,041)	21,892,490
Subscription Assets:				
Technology Hardware/ Software	1,211,178	-	(47,008)	1,164,170
Less: Accumulated Amortization				
Technology Hardware/ Software	(312,719)	(328,718)	47,008	(594,429)
Total Subscription Assets Being Amortized, Net	898,459	(328,718)	-	569,741
Lease Assets:				
Vehicles	242,080	49,630	-	291,710
Total Lease Assets, being Amortized	242,080	49,630	-	291,710
Less: Accumulated Amortization				
Vehicles	(200,516)	(16,622)	-	(217,138)
Total Accumulated Amortization	(200,516)	(16,622)	-	(217,138)
Total Lease Assets being Amortized, Net	41,564	33,008	-	74,572
Total Capital Assets, Net	$ 24,477,441	$ 8,023,506	$ (3,311,230)	$ 29,189,717

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 March 2028.

The total costs of the District's SBITA assets are recorded as $1,164,170 less accumulated amortization on those assets of $594,429 as of June 30, 2024.

Future minimum payments under these arrangements are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	$ 365,313	$ 8,053	$ 373,366
2026	22,958	876	23,834
2027	19,239	238	19,477
Total	$ 407,510	$ 9,167	$ 416,677

7. Unearned Revenue

Unearned revenue consists of the following at June 30:

Unearned Student Tuition and Fees	$ 272,754
Other Unearned Revenue	25,664
Total Unearned Revenue	$ 298,418

8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2024:

	June 30, 2023	Additions	Retired	June 30, 2024	Due Within One Year
Accrued Compensated Absences	$ 885,162	$ 62,713	$ -	$ 947,875	$ -
Bonds Payable	1,330,000	6,175,000	1,330,000	6,175,000	640,000
Subscription Liabilities	772,422	-	364,912	407,510	365,313
Other Postemployment Benefit	5,856,409	424,238	-	6,280,647	-
Lease Liabilities	40,075	49,630	29,083	60,622	28,060
Debt Certificates	-	6,035,000	6,035,000	-	-
	$ 8,884,068	$ 12,746,581	$ 7,758,995	$ 13,871,654	$ 1,033,373

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 was payable semiannually on June 1 and December 1 beginning December 1, 2021. The bond matured during the year ended June 30, 2024.

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.

In October 2023, the District issued General Obligation Debt Certificates (Limited Tax) Series 2023. The certificates were issued for a par amount of $6,035,000. The proceeds of the certificates were used to fund facility additions and renovations across the District and pay costs associated with the issuance of the certificates. The certificates were scheduled to mature on December 1, 2033, with annual payments due December 1 each year beginning in 2024. Interest was due semi-annually on each June 1 and December 1, commencing June 1, 2024. Interest was at an initial rate of 5.00 percent from the delivery date through and including February 7, 2024, at which time the interest rate increased to 6.00 percent through December 1, 2033. Principal payments range from $455,000 to $780,000. The certificates had a call date of February 7, 2024.

In January 2024, the District issued General Obligation Community College Bonds Series 2024 for the purpose of paying outstanding debt certificates whose original purpose was to fund capital projects. The original amount issued was $6,175,000, with principal payments made annually beginning December 1, 2024 and through December 1, 2027. Interest rates on the bonds range from 3.85 percent to 4.00 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2024.

Maturities of the bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	$ 640,000	$ 322,915	$ 962,915
2026	1,550,000	185,020	1,735,020
2027	1,970,000	115,993	2,085,993
2028	2,015,000	38,789	2,053,789
Total	$ 6,175,000	$ 662,717	$ 6,837,717

Total interest incurred for all long term debt for the year ended June 30, 2024 was $220,047.

The legal debt margin of the District at June 30, 2024 is as follows:

Assessed valuation - 2023 levy	$	2,192,403,436
Debt limit - 2.875 percent of assessed valuation	$	63,031,599
Bonded indebtedness		7,675,000
Legal debt margin	$	55,356,599

9. Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

Contributions

The State of Illinois is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90 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 2024 was 12.53 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 9.50 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

The net pension liability (NPL) was measured as of June 30, 2023. At June 30, 2023, SURS defined benefit plan reported a NPL of $29,444,538,098.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the NPL to be recognized for the District is $0. The proportionate share of the State of Illinois’ NPL associated with the District is $124,032,467 or 0.4212 percent. The District’s proportionate share changed by 0.0200 percent from 0.4013 percent since the last measurement date on June 30, 2022. This amount is not recognized in the District’s financial statements. The NPL and total pension liability as of June 30, 2023, was determined based on the June 30, 2022, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during Fiscal Year 2022.

Defined Benefit Pension Expense

For the year ending June 30, 2023, SURS defined benefit plan reported a collective net pension expense of $1,884,388,521.

Employer Proportionate Share of Defined Benefit Pension Expense

The District’s proportionate share of collective defined benefit pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS defined benefit plan during Fiscal Year 2022. As a result, the District recognized revenue and defined benefit pension expense of $7,937,817 from this special funding situation during the fiscal year ended June 30, 2024.

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 62,591,844	$ 12,277,871
Changes in Assumptions	70,957,694	420,880,693
Net Difference between projected and actual earnings on pension plan investments	187,992,691	-
Total	$ 321,542,229	$ 433,158,564

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

Year Ending June 30,	Net Deferred Outflows of Resources
2024	$ (428,264,966)
2025	(171,164,633)
2026	465,174,033
2027	22,639,231
Total	$ (111,616,335)

Employer Deferral of Fiscal Year 2024 Contributions

The District paid $129,259 in federal, trust or grant contributions to SURS defined benefit pension plan during the fiscal year ended June 30, 2024. These contributions were made subsequent to the pension liability measurement date of June 30, 2023, and are recognized as deferred outflows of resources as of June 30, 2024.

