

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531

Ullin, Illinois

Annual Comprehensive Financial Report

For the Year Ended

June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Shawnee Community College
Community College District #531
Ullin, Illinois

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities (the College) and the discretely presented component unit, Saints Foundation at Shawnee Community College (the Foundation) of Shawnee Community College, Community College District #531 (collectively "the District") as of and for the year ended June 30, 2022, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College and its discretely presented component unit, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with account principles generally accepted in the United States of America.

Basis for Opinions

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



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 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 required that the management's discussion and analysis on pages 5 through 9, the Schedule of Proportionate Share of Net Pension Liability – SURS on page 42, Schedule of Contributions – SURS on page 43, the Schedule of Proportionate Share of OPEB Liability – CIP on page 45, and the Schedule of Contributions – CIP on page 46 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 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining financial statements and other data in Schedules 1 through 16 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The uniform financial statements in Schedules 17 through 21 and the certificate of chargeback reimbursement (Schedule 22) 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 32 is presented for purposes of additional analysis as required by the Illinois Grant Accountability and Transparency Act and is not a required part of the basic financial statements. The accompanying Schedules 33 through 35, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. As described in Note 22, Schedules 1 through 3, Schedules 6 through 9, Schedules 11 through 13, Schedule 17, and Schedules 19 through 21 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 22 and Schedules 32 through 35, including the schedule of expenditures of federal awards, are the responsibility of management. Schedules 1 through 22, except Schedule 16, and Schedules 32 through 35, 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 22, except Schedule 16, and Schedules 32 through 35, 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 on Schedules 1 through 22, except Schedule 16, and Schedules 32 through 35, including the schedule of expenditures of federal awards, 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 Information

Management is responsible for the other information included in the annual report. Schedule 16 has not been subjected to the auditing procedures applied in the audit of the basic financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 5, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Martin Hood LLC

Champaign, Illinois
December 5, 2022

**SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

This section of Shawnee Community College's (the College) Financial Statements represents management's discussion and analysis of the College's primary government financial activity during the fiscal year ended June 30, 2022. Since this discussion and analysis is designed to focus on current activities and currently known facts, please read it in conjunction with the basic financial statements and footnotes (pages 10-41). Responsibility for the completeness and fairness of this information rests with the College.

Using this Annual Report

The financial statements focus on the College as a whole. The College's basic financial statements are designed to resemble corporate financial statements whereby all College activities are consolidated into one total. The Statement of Net Position is to be considered bottom line results for the College. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The Statement of Revenues, Expenses and Changes in Net Position focuses on the gross and net costs of College activities. These activities are supported by property taxes, state and federal revenues, tuition and other revenues. This approach is intended to summarize and simplify the user's evaluation of the cost of various College services to students and the public.

Financial Highlights

As of June 30, 2022, the College's Net Position was \$33.8 million, an increase of \$2.5 million over the prior year's Net Position of \$31.2 million. This increase in net position is primarily due to an increase of \$2.1 million in net position restricted for capital projects and an increase in net investment in capital assets of \$1.02 million.

The largest concern in the district is the continual decline in enrollment. Administration is monitoring this and looking at ways to increase enrollment through new programs, hybrid courses, online courses, and condensed courses. The College implemented in fiscal year 2021 a new comprehensive strategic plan and effectiveness system. The strategic plan was followed during fiscal year 2022 and is continuously updated and located on the College's website. This plan is to help guide administrators, faculty, and staff on the continued sustainability and growth of the College.

There are currently no other known facts, decisions or conditions which will have a significant effect on the financial position (Net Position) or results of operation (revenues, expenses and changes in Net Position).

Financial Analysis of the College as a Whole

The following tables are prepared from the College's Statement of Net Position (page 10), which is presented on the accrual basis of accounting whereby capital assets are capitalized and depreciated, and Statement of Revenues, Expenses, and Changes in Net Position.