Assumptions and Other Inputs

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period June 30, 2017 through June 30, 2020. The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.25 percent
- Salary increases: 3.00 to 12.75 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 consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	36.0%	7.97%
Stabilized Growth		
Core Real Assets	8.0%	4.68%
Public Credit Fixed Income	6.5%	4.52%
Private Credit	2.5%	7.36%
Non-Traditional Growth		
Private Equity	11.0%	11.32%
Non-Core Real Assets	4.0%	8.67%
Inflation Sensitive		
U.S. TIPS	5.0%	2.09%
Principal Protection		
Core Fixed Income	10.0%	1.13%
Crisis Risk Offset		
Systematic Trend Following	10.0%	3.18%
Alternative Risk Premia	3.0%	3.27%
Long Duration	2.0%	3.02%
Long Volatility/Tail Risk	2.0%	-1.14%
Total	100%	
Weighted Average		5.98%
Inflation		2.60%
Expected Arithmetic Return		8.58%

Discount Rate

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

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

Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.37 percent, as well as what the State's NPL would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher:

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

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

$69,276 was payable to the plan at June 30, 2024.

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, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org. 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, 2023, can be found in SURS 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, 2023, the State’s contributions to the RSP on behalf of the individual employers totaled $90,330,044. Of this amount, $81,991,471 was funded via an appropriation from the State and $8,338,573 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense

The 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 2023. The District’s share of pensionable contributions was 0.2502 percent. As a result, the District recognized on-behalf revenue and defined contribution pension expense of $225,966 from this special funding situation for the fiscal year ended June 30, 2024, of which $20,859 constituted forfeitures.

$2,539 was payable to the plan at June 30, 2024.

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 the Governor's Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of 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 (5 ILCS 375/6.10) 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. Contribution rates increased to 0.75 percent of pay for active members and community colleges beginning July 1, 2023. The State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires a special funding situation whereby the State of Illinois makes 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, 2024 was $143,006.

Net OPEB Liability

At June 30, 2023, CIP reported a net OPEB liability of $706,333,410.

Employer Proportionate Share of Net OPEB Liability

The proportionate share of the net OPEB liability reported by the District is $6,280,647. 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, 2023. The total OPEB liability used to calculate the net OPEB liability was determined based on the June 30, 2022 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, 2023, the

District’s proportion was 0.8892 percent. The portion of the State of Illinois’ liability that is associated with the District is $6,280,646. The total portion associated with the District is $12,561,293.

OPEB Expense

At June 30, 2023, CIP reported a collective net OPEB expense of ($258,363,775).

Employer Proportionate Share of OPEB Expense

For the year ended June 30, 2024, the District recognized proportionate share of collective OPEB expense of ($2,278,370). The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported contributions made to CIP during Fiscal Year 2023.

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 94,512	$ 1,890,831
Changes in Assumptions	-	6,139,892
Net Difference between projected and actual earnings on pension plan investments	-	1,343
Changes in proportion and differences between employer contributions and share of contributions	1,275,633	537,516
Total deferred amounts to be recognized in OPEB expense in future periods	1,370,145	8,569,582
OPEB contributions made subsequent to the measurement date	138,119	-
Total	$ 1,508,264	$ 8,569,582

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
2025	$ 274,029	$ 1,713,916
2026	274,029	1,713,916
2027	274,029	1,713,916
2028	274,029	1,713,916
2029	274,029	1,713,918
Total	$ 1,370,145	$ 8,569,582

Employer Deferral of Fiscal Year 2024 OPEB Expense

The State of Illinois paid $138,119 in OPEB contributions on-behalf of the District for the fiscal year ended June 30, 2024. These contributions were made subsequent to the OPEB liability measurement date of June 30, 2023 and are recognized as deferred outflows of resources as of June 30, 2024. These will be recognized in OPEB expense in Fiscal Year 2025.

Assumptions and Other Inputs

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

- 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 of 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.
- Investment rate of return – 0 percent, net of OPEB plan investment expense, including inflation, for all plan years.
- Healthcare cost trend rates – actual trend used for Fiscal Year 2024 based on premium increases. For fiscal years on or after 2025, 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 2040. For MAPD costs, trends rates are 0 percent in 2024 to 2028, 19.42 percent in 2029 to 2033 and 6.08 percent in 2034, declining gradually to an ultimate rate of 4.25 percent in 2040.

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 and PubT-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, 2022 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 3.86 percent as of June 30, 2023. The increase in the discount rate from 3.69 percent at June 30, 2022 to 3.86 percent caused the total OPEB liability to decrease by approximately $10.2 million from 2022 to 2023.

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 3.86 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 one-percentage-point lower (2.86 percent) or one-percentage-point higher (4.86 percent) than the current discount rate:

1% Decrease 2.86%	Current Single Discount Rate Assumption 3.86%	1% Increase 4.86%
$6,852,247	$6,280,647	$5,788,445

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 9.14 percent in 2024 decreasing to an ultimate trend rate of 4.25 percent in 2040.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
$5,641,532	$6,280,647	$7,051,332

- One percentage point decrease in healthcare trend rates are 8.14 percent in 2024 decreasing to an ultimate trend rate of 3.25 percent in 2040.
- One percentage point increase in healthcare trend rates are 10.14 percent in 2024 decreasing to an ultimate trend rate of 5.25 percent in 2040.

No amount was owed to the plan at June 30, 2024. 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, 2024, payments for fringe benefits made by the State of Illinois on behalf of the District to SURS were $8,163,783 for pensions and on-behalf expenses incurred by CIP were ($2,278,396) for other post-employment benefits.

13. Related-Party Transactions

As described in Note 1, the District has four related Foundations comprising the aggregate discreetly presented component units. Those foundations are: 1) Frontier Community College Foundation, Fairfield, Illinois; 2) Lincoln Trail College Foundation, Robinson, Illinois; 3) Olney Central College Foundation, Olney, Illinois; and 4) Wabash Valley College Foundation, Mount Carmel, Illinois. As noted in Note 1, the Foundations are legally separate, tax-exempt component units of the District that act primarily as fundraising organizations to supplement the resources of the District in support of its students and programs. Contributions received by the District are recorded as Institutional Support. More information on the Foundations can be found in Note 1 or by requesting a copy of the separately issued statements of each foundation.

The following table outlines the nature of and amounts of transactions between the District and each of its Foundations:

Related Party	Nature	Revenue (Expense)	In-Kind Revenue (Expense)
Frontier Community College Foundation	Institutional Support	$ 42,845	
	Facility Lease		$ 73,087
Lincoln Trail College Foundation	Institutional Support	267,337	
	Vehicle Lease Repayment	(30,448)	
	Grant Reimbursement	3,500	
Olney Central College Foundation	Institutional Support	161,791	
	Staff		(14,990)
Wabash Valley College Foundation	Institutional Support	113,028	
	Facility Lease		33,432

The District has various lease arrangements with the Lincoln Trail College Foundation for the lease of motor vehicles. During the year ended June 30, 2024, the District made repayments on outstanding leases totaling $30,448.

The District has certain lease arrangements with the Frontier Community College Foundation and the Wabash Valley College Foundation for the use of buildings owned by the Foundations. The lease arrangements do not provide for any monthly or annual rent, but do require the District to maintain the buildings, provide commercial property insurance, and pay all utilities in exchange for use. The in-kind contribution of the rent is noted in the table above.

The District provides support to the Olney Central College Foundation in the form of donated services consisting of salaries and benefits. For the year ended June 30, 2024, the amount contributed and included as in-kind in the table above was $14,776 for salaries and $214 for benefits.

The District serves as the fiscal agent for a grant awarded to the Lincoln Trail College Foundation from the Department of Commerce and Economic Opportunity. In the capacity as the fiscal agent, the District received reimbursement for $3,500 in previously recognized revenue and expenditures recorded as a receivable at June 30, 2023.

At June 30, 2024, $215 was payable to the Foundations.

14. Functional Expense

The District’s functional allocation of expenses is as follows for the year ended June 30, 2024:

Instruction	$ 15,808,951
Academic Support	651,693
Student Services	5,830,617
Public Services	486,396
Auxiliary Services	5,926,679
Operations and Maintenance of Plant	4,333,606
Institutional Support	10,186,002
Scholarships, Student Grants, and Waivers	3,596,604
Depreciation and Amortization Expense	2,506,393
Total	$ 49,326,941

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, 2024 due to the inability to appropriately estimate the outcome of the proceedings.

16. Contingencies

Federal and State Grants

The District participates in a number of federal and state funded grant programs. Under the terms of these programs, periodic audits may be required by grantor agencies, and certain costs may be questioned as not being appropriate expenditures under the terms of these programs. Such audits could lead to reimbursements to grantor agencies. Based on prior experience, the District's management believes examinations would not result in any material disallowed costs for grant revenue recorded in these financial statements or from prior years.

17. Faculty Contract

The District's contract with the union that represents the District's full-time faculty members expired in August 2023. The faculty members continue to work under the terms of the expired contract. As of the date of the Independent Auditor's Report, a new contract has not been completed but management expects a contract to be finalized within Fiscal Year 2025.

18. 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 $6,610,000 and is expected to be incurred in Fiscal Year 2025.

19. 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.

In December 2023, GASB issued GASB Statement 102 (GASB 102), *Certain Risk Disclosures*. The provisions of GASB 102 require that risks related to government vulnerabilities due to certain concentrations or constraints are provided to users of the financial statements. GASB 102 will be effective for the College's Fiscal Year 2025.

In May 2024, GASB issued GASB Statement 103 (GASB 103), *Financial Reporting Model Improvements*. The provisions of GASB 103 improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. GASB 103 will be effective for the College's Fiscal Year 2026.

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

20. 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 costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

d. The Foundations are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

e. The Foundations have evaluated subsequent events through December 6, 2024, the date which the financial statements were available to be issued.

B. Investments

The following is a summary of component unit investments at June 30, 2024:

	Amortized Cost	Fair Value
Mutual Funds	$ 9,041,269	$ 11,681,480
Equity Securities	736,887	1,403,866
Corporate Bonds	314,566	300,701
Foreign Bonds	20,015	19,774
Municipal Bonds	135,967	121,315
U.S. Government Securities	639,691	679,667
Mortgage Backed Securities	18,638	16,600
Certificates of Deposit	682,556	682,544
Other	862,753	866,907
	$ 12,452,342	$ 15,772,854

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, 2024.

Mutual Funds, Equity Securities, Corporate Bonds, Foreign Bonds, Municipal Bonds, U.S. Government Securities, Mortgage-Backed Securities – Level 1 assets are valued at unadjusted quoted prices for identical assets in active markets that the Foundations have the ability to access. Level 2 assets are valued using quoted market prices for similar assets in markets that are not active.

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, 2024:

	Investments as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Investments at Fair Value:				
Mutual Funds	$ 11,681,480	$ -	$ -	$ 11,681,480
Equity Securities	1,150,666	253,200	-	1,403,866
Corporate Bonds	300,701	-	-	300,701
Foreign Bonds	19,774	-	-	19,774
Municipal Bonds	121,315	-	-	121,315
U.S. Government Securities	-	679,667	-	679,667
Mortgage Backed Securities	16,600	-	-	16,600
Total Fair Value	13,290,536	932,867	-	14,223,403
Investments at Cost:				
Certificates of Deposit	682,544	-	-	682,544
Other	866,907	-	-	866,907
Total	$ 14,839,987	$ 932,867	$ -	$ 15,772,854

C. Property and Equipment, Net

Property and equipment, net consists of the following as of June 30, 2024:

Land	$ 395,266
Buildings	927,262
Equipment	73,406
Vehicles (Leased)	120,140
Royalty Interest	1,907
Land Improvements	25,658
Leasehold Improvements	31,140
Total	1,574,779
Less: Accumulated Depreciation	(929,870)
Property and Equipment, Net	$ 644,909

Depreciation expense for the year ended June 30, 2024 was $29,376.

D. Notes Payable

Notes payable consists of the following as of June 30, 2024:

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.	$	47,522

Annual maturities of notes payable for the years after June 30, 2024 are as follows:

Fiscal Year Ending June 30		
2025	$	18,937
2026		19,032
2027		9,553
Total	$	47,522

E. Conditional Contributions

The Foundations have $300,000 of conditional contributions to be earned in future years as allowable expenses are incurred or project milestones are achieved.