Statements of Net Position
As of June 30
(in millions)

	<u>2022</u>	<u>2021</u>
Current Assets	\$ 23.2	\$ 23.8
Non-Current Assets		
Land	0.1	0.1
Buildings in Progress	0.0	-
Capital Assets, Net of Depreciation and Amortization	<u>21.6</u>	<u>22.0</u>
Total Assets	<u>44.9</u>	<u>45.9</u>
Deferred Outflows	<u>0.2</u>	<u>0.3</u>
Current Liabilities	3.5	5.4
Long Term Liabilities	<u>5.9</u>	<u>8.1</u>
Total Liabilities	<u>9.4</u>	<u>13.5</u>
Deferred Inflows	<u>2.0</u>	<u>1.5</u>
Net Position		
Net Investment in Capital Assets	20.1	19.1
Restricted for:		
Expendable Trust	5.0	5.0
Capital Projects	3.3	1.1
Debt Service	0.6	0.7
Other	1.7	2.0
Unrestricted	<u>3.0</u>	<u>3.3</u>
Total Net Position	<u>\$ 33.7</u>	<u>\$ 31.2</u>

Operating expenses, excluding on-behalf payments, for the College over the fiscal year ending June 30, 2022 were \$17.2 million compared to \$16.0 million for the previous year.

Operating Expenses
As of June 30
(in millions)

	<u>2022</u>	<u>2021</u>
Instruction	\$ 5.3	\$ 5.0
Academic Support	1.6	1.4
Student Services	1.6	1.4
Public Services	0.5	0.4
Auxiliary Expenses	1.1	1.2
Operation and Maintenance of Plant	1.3	1.1
Grants and Scholarships	1.9	1.4
Institutional Support	3.0	3.0
Other Postemployment Benefits	(0.1)	0.1
Depreciation and Amortization	<u>1.0</u>	<u>1.0</u>
Total Operating Expenses	<u>\$ 17.2</u>	<u>\$ 16.0</u>

The operating revenue for fiscal year 2022 was \$3 million compared to \$2.9 for 2021. Non-operating revenues (expenses) for fiscal year 2022, excluding on-behalf revenue, were \$16.7 million compared to \$15.4 million for 2021.

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

	<u>2022</u>	<u>2021</u>
Operating Revenues		
Tuition and Fees, Net of Allowance	\$ 2.3	\$ 2.2
Auxiliary Enterprise Revenues	0.4	0.4
Other	<u>0.3</u>	<u>0.3</u>
Total Operating Revenues	<u>3.0</u>	<u>2.9</u>
Non-Operating Revenue (Expenses)		
State Grants and Contracts	6.5	5.2
Local Property Taxes	4.6	4.7
Federal Grants and Contracts	5.6	5.6
Investment Income	.1	-
Interest Expense	<u>(0.1)</u>	<u>(0.1)</u>
Total Non-Operating Revenues	<u>16.7</u>	<u>15.4</u>
Total Revenues	19.7	18.3
Operating Expenses	<u>17.2</u>	<u>16.0</u>
Increase in Net Position	2.5	2.3
Net Position, Beginning of Year	<u>31.2</u>	<u>28.9</u>
Net Position, End of Year	<u>\$ 33.7</u>	<u>\$ 31.2</u>

Significant Transactions and Changes in Individual Funds

The operating fund balance, as represented by both the education and the operation and maintenance funds, experienced a decrease of \$395,287 in 2022. This is due to the transfer of \$1,927,359 from the operation and maintenance funds to the restricted operation and maintenance funds for future capital projects. There was an increase in revenues associated with the HEERF grants that was recorded for lost revenue in fiscal year 2022. Individually, the education fund balance decreased by \$282,970 and the operations and maintenance fund balance decreased by \$112,317. The education and operations and maintenance funds have a revenue surplus of \$2,137,752 but the fund balance decreased due to the one-time transfer of funds for future capital projects. The surplus was from HEERF lost revenue and an increase in Corporate Personal Property Replacement Tax revenue.

The liability, protection and settlement fund balance decreased in 2022 by \$243,280 bringing that fund balance to \$1,676,628. The decrease was due to planned actions as noted in the College's Risk Management Plan. Local property taxes are the only source of revenues for this fund.

The bond and interest fund was started in 2007. This fund ended fiscal year 2022 with a decrease in fund balance of \$99,196. The remaining fund balance of \$574,687 will be used to make future bond payments.