21. 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, 2024
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
a) IECC's Proportionate Percentage of the Collective Net Pension Liability	0%	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	94,138,266	101,854,540	115,234,130	109,288,464	118,639,012	127,172,475	130,667,510	121,743,564	116,682,961	124,032,467
Total b) + c)	$ 94,138,266	$ 101,854,540	$ 115,234,130	$ 109,288,464	$ 118,639,012	$ 127,172,475	$ 130,667,510	$ 121,743,564	$ 116,682,961	$ 124,032,467
IECC Defined Benefit Covered Payroll	$ 15,721,786	$ 15,676,719	$ 16,079,959	$ 15,191,656	$ 15,468,356	$ 16,060,042	$ 15,911,436	$ 15,001,353	$ 16,111,248	$ 17,016,757
Proportion of Collective Net Pension Liability Associated with IECC as a Percentage of Defined Benefit Covered Payroll	599%	650%	717%	719%	767%	792%	821%	812%	724%	729%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%	45.45%	43.65%	44.06%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - SURS
For the Year Ended June 30, 2024
(Unaudited)

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
IECC's Federal, Trust, Grant, and Other Contribution	$ 86,189	$ 86,267	$ 64,774	$ 79,807	$ 95,325
IECC's Contribution in Relation to Required Contribution	86,189	86,267	64,774	79,807	95,325
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
IECC's Covered Payroll	$ 736,032	$ 679,803	$ 516,950	$ 640,505	$ 775,630
Contributions as a Percentage of Covered Payroll	11.71%	12.69%	12.53%	12.46%	12.29%

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
IECC's Federal, Trust, Grant, and Other Contribution	$ 119,730	$ 172,540	$ 169,409	$ 170,439	$ 129,259
IECC's Contribution in Relation to Required Contribution	119,730	172,540	169,409	170,439	129,259
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
IECC's Covered Payroll	$ 942,755	$ 1,325,193	$ 1,375,073	$ 1,328,441	$ 1,031,596
Contributions as a Percentage of Covered Payroll	12.70%	13.02%	12.32%	12.83%	12.53%

Changes of Benefit Terms

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

Changes of Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest, and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2017 to June 30, 2020 was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below. Only the disability rates assumption changed for the June 30, 2023, actuarial valuation.

- Salary increase. The overall assumed rates of salary increase range from 3.00 percent to 12.75 percent based on years of service, with an underlying wage inflation rate of 2.25 percent.
- Investment return. The investment return is assumed to be 6.50 percent. This reflects an assumed real rate of return of 4.25 percent and assumed price inflation of 2.25 percent.
- Effective rate of interest. The long-term assumption for the effective rate of interest for crediting the money purchase accounts is 6.50 percent.
- Normal retirement rates. Separate rates are assumed 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. Separate rates are assumed 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. Assumed rates maintain the pattern of decreasing termination rates as years of service increase.
- Mortality rates. Use of Pub-2010 mortality tables reflects its high applicability to public pensions. The projection scale utilized is the MP-2020 scale.
- Disability rates. Separate rates are assumed for members in academic positions and non-academic positions, as well as for males and females. New for the June 30, 2023, valuation, 50 percent of police officer disability incidence is assumed to be line-of-duty related.
- Plan election. For non-academic members, assumed plan election rates are 75 percent for Tier 2 and 25 percent for Retirement Savings Plan (RSP). For academic members, assumed plan election rates are 55 percent for Tier 2 and 45 percent for Retirement Savings Plan (RSP).

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY - CIP
For the Year Ended June 30, 2024
(Unaudited)

	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
a) IECCs Proportionate Percentage of the Collective Net OPEB Liability	0.835067%	0.837049%	0.839573%	0.832615%	0.804555%	0.855499%	0.889185%
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	$ 6,280,647
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability Associated with IECC	15,028,021	15,780,483	15,855,669	15,176,633	13,963,316	5,856,409	6,280,646
Total b) + c)	$ 30,256,604	$ 31,560,966	$ 31,711,338	$ 30,353,228	$ 27,926,632	$ 11,712,818	$ 12,561,293
IECC's Covered-Employee Payroll	$ 14,532,552	$ 14,627,862	$ 15,135,752	$ 15,314,620	$ 14,961,326	$ 16,135,600	$ 17,589,400
IECC's Proportionate Share of Collective Net OPEB Liability as a Percentage of Covered-Employee Payroll	105%	108%	105%	99%	93%	36%	36%
CIP Plan Net Position as a Percentage of Total OPEB Liability	-2.87%	-3.54%	-4.13%	-5.07%	-6.38%	-22.03%	-17.87%

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, 2024
(Unaudited)

Year Ended June 30	Statutorily Required Contributions*	Covered Payroll	Actual Contribution as a % of Covered Payroll
2024	$ 143,006	$ 19,067,467	0.75%
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%

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

Changes of Benefit Terms

There were no benefit changes in the Total OPEB Liability as of June 30, 2023.

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, 2023, 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. Contribution rates increased to 0.75 percent of pay for active members and community colleges beginning July 1, 2023. 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, for all plan years.
- 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 Retiree Mortality Table and PubT-2010 Healthy Retiree Mortality Table. Disabled Annuitants: Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-2010 Employee Mortality Table and PubT-2010 Employee Mortality Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.
- Healthcare Cost Trend Rates – Trend used plan year end 2024 are based on actual premium increases. For non-Medicare costs, trend rates start at 8.00 percent for plan year 2025 and decrease gradually to an ultimate rate of 4.25 percent in 2040. For MAPD costs, trend rates are 0 percent in 2024 to 2028, 19.42 percent in 2029 to 2033 and 6.08 percent in 2034, declining gradually to an ultimate rate of 4.25 percent in 2040.
- Aging Factors – Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
- Expenses – Health administrative expenses are included in the development of the per-capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Schedule 1

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ASSESSED VALUATIONS AND TAXES LEVIED -
GOVERNMENTAL FUND TYPES
Levy Years 2023, 2022, and 2021

		2023 Levy	2022 Levy	2021 Levy
ASSESSED VALUES AS EQUALIZED				
Clark		$ 9,431,071	$ 8,108,535	$ 7,640,947
Clay		215,375,111	193,181,265	182,479,494
Crawford		569,029,287	532,578,512	509,028,014
Cumberland		100,978	88,357	74,214
Edwards		118,754,473	102,934,316	92,832,409
Hamilton		1,084,022	933,664	873,963
Jasper		221,330,876	206,345,861	192,550,859
Lawrence		225,093,194	197,172,384	175,388,236
Richland		310,817,871	281,528,948	260,065,570
Wabash	**	195,000,000	188,067,939	177,444,978
Wayne		231,239,710	202,908,692	180,389,347
White		95,146,843	70,418,206	61,268,705
TOTAL		$ 2,192,403,436	$ 1,984,266,679	$ 1,840,036,736
TAX RATES (PER $100 OF ASSESSED VALUATION)				
Education Fund		0.1710	0.1685	0.1726
Operations and Maintenance Fund		0.0734	0.0727	0.0747
Statewide Average Tax		0.0327	-	-
Bond and Interest Fund		0.0773	0.0961	0.1051
Liability, Protection, and Settlement Fund		0.0636	0.0575	0.0565
Protection, Health, and Safety		0.0091	0.0101	0.0116
Audit Fund		0.0027	0.0025	0.0038
TOTAL		0.4298	0.4074	0.4243
TAXES EXTENDED				
Education Fund		$ 3,750,000	$ 3,345,922	$ 3,175,000
Operations and Maintenance Fund		1,610,000	1,442,549	1,375,000
Statewide Average Tax		717,433	-	-
Bond and Interest Fund		1,694,541	1,914,363	1,934,212
Liability, Protection, and Settlement Fund		1,344,804	1,075,271	1,040,000
Protection, Health, and Safety		200,000	201,871	213,741
Audit Fund		60,000	50,468	70,000
TOTAL		$ 9,376,778	$ 8,030,444	$ 7,807,953

** Estimated as of June 30, 2024

Schedule 2

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS - GOVERNMENTAL FUND TYPES
Year Ended June 30, 2024

Levy Year	Assessed Valuation	Combined Rate	Taxes Extended	Total Collected to June 30, 2023	Collected During Year Ended June 30, 2024	Total Collected to June 30, 2024	Percent Collected June 30, 2024	Allowance for Uncollectible Taxes	Balance After Allowance
2023	$ 2,192,403,436	0.4298	$ 9,376,778	$ -	$ -	$ -	0.00%	$ -	$ 9,376,778
2022	$ 1,984,266,679	0.4074	$ 8,030,444	-	8,030,444	8,030,444	100.00%	-	-
				$ -	$ 8,030,444	$ 8,030,444			$ 9,376,778

2023 TAXES EXTENDED

	Uncollected June 30, 2024	Allowance For Uncollectible Taxes	Balance After Allowance
Education Fund	$ 3,750,000	$ -	$ 3,750,000
Operations and Maintenance Fund	1,610,000	-	1,610,000
Statewide Average Tax	717,433	-	717,433
Bond and Interest Fund	1,694,541	-	1,694,541
Liability, Protection, and Settlement Fund	1,344,804	-	1,344,804
Protection, Health, and Safety Fund	200,000	-	200,000
Audit Fund	60,000	-	60,000
	$ 9,376,778	$ -	$ 9,376,778

Schedule 3

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF DEBT MATURITIES
June 30, 2024

GENERAL OBLIGATION COMMUNITY COLLEGE BONDS

Year Ended June 30,	Interest Rate	Amounts Due During the Current Year: Principal	Interest	Total	Principal Outstanding at June 30,
	Tax Exempt 2024 Series:				
2025	4.000%	$ 640,000	$ 322,915	$ 962,915	$ 5,535,000
	Taxable 2020D Series:				
2025	2.750%	$ 700,000	$ 31,625	$ 731,625	$ 800,000

Year Ended June 30,	Interest Rate	Amounts Due in Future Years: Principal	Interest	Total	Principal Outstanding at June 30,
	Tax Exempt 2024 Series:				
2026	3.950%	$ 1,550,000	$ 185,020	$ 1,735,020	$ 3,985,000
2027	3.900%	1,970,000	115,993	2,085,993	2,015,000
2028	3.850%	2,015,000	38,789	2,053,789	-
		$ 5,535,000	$ 339,802	$ 5,874,802	
	Taxable 2020D Series:				
2026	2.750%	$ 700,000	$ 12,375	$ 712,375	$ 100,000
2027	2.750%	100,000	1,375	101,375	-
		$ 800,000	$ 13,750	$ 813,750	

TOTAL AMOUNT DUE IN FUTURE YEARS

	Principal	Interest	Total
2024 Series	$ 5,535,000	$ 339,802	$ 5,874,802
2020D Series	800,000	13,750	813,750
	$ 6,335,000	$ 353,552	$ 6,688,552

Schedule 4

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 1
ALL FUNDS SUMMARY - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2024

	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	$ 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
REVENUES										
Local Tax Revenue	4,105,900	2,218,204	1,922,131	12,444,882	-	-	52,061	1,152,739	-	21,895,917
ICCB Grants	14,123,784	-	-	-	1,524,447	-	-	-	-	15,648,231
All Other State Revenue	3,772	-	-	1,036,875	258,107	-	-	-	-	1,298,754
Federal Revenue	-	-	-	-	8,690,116	-	-	-	-	8,690,116
Student Tuition and Fees	11,965,922	1,036,133	-	-	-	-	-	-	341,962	13,344,017
On-Behalf CIP	-	-	-	-	(2,278,396)	-	-	-	-	(2,278,396)
On-Behalf SURS	-	-	-	-	8,163,783	-	-	-	-	8,163,783
All Other Revenue	1,032,336	415,966	21,562	2,742,198	189,917	265,124	636	276,547	3,003,984	7,948,270
Total Revenues	31,231,714	3,670,303	1,943,693	16,223,955	16,547,974	265,124	52,697	1,429,286	3,345,946	74,710,692
EXPENDITURES										
Instruction	12,897,932	-	-	-	4,664,492	-	-	51,741	24,753	17,638,918
Academic Support	550,277	-	-	-	133,310	-	-	-	823	684,410
Student Services	2,558,881	-	-	-	3,490,670	-	-	-	99,837	6,149,388
Public Service/Continuing Education	119,482	-	-	-	203,557	-	-	-	224,930	547,969
Auxiliary Services	6,239	-	-	-	683,216	-	-	-	5,526,146	6,215,601
Operations and Maintenance	53,747	4,092,263	-	2,349,034	408,798	-	-	-	14,142	6,917,984
Institutional Support	7,856,194	200,404	1,896,619	9,699,229	1,615,300	11,714	79,325	1,334,999	(40)	22,693,744
Scholarships, Student Grants, & Waivers	5,632,251	-	-	-	4,919,180	-	-	-	313,576	10,865,007
Total Expenditures	29,675,003	4,292,667	1,896,619	12,048,263	16,118,523	11,714	79,325	1,386,740	6,204,167	71,713,021
NET TRANSFERS	(1,900,316)	58,041	-	1,450,000	-	(255,000)	-	-	647,275	-
FUND BALANCE - END OF YEAR	$ 14,908,435	$ 3,468,112	$ 357,168	$ 15,403,511	$ 1,089,430	$ 6,307,110	$ 615	$ 349,566	$ 4,546,846	$ 46,430,793