The capital projects fund balance increased by \$2,109,662. This increase is due to the transfer of \$1,927,359 from the education and operations and maintenance funds and the planning of several health, safety, and protection projects around the College to improve the campus but not yet expended. The remaining fund balance of \$3,274,217 will be used for future capital expenditures.

Capital Asset Administration

At the end of fiscal year 2022, the College had \$21.7 million invested in a broad range of capital assets (see table below). This amount represents a net decrease of \$0.4 million (including additions and depreciation) from the prior year. More detailed information about capital assets can be found in Note 4 to the Basic Financial Statements.

Capital Assets As of June 30 (Net of Depreciation in millions)

	<u>2022</u>	<u>2021</u>
Land	\$ 0.1	\$ 0.1
Buildings in Progress	0.0	-
Land Improvements	0.1	0.1
Buildings	20.0	20.6
Equipment	0.7	0.5
Vehicles	0.2	0.3
Software	0.3	0.4
Leased Assets	0.2	-
Computer Equipment	0.1	0.1
Total Capital Assets, Net of Depreciation and Amortization	\$ 21.7	\$ 22.1

Long-Term Debt Activity

The College's long-term debt decreased during Fiscal Year 2022 from \$11.6 million to \$7.6 million (as restated due to GASB 87 *Leases* implementation) due to the retirement of \$1.62 million in bond debt and a net decrease in other postemployment benefit liability of \$0.7 million and the payoff of the note payable of \$1.5 million. More detailed information about long-term debt can be found in Note 9 to the Basic Financial Statements.

Economic Factors That Will Affect the Future

The College's fiscal future is influenced by such factors as the local economy, student enrollment, new program innovations, and technological advances. The College maintains good fiscal management policies and continues to explore alternative revenue sources. In fiscal year 2022 the College secured four new grants to help offset the impacts of COVID-19, to help accelerate student process through developmental education, providing technical assistance and marketing to small minority owned businesses, and to support green energy initiatives. The College's approved operating budget for fiscal year 2023 is \$12.3 million. The total College budget is \$25.3 million. Administration will continue to be proactive in monitoring all areas of its operating budget.

The College's Administration and its Board continue to monitor other major factors related to its financial state including declining student enrollment, limited state funding, and the continued COVID-19 pandemic. Shawnee will continue capital improvements on its grounds and facilities as needed. This includes ongoing annual protection, health and safety projects.

The College issued \$6,220,000 general obligation community college bonds 2022A and \$860,000 taxable general obligation community college bonds 2022B. The proceeds of the 2022A bonds will be used to pay and redeem certificates. The certificates were issued to fund capital improvement to the District's facilities. Proceeds of the 2022B bonds will be used to increase the District's Working Cash Fund.

Other than the above, the College is not aware of any currently known facts, decisions, or conditions that are expected to have significant effect on the financial position or results of operations during the new fiscal year.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Net Position
June 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Primary Government	Component Unit
Current Assets		
Unrestricted:		
Cash and Cash Equivalents	\$ 9,458,962	\$ 162,991
Investments	-	605,547
Receivables:		
Property Taxes	632,928	-
Replacement Taxes	260,929	-
Student Tuition and Fees, Net of Allowance of \$161,823	573,792	-
Prepaid Expenses	140,251	10,800
Inventories	147,071	-
Restricted:		
Cash and Cash Equivalents	7,794,221	-
Investments	2,648,014	533,820
Receivables:		
Property Taxes	816,057	-
Governmental Grants and Contracts	761,357	-
Total Current Assets	23,233,582	1,313,158
Capital Assets, Net	21,649,184	-
Total Assets	44,882,766	1,313,158
Deferred Outflows of Resources		
Pension Related Deferred Outflows	90,151	-
Other Postemployment Benefits Related Deferred Outflows	157,196	-
Total Deferred Outflows of Resources	247,347	-
Total Assets and Deferred Outflows of Resources	\$ 45,130,113	\$ 1,313,158

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

Current Liabilities		
Accounts Payable	\$ 194,441	\$ 45,194
Accrued Liabilities	416,216	-
Due to Student Groups	237,284	-
Unearned Revenue	1,042,705	-
Lease Liabilities	64,318	-
Bonds Payable	1,575,000	-
Total Current Liabilities	3,529,964	45,194
Long-Term Liabilities		
Lease Liabilities, Net of Current Portion	36,007	-
Net Other Postemployment Benefit Liabilities	5,815,293	-
Total Long-Term Liabilities	5,851,300	-
Total Liabilities	9,381,264	45,194
Deferred Inflows of Resources		
Other Postemployment Benefits Related Deferred Inflows	1,989,169	-
Net Position		
Net Investment in Capital Assets	20,150,724	-
Restricted for:		
Expendable Trust	5,030,178	-
Capital Projects	3,274,217	-
Debt Service	574,687	-
Other - Restricted by Enabling Legislation	1,719,280	-
Net Assets With Donor Restrictions	-	533,820
Unrestricted	3,010,594	734,144
Total Net Position	33,759,680	1,267,964
Total Liabilities, Deferred Inflows, and Net Position	\$ 45,130,113	\$ 1,313,158

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022

Operating Revenues

Student Tuition and Fees, Net of Scholarship	
Allowance of \$2,222,165	\$ 2,288,930
Auxiliary Enterprises Revenue	412,710
Other Operating Revenues	299,008
Total Operating Revenues	<u>3,000,648</u>

Operating Expenses

Instruction	5,369,069
Academic Support	1,554,647
Student Services	1,595,962
Public Services	491,246
Auxiliary Expenses	1,130,821
Operation and Maintenance of Plant	1,256,192
Grants and Scholarships	1,908,990
Institutional Support	2,885,932
On-Behalf Payments	4,050,939
Other Postemployment Benefits	(145,913)
Depreciation and Amortization	1,129,245
Total Operating Expenses	<u>21,227,130</u>

Operating Loss(18,226,482)**Non-Operating Revenues (Expenses)**

State Grants and Contracts	6,569,661
Local Property Tax Revenues	4,587,601
Federal Grants and Contracts	5,597,223
On-Behalf Payments	4,050,939
Investment Income Earned	50,613
Interest Expense	(109,930)
Total Non-Operating Revenues	<u>20,746,107</u>

Increase in Net Position

2,519,625

Net Position, Beginning of Year31,240,055**Net Position, End of Year**\$ 33,759,680

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Activities - Component Unit
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	\$ 55,918	\$ 137,622	\$ 193,540
Investment Return, Net	(171,234)	-	(171,234)
Total Support and Revenue	(115,316)	137,622	22,306
Net Assets Released from Restrictions	7,877	(7,877)	-
Total Support and Revenue and Net Assets Released from Restrictions	(107,439)	129,745	22,306
Expenses:			
<i>Program Services</i>			
Scholarships, Awards, and Grants	70,054	-	70,054
Supplies	16,415	-	16,415
Total Program Services	86,469	-	86,469
<i>Supporting Services</i>			
Fundraising Expenses			
Salaries	34,107	-	34,107
Postage and Supplies	2,601	-	2,601
Contractual Services	550	-	550
Gala Reimbursement	300	-	300
Total Fundraising Expenses	37,558	-	37,558
Management and General Expenses			
Salaries	36,718	-	36,718
Consulting	2,830	-	2,830
Supplies	2,642	-	2,642
Miscellaneous	7,868	-	7,868
Total Management and General Expenses	50,058	-	50,058
Total Supporting Services	87,616	-	87,616
Total Expenses	174,085	-	174,085
Change in Net Assets	(281,524)	129,745	(151,779)
Net Assets, Beginning of Year	1,015,668	404,075	1,419,743
Net Assets, End of Year	\$ 734,144	\$ 533,820	\$ 1,267,964

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Cash Flows
For the Year Ended June 30, 2022