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, 2024

	July 1, 2023	Additions	Retirements	June 30, 2024
Land and Site Improvements	$ 2,393,387	$ 827,363	$ -	$ 3,220,750
Buildings	46,122,596	5,782,335	-	51,904,931
Equipment	23,353,998	1,293,858	(237,576)	24,410,280
Construction in Progress	4,110,010	2,626,343	(3,304,189)	3,432,164
Total	75,979,991	10,529,899	(3,541,765)	82,968,125
Less Accumulated Depreciation and Accumulated Amortization:				
Buildings	33,689,422	709,034	-	34,398,456
Equipment	17,813,128	1,797,359	(230,535)	19,379,952
Total Accumulated Depreciation and Accumulated Amortization	51,502,550	2,506,393	(230,535)	53,778,408
CAPITAL ASSETS, NET	$ 24,477,441	$ 8,023,506	$ (3,311,230)	$ 29,189,717
LONG-TERM DEBT				
Lease Obligations	$ 40,075	$ 49,630	$ (29,083)	$ 60,622
Subscription Liabilities	772,422	-	(364,912)	407,510
Bonds Payable	3,330,000	6,175,000	(1,830,000)	7,675,000
Debt Certificates	-	6,035,000	(6,035,000)	-
OPEB Liability	5,856,409	424,238	-	6,280,647
Accrued Vacation	885,162	62,713	-	947,875
TOTAL LONG-TERM DEBT	$ 10,884,068	$ 12,746,581	$ (8,258,995)	$ 15,371,654

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, 2024

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local Government:			
Property Taxes	$ 3,423,650	$ 1,472,056	$ 4,895,706
Corporate Personal Property Replacement Tax	682,250	682,250	1,364,500
Other Local Government Sources	-	63,898	63,898
Total Local Government	4,105,900	2,218,204	6,324,104
State Government:			
ICCB Base Operating Grants	4,487,634	-	4,487,634
ICCB Equalization Grant	9,010,620	-	9,010,620
ICCB Career and Technical Education	625,530	-	625,530
Other Illinois Government Sources	3,772	-	3,772
Total State Government	14,127,556	-	14,127,556
Student Tuition and Fees:			
Tuition	9,513,880	-	9,513,880
Fees	2,452,042	1,036,133	3,488,175
Total Student Tuition and Fees	11,965,922	1,036,133	13,002,055
Other Sources:			
Sales and Service Fees	57,419	-	57,419
Facilities Revenue	-	97,633	97,633
Investment Income	664,222	200,312	864,534
Gifts, Scholarships, Grants, Bequests	19,253	-	19,253
Other	291,442	118,021	409,463
Total Other Sources	1,032,336	415,966	1,448,302
Total Operating Revenues	31,231,714	3,670,303	34,902,017
Less: Nonoperating Item -			
Tuition Chargeback Revenue	-	-	-
Adjusted Revenue	$ 31,231,714	$ 3,670,303	$ 34,902,017

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, 2024

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
By Program:			
Instruction	$ 12,897,932	$ -	$ 12,897,932
Academic Support	550,277	-	550,277
Student Services	2,558,881	-	2,558,881
Public Service/Continuing Education	119,482	-	119,482
Auxiliary Services	6,239	-	6,239
Operations and Maintenance	53,747	4,092,263	4,146,010
Institutional Support	7,856,194	200,404	8,056,598
Scholarships, Student Grants, & Waivers	5,632,251	-	5,632,251
Transfers	1,900,316	-	1,900,316
Total Expenditures	31,575,319	4,292,667	35,867,986
Less: Nonoperating Items			
Transfers	(1,900,316)	-	(1,900,316)
Tuition Chargeback	-	-	-
Adjusted Expenditures	$ 29,675,003	$ 4,292,667	$ 33,967,670
By Object:			
Salaries	$ 16,558,695	$ 1,240,438	$ 17,799,133
Employee Benefits	2,717,122	294,155	3,011,277
Contractual Services	2,076,197	786,430	2,862,627
General Materials and Supplies	1,717,663	417,485	2,135,148
Conference and Meeting Expenses	275,921	493	276,414
Fixed Charges	39,297	383	39,680
Utilities	56,535	1,410,988	1,467,523
Capital Outlay	313,200	140,421	453,621
Other	5,920,373	1,874	5,922,247
Transfers	1,900,316	-	1,900,316
Total Expenditures	31,575,319	4,292,667	35,867,986
Less: Nonoperating Items			
Transfers	(1,900,316)	-	(1,900,316)
Tuition Chargeback	-	-	-
Adjusted Expenditures	$ 29,675,003	$ 4,292,667	$ 33,967,670

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, 2024

RESTRICTED PURPOSES FUND REVENUES BY SOURCES	
State Government:	
Illinois Community College Board - Adult Education	$ 219,074
Illinois Community College Board - Other	1,305,373
On-Behalf CIP	(2,278,396)
On-Behalf SURS	8,163,783
Other	258,107
Total State Government	7,667,941
Federal Government:	
Department of Education - Nonfinancial Aid	1,920,301
Department of Education - passed through ICCB	1,000,392
PELL Grant	4,372,013
Supplementary Educational Opportunity Grant	469,088
Federal Work-Study Program	441,672
Department of Labor - passed through Small Business Administration	62,398
Department of Labor - passed through Mine Safety Health Administration	35,000
Department of Human and Health Services - passed through Project Child	389,252
Total Federal Government	8,690,116
Other Sources	189,917
Total Restricted Purposes Fund Revenues by Sources	$ 16,547,974