Cash Flows from Operating Activities	
Student Tuition and Fees	\$ 2,247,219
Payments to Suppliers	(5,577,872)
Payments to Employees and Benefits Paid	(8,775,243)
Payments for Financial Aid and Scholarships	(1,908,990)
Auxiliary Enterprise Charges	412,710
Other Receipts	299,008
Net Cash Used in Operating Activities	<u>(13,303,168)</u>
Cash Flows from Non-Capital Financing Activities	
State Grants and Contracts	6,225,469
Local Property Taxes	4,614,910
Federal Grants and Contracts	6,916,587
Payment of Note Payable	(1,548,298)
Interest Paid on Notes Payable	(14,302)
Net Cash Provided by Non-Capital Financing Activities	<u>16,194,366</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Bonds	(1,625,000)
Interest Paid on Bonds	(101,045)
Purchase of Property and Equipment	(456,912)
Payments of Lease Liabilities	(74,164)
Net Cash Used in Capital and Related Financing Activities	<u>(2,257,121)</u>
Cash Flows from Investing Activities	
Interest on Investments	50,613
Purchases of Investments	(649,814)
Net Cash Used in Investing Activities	<u>(599,201)</u>
Net Increase in Cash and Cash Equivalents	34,876
Cash and Cash Equivalents, Beginning of Year	<u>17,218,307</u>
Cash and Cash Equivalents, End of Year	<u>\$ 17,253,183</u>
On the Statement of Net Position as:	
Unrestricted - Cash and Cash Equivalents	\$ 9,458,962
Restricted - Cash and Cash Equivalents	<u>7,794,221</u>
Cash and Cash Equivalents, End of Year	<u>\$ 17,253,183</u>

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Cash Flows
For the Year Ended June 30, 2022

Reconciliation of Operating Loss to Net Cash

Used in Operating Activities

Operating Loss	\$ (18,226,482)
Adjustments to Reconcile Operating Loss to Net Cash	
Used in Operating Activities:	
Depreciation and Amortization Expense	1,129,245
On-Behalf Payments	4,050,939
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:	
Student Tuition and Fees Receivables	(25,874)
Prepaid Expenses	1,233
Inventories	22,370
Pension Related Deferred Outflows	(18,667)
OPEB Related Deferred Outflows	45,979
Accounts Payable	(48,477)
Accrued Liabilities	(45,344)
Due to Student Groups	19,639
Unearned Revenue	(15,837)
Net OPEB Liabilities	(696,059)
OPEB Related Deferred Inflows	504,167
Net Cash Used in Operating Activities	\$ (13,303,168)

Supplemental Disclosure of Non-Cash Capital and Related Financing Activity

Capital Assets Acquired through Lease Liabilities	\$ 174,489
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See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to Basic Financial Statements
June 30, 2022

Shawnee Community College, Community College District #531 (the College) is a governmental unit that provides post-secondary school education and vocational training for six counties in Southern Illinois. The summary of accounting policies is presented to assist you in understanding the College's financial statements.

1. Reporting Entity

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

The College is a community college governed by an elected eight-member Board of Trustees. The College's district includes the counties of Alexander, Jackson, Johnson, Massac, Pulaski, and Union. The College's mission is to provide affordable vocational, technical, and academic education.

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the financial reporting entity of the College, which consists of the College (the primary government of the reporting entity) and The Saints Foundation at Shawnee Community College (the Foundation), a discretely presented component unit of the College. The Foundation is a discretely presented component unit because the resources received and held by the Foundation are entirely for the direct benefit of the College and those resources are significant to the College.

2. Basis of Accounting and Significant Accounting Policies

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

Non-exchange transactions, in which the College receives value without directly giving equal value in return, include property taxes; federal, state, and local grants; state appropriations; and other contributions. On an accrual basis, revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and, expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

- c. Cash includes deposits held at banks and small amounts of cash held for change funds. Cash equivalents include deposits held in the Illinois Funds Money Market Fund.
- d. Cash and cash equivalents that are subject to certain limitations as to their uses are reported as restricted. These amounts include property taxes received for specific purposes, grant funds, bond proceeds for capital projects and amounts held by the College as an agent for student organizations.
- e. Investments consist of certificates of deposit with maturities greater than three months. These certificates of deposit are carried at cost. The difference between the cost and fair value of the negotiable certificates of deposit is insignificant.
- f. Student tuition and fees receivables include uncollateralized student obligations, which generally require payment by the first day of classes. These receivables are stated at the invoice amount.

Student 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 student tuition and fees receivables 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, 2022, was \$161,823.

Receivables also include outstanding balances from replacement taxes, 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.

- g. Inventories are stated at the lower of average cost or market. Cost is determined on a first-in, first-out (FIFO) basis. Inventories consist of food supplies, textbooks, college apparel, and school supplies.

- h. Capital assets include property, plant equipment, infrastructure assets, such as roads and sidewalks, and leased assets. Capital assets are defined by the College as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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. Leased assets are capitalized based on the present value of lease payments. Leased assets are amortized using the straight-line method over the lease term.

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

Land Improvements	10-12.5 Years
Buildings	50 Years
Equipment	7-8 Years
Vehicles	5 Years
Computer Technology Equipment	5 Years

- i. 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 College has two items that qualify for reporting in this category. These items, the pension related deferred outflows and other postemployment benefits (OPEB) related deferred outflows, are reported in the Statement of Net Position. The pension related deferred outflows item is the amount of contributions made by the College to the State Universities Retirement System (SURS or the System) for retirement benefits on grant funded salaries during the year ended June 30, 2022. One of the OPEB related deferred outflows items is the amount of contributions made by the College to the Community College Health Insurance Security Fund (also known as the College Insurance Program (CIP)) for retiree health insurance benefits. These contributions occurred after the SURS and CIP liability measurement date of June 30, 2021 and will be included in the pension and other postemployment benefit expense, respectively, in Fiscal Year 2023. The College'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 College's changing portion of the allocated CIP liability, and the differences between the College's contribution and its share of contributions.

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. Other postemployment benefit related deferred inflows qualify for reporting in this category at June 30, 2022. The other postemployment benefit related deferred inflows consist of the College's 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 College's changing proportion of the allocated CIP liability.

- j. Accrued liabilities include accrued vacation, which is accumulated unused vacation days up to a maximum of 20 days that employees are allowed to accumulate. Those days are guaranteed to be paid to employees upon termination of employment. The rate of accrued compensated absence is calculated based on the employee's equivalent hourly rate as of Statement of Net Position date.
- k. 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.

Unearned revenue also includes a refund payable for property taxes collected that are subject to successful tax protests.

- l. The College's net position is classified as follows:
- Net Investment in Capital Assets – This represents the College'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 College 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 College 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, it is the College's policy to first apply restricted resources to such expenses.

- m. Operating revenues include all activities that have the characteristics of exchange transactions, such as student tuition and fees, and sales and services of auxiliary enterprises, net of scholarship discounts and allowances. All other revenues are considered non-operating.
- n. The College's property taxes are levied each calendar year on all taxable real estate located in the College's district. The district's boundaries overlap six counties with each serving as a local taxing authority for the College. Property taxes are recorded on an accrual basis of accounting. Pursuant to Board of Trustee's resolutions, property tax levies passed in December 2020 and 2021, were allocated 70 percent and 30 percent, respectively, for Fiscal Year 2022. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1 of the levy year. Taxpayers may file a complaint with the Board of Review if they believe assessments are too high and may make further appeal to the

state Property Tax Appeals Board. However, tax levies are determined by local governments, not by assessors. Due dates and collection dates vary according to the schedules of the individual counties with disbursements to the College normally made within 30 days of collection. Property tax receivables have not been reduced for an allowance as the College's historical collection experience indicates this amount is insignificant.

Act 89-1 placed limitations on the annual growth of most local governments' property tax collections. Currently, the limitation is the lesser of 5 percent or the rate of inflation. The following are the statutory maximum tax rates permitted and the actual rates levied per \$100 of assessed valuation:

	Maximum Rate	Actual Rate	
		2021 Levy Payable 2022	2020 Levy Payable 2021
Education	.20000	.20000	.20000
Building	.10000	.10000	.10000
Tort Immunity	Unlimited	.10424	.10793
Social Security	Unlimited	.01752	.01869
Audit	.00500	.00500	.00500
Health and Safety	.05000	.03675	.03825
Bond and Interest	Unlimited	.23616	.26324
Prior Year Adjustment	N/A	-	(.00541)
		<u>.69967</u>	<u>.72770</u>

- o. 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 postemployment 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 and the non-employer is the only entity with a legal obligation to make contributions directly

to a pension plan. The State of Illinois is considered a non-employer contributing entity. The College recognizes its proportionate share of the State's pension expense relative to the College's employees as non-operating revenue and on-behalf expense.