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, 2024

OPERATING EXPENDITURES

By Program:		
Instruction	$	4,664,492
Academic Support		133,310
Student Services		3,490,670
Public Service/Continuing Education		203,557
Auxiliary Services		683,216
Operations and Maintenance		408,798
Institutional Support		1,615,300
Scholarships, Student Grants, & Waivers		4,919,180
Total Expenditures	$	16,118,523
By Object:		
Salaries	$	1,965,587
Employee Benefits		6,341,952
Contractual Services		662,674
General Materials and Supplies		476,680
Conference and Meeting Expenses		109,895
Fixed Charges		6,160
Utilities		-
Capital Outlay		1,138,167
Other		5,417,408
*Scholarships, Grants, Waivers **		*4,919,180*
Total Expenditures	$	16,118,523

* 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, 2024

INSTRUCTION	
Instructional Programs	$ 12,490,027
Other	5,148,891
Total Instruction	17,638,918
ACADEMIC SUPPORT	
Library Center	548,051
Instructional Material	161
Academic Computing Support	2,851
Other	133,347
Total Academic Support	684,410
STUDENT SERVICES SUPPORT	
Admissions and Records	385,120
Counseling and Career Services	882,743
Financial Aid Administration	941,061
Other	3,940,464
Total Student Services Support	6,149,388
PUBLIC SERVICES	
Community Education	45,151
Customized Training	145,027
Community Services	217,303
Other	140,488
Total Public Service	547,969
AUXILIARY SERVICES	6,215,601

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, 2024

OPERATIONS AND MAINTENANCE OF PLANT	
Administration	452,607
Custodial Services	711,364
Maintenance	1,198,030
Grounds Maintenance	381,184
Plant Utilities	1,478,976
Other	346,789
Total Operations and Maintenance of Plant	4,568,950
INSTITUTIONAL SUPPORT	
Executive Management	2,290,784
Fiscal Operations	135
Administrative Support Services	1,597,086
Community Relations	200
Board of Trustees	37,951
General Institution	4,806,898
Administrative Data Processing	2,353,128
Total Institutional Support	11,086,182
SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS	10,865,007
Total Current Funds Expenditures	$ 57,756,425

* 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
FISCAL YEAR 2025 CERTIFICATION OF PER CAPITA COST
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

1	Education Fund	$ 29,361,803	
2	Operations and Maintenance Fund	4,152,245	
3	Public Building Commission Operation and Maintenance Fund	-	
4	Bond and Interest Fund	547,500	
5	Public Building Commission Rental Fund	-	
6	Restricted Purposes Fund	9,326,498	
7	Audit Fund	79,325	
8	Liability, Protection, and Settlement Fund	1,303,242	
9	Auxiliary Enterprises Fund (subsidy only)	2,225,261	
10	**TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)**		$ 46,995,874
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	$ 1,986,987	
12	**TOTAL COSTS INCLUDED (line 10 plus line 11)**		$ 48,982,861
13	Total certified semester credit hours for FY 2024	79,223.50	
14	**PER CAPITA COST (line 12 divided by line 13)**		$ 618.29

Approved: Ryan Hawk 12/6/24
Chief Fiscal Officer / Date

Approved: 12/6/24
Chief Executive Officer / Date

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, 2024, and the related 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, 2024, 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.

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.

MH CPA PLLC

Champaign, Illinois
December 6, 2024

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
BALANCE SHEET
June 30, 2024

	State Basic	Performance	Total
Assets			
Cash	$ -	$ -	$ -
Receivable	-	-	-
Total Assets	-	-	-
Liabilities			
Accounts Payable	-	-	-
Due to the District	-	-	-
Total Liabilities	-	-	-
Fund Balance	-	-	-
Total Liabilities and Fund Balance	$ -	$ -	$ -

See Accompanying Notes on Page 69

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2024

	State Basic	Performance	Total
Revenues			
State Sources	$ 162,779	$ 56,295	$ 219,074
Expenditures			
Personnel Services (Salaries and Wages)	134,824	27,371	162,195
Fringe Benefits	18,766	6,289	25,055
Travel	3,405	6,831	10,236
Supplies	5,784	7,442	13,226
Contractual Services	-	7,173	7,173
Miscellaneous	-	1,189	1,189
Total Expenditures	162,779	56,295	219,074
Excess of Revenue Over Expenditures	-	-	-
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -

See Accompanying Notes on Page 69

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, 2024

	Generation (Dollars)	Generation as a percent of Actual Expenditure (Percentage)
State Basic		
Generation (45 Percent Minimum Required)*	$ -	0.00%

* This requirement was removed by ICCB for Fiscal Year 2024.

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, 2024. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

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.

Certain capital outlay expenditures are accumulated in the General Fixed Assets Account Group of the District, for reporting specific to ICCB and in capital assets for external financial reporting on the statement of net position.

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, 2024.

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, 2024 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 December 6, 2024, 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.

MH CPA PLLC

Champaign, Illinois
December 6, 2024

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
Year Ended June 30, 2024

	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
CATEGORIES								
Baccalaureate	3,569.00	63.00	18,260.00	108.00	18,082.00	74.00	39,911.00	245.00
Business Occupational	414.00	80.00	2,235.50	322.00	1,974.50	106.00	4,624.00	508.00
Technical Occupational	2,606.00	6.50	8,503.50	78.00	11,736.50	139.00	22,846.00	223.50
Health Occupational	1,153.50	-	3,553.00	8.00	4,343.00	24.00	9,049.50	32.00
Remedial Development	16.00	-	158.00	-	33.00	-	207.00	-
Adult Basic Education/Adult Secondary Education	40.00	541.50	32.00	581.00	24.00	359.00	96.00	1,481.50
TOTAL CREDIT HOURS CERTIFIED	7,798.50	691.00	32,742.00	1,097.00	36,193.00	702.00	76,733.50	2,490.00