- p. Although the College adopts an expanded operational budget, the budget legally required by the Illinois Community College Board contains only a statement of cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such year.
- q. The preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

The most sensitive estimates affecting the financial statements were:

- 1. The valuation of the student tuition receivable
 - 2. The useful lives of depreciable capital assets
 - 3. The unearned revenue for property taxes received under appeal
 - 4. The valuation of the liability for post-employment health insurance benefits
 - 5. The amount of expenses eligible for reimbursement under the College's state and federal grants
- r. In June 2017, GASB issued Statement No. 87 (GASB 87), *Leases*. The provisions of GASB 87 require that certain lessees recognize a lease liability and asset for all leases greater than 12 months. The College adopted the new standard during Fiscal Year 2022. The adoption of this standard did not impact net position as of June 30, 2021, as previously reported. The adoption of the standard caused a \$1,187 decrease in operating expenses and a \$5,824 increase in nonoperating expenses for the year ended June 30, 2022.

In April 2022, GASB issued Statement No. 99 (GASB 99), *Omnibus 2022*. The provisions of GASB 99 include clarifications on accounting for leases, public-private and public-public partnerships, subscription-based information technology arrangements, and other various topics. The College adopted the new standard during Fiscal Year 2022. The adoption of the standard had no impact on net position as of June 30, 2021, as previously reported, or on net position recorded for Fiscal Year 2022.

In June 2022, GASB issued Statement No. 100 (GASB 100), *Accounting Changes and Error Corrections*. The provisions of GASB 100 enhance accounting and financial reporting and disclosure requirements for accounting changes and error corrections. The

College has early adopted the new standard, and it is effective for the College's Fiscal Year 2022. The adoption of the new standard had no impact on net position as of June 30, 2021, as previously reported, or on net position recorded for Fiscal Year 2022.

3. Deposits and Investments

The College is authorized to invest in instruments outlined under Chapter 30, Section 235 of the 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.

Investments

At June 30, 2022, the College's investments consisted of eleven non-negotiable certificates of deposit with different banks each with a carrying value that exceeds five percent of the College's total investments at June 30, 2022.

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College's investment policy requires that funds on deposit in excess of federal deposit insurance limits must be secured by collateral pledged by the financial institution. At June 30, 2022, \$7,662,650 of the College's \$10,818,009 bank balance, including certificates of deposits, was exposed to custodial credit risk. The exposed balance was fully collateralized by securities pledged by the depository bank, but such securities are not held in the name of the College.

Credit Risk and Interest Rate Risk – External Investment Pools

At June 30, 2022, the College held \$9,289,328 in the Illinois Funds Money Market Fund. The fair value of the College's position in this fund is equal to the value of the College's fund shares, which maintain a \$1 net asset value. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private rating agencies. The portfolio has an AAAM rating from Standard and Poor's. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States. Assets of the fund that are not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The College has no restrictions on withdrawing funds from this external investment pool.

At June 30, 2022, the College held a total of \$45,724 in the Illinois School District Liquid Asset Fund Plus. The reported value of the College's position in this fund is equal to the value of the College's fund shares, which maintain a \$1 net asset value. The Illinois School District Liquid Asset Fund Plus is regulated by private rating agencies. The portfolio has an

AAAm rating from Standard and Poor's. The assets of the fund are mainly invested in money market instruments having maximum remaining maturities of one year or less, except investments in U.S. Government securities, which may have up to two years remaining to maturity and are valued at amortized cost. Assets of the fund are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year. The College has no restrictions on withdrawing funds from this external investment pool.