	Attending In-District Unrestricted	Attending In-District Restricted	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Reimbursable semester credit hours (all terms)	60,166.50	2,249.00	253.00	62,668.50

	Dual Credit	Dual Enrollment
Reimbursable semester credit hours (all terms)	13,971.00	2,118.50

District 2023 equalized assessed valuation $ 2,192,403,436

	Summer	Fall	Spring	Total
CORRECTIONAL CREDIT HOURS				
Baccalaureate	-	-	-	-
Business Occupational	-	-	-	-
Technical Occupational	-	-	-	-
Health Occupational	-	-	-	-
Remedial Development	-	-	-	-
Adult Basic Education/Adult Secondary Education	-	-	-	-
TOTAL CORRECTIONAL CREDIT HOURS CERTIFIED	-	-	-	-

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
RECONCILIATION OF SEMESTER CREDIT HOURS
Year Ended June 30, 2024

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
CATEGORIES						
Baccalaureate	39,911.00	39,911.00	-	245.00	245.00	-
Business Occupational	4,624.00	4,624.00	-	508.00	508.00	-
Technical Occupational	22,846.00	22,846.00	-	223.50	223.50	-
Health Occupational	9,049.50	9,049.50	-	32.00	32.00	-
Remedial Development	207.00	207.00	-	-	-	-
Adult Basic Education/ Adult Secondary Education	96.00	96.00	-	1,481.50	1,481.50	-
TOTAL CREDIT HOURS	76,733.50	76,733.50	-	2,490.00	2,490.00	-
CORRECTIONAL CREDIT HOURS						
Baccalaureate	-	-	-	-	-	-
Business Occupational	-	-	-	-	-	-
Technical Occupational	-	-	-	-	-	-
Health Occupational	-	-	-	-	-	-
Remedial Development	-	-	-	-	-	-
TOTAL CORRECTIONAL CREDIT HOURS	-	-	-	-	-	-

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)	Difference
In-district	62,415.50	62,415.50	-
Out-of-district on chargeback or contractual agreement	253.00	253.00	-
TOTAL	62,668.50	62,668.50	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual credit	13,971.00	13,971.00	-
Dual enrollment	2,118.50	2,118.50	-

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Documentation of Residency Verification Steps
For the Year Ended June 30, 2024

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 <u>unless</u> 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, 2024

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 Responses – ICCB Grant Compliance
For the Year Ended June 30, 2024

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, 2024

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, 2024

CSFA #	Program	State Amount	Federal Amount	Other Amount	Total
420-35-0083	Small Business Development Centers	$ -	$ 62,398	$ -	$ 62,398
684-00-0465	Postsecondary Perkins Basic Grants - Federal CTE	-	306,780	-	306,780
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	219,074	144,508	-	363,582
684-01-1670	Innovative Bridge and Transition Grant - State	193,986	-	-	193,986
684-05-2866	Early Childhood Access Consortium for Equity	-	549,231	-	549,231
	All Other Federal Expenditures	-	8,922,884	-	8,922,884
	All Other Costs not Allocated	-	-	39,072,689	39,072,689
	Total	$ 413,060	$ 9,985,801	$ 39,072,689	$ 49,471,550

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

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 Program:				
Student Financial Assistance Cluster:				
Direct:				
PELL Grant Program	84.063		$ 4,372,013	$ -
Supplementary Education Opportunity Grant Program	84.007		469,088	-
Federal Work-Study Program	84.033		441,672	-
Direct Loan Program	84.268		1,295,557	-
Total Student Financial Assistance Cluster			6,578,330	-
Other Direct Programs:				
TRIO Cluster:				
Upward Bound	84.047A		954,441	-
Student Support Services	84.042A		324,973	-
Total TRIO Cluster			1,279,414	-
TITLE III	84.031A		640,888	-
Pass-Through Programs from the Illinois Community College Board:				
Perkins-Postsecondary/Adult:				
Federal Adult Education - Basic	84.002	AE-52901-24	144,508	-
Perkins-Postsecondary/Adult	84.048	CTE52924	306,780	-
Total Perkins-Postsecondary/Adult			451,288	-
Total U.S. Department of Education			8,949,920	-
U.S. Department of Agriculture				
Direct:				
Distance Learning and Telemedicine	10.855		389,252	-
U.S. Department of Labor				
Pass-Through Program from the Illinois Department of Natural Resources:				
Annual Refresher Training	17.600	MST24IECC	35,000	-
Pass-Through Programs from the Illinois Department of Commerce and Economic Opportunity - Small Business Assistance:				
Small Business Development	59.037	23-181157	22,825	-
Small Business Development	59.037	24-561157	39,573	-
Total U.S. Department of Labor			97,398	-
U.S. Department of Health and Human Services				
Major Program:				
Pass-Through Programs from the Illinois Community College Board:				
Early Childhood Education	93.575	ECE-52901-22	549,231	-
TOTAL FEDERAL AWARDS			**$ 9,985,801**	**$ -**

See Accompanying Notes on Page 83

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

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, 2024. 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, 2024.

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, 2024

1. Summary of Auditor's Results

(i) Type of audit report issued on the financial statements: Unmodified

(ii) The audit did not disclose a material weakness or report a significant deficiency in internal control over financial reporting that is 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 material weakness or report a significant deficiency in internal control over a major federal award program.

(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:
- Student Financial Aid Cluster
  - Assistance Listing #84.063
  - Assistance Listing #84.007
  - Assistance Listing #84.033
  - Assistance Listing #84.268

U.S. Department of Health and Human Services:
- Early Childhood Education
  - Assistance Listing #93.575

(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, 2024

No findings were noted in the prior fiscal year.

CERTIFIED PUBLIC ACCOUNTANTS

AICPA GAQC Member

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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 6, 2024. Our report includes a reference to other auditors who audited the financial statements of two of the discretely presented component units as described in our report on the District's financial statements.

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.

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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.

MH CPA PLLC

Champaign, Illinois
December 6, 2024

CERTIFIED PUBLIC ACCOUNTANTS

AICPA GAQC Member

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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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.

MH CPA PLLC

Champaign, Illinois
December 6, 2024