4. Property and Equipment, Net

The following is a summary of changes in property and equipment for the year ended June 30, 2022:

	As Restated June 30, 2021	Additions	Disposals	June 30, 2022
Capital Assets, Not Being Depreciated:				
Land	\$ 89,166	\$ -	\$ -	\$ 89,166
Buildings in Progress	-	23,980	-	23,980
Capital Assets Being Depreciated:				
Land Improvements	239,000	18,637	-	257,637
Buildings	32,138,589	74,775	-	32,213,364
Equipment	1,299,356	332,672	-	1,632,028
Vehicles	832,198	-	-	832,198
Software	1,199,826	-	-	1,199,826
Computer Technology Equipment	802,850	6,848	190,433	619,265
Total Capital Assets, being Depreciated	<u>36,600,985</u>	<u>456,912</u>	<u>190,433</u>	<u>36,867,464</u>
Less: Accumulated Depreciation				
Land Improvements	(140,744)	(12,247)	-	(152,991)
Buildings	(11,555,424)	(636,573)	-	(12,191,997)
Equipment	(764,975)	(134,369)	-	(899,344)
Vehicles	(540,691)	(68,642)	-	(609,333)
Software	(735,647)	(155,176)	-	(890,823)
Computer Technology Equipment	(716,476)	(43,437)	(190,433)	(569,480)
Total Accumulated Depreciation	<u>(14,453,957)</u>	<u>(1,050,444)</u>	<u>(190,433)</u>	<u>(15,313,968)</u>
Total Capital Assets, being Depreciated, Net	<u>22,147,028</u>	<u>(593,532)</u>	<u>-</u>	<u>21,553,496</u>
Lease Assets:				
Equipment	69,504	-	-	69,504
Building	104,985	-	-	104,985
Total Lease Assets, being Amortized	<u>174,489</u>	<u>-</u>	<u>-</u>	<u>174,489</u>
Less: Accumulated Amortization				
Equipment	-	(15,810)	-	(15,810)
Building	-	(62,991)	-	(62,991)
Total Accumulated Amortization	<u>-</u>	<u>(78,801)</u>	<u>-</u>	<u>(78,801)</u>
Total Lease Assets, being Amortized, Net	<u>174,489</u>	<u>(78,801)</u>	<u>-</u>	<u>95,688</u>
Total Capital Assets, Net	<u>\$ 22,321,517</u>	<u>\$ (672,333)</u>	<u>\$ -</u>	<u>\$ 21,649,184</u>

5. Leases

The College is obligated under one non-cancellable operating lease for office building, classroom, and activity space, which requires monthly lease payments of \$5,330 with terms running through February 2023.

The College is also obligated under 8 non-cancellable operating leases for office equipment, which require monthly lease payments totaling \$1,889 with terms running through May 11, 2027.

The total costs of the College's lease assets are recorded as \$174,489, less accumulated amortization of \$78,801.

Future minimum lease payments under these operating leases are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 64,318	\$ 2,547	\$ 66,865
2024	14,372	906	15,278
2025	8,870	518	9,388
2026	6,566	302	6,868
2027	6,199	96	6,295
	<u>\$ 100,325</u>	<u>\$ 4,369</u>	<u>\$ 104,694</u>

6. Accrued Liabilities

Accrued liabilities consist of the following at June 30, 2022:

Accrued Wages	\$ 239,274
Accrued Vacation	158,636
Accrued Interest	18,306
Total Accrued Liabilities	<u>\$ 416,216</u>

7. Unearned Revenue

Unearned revenue consists of the following at June 30, 2022:

Property Taxes Received Under Protest	\$ 831,448
Unearned Student Fees	169,804
Unearned Student Tuition	13,470
Other Unearned Revenue	27,983
Total Unearned Revenue	<u>\$ 1,042,705</u>

8. Unrestricted Net Position

Unrestricted net position at June 30, 2022 consisted of (\$7,647,266) related to other postemployment benefit activity and \$10,657,860 related to other general purposes.

9. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

	As Restated June 30, 2021	Additions	Retired	June 30, 2022	Due Within One Year
2017B Series Bond	\$ 3,200,000	\$ -	\$ 1,625,000	\$ 1,575,000	\$ 1,575,000
Other Postemployment Benefit	6,511,352	-	696,059	5,815,293	-
Accrued Vacation	170,383	200,131	211,878	158,636	158,636
Lease Liabilities	174,489	-	74,164	100,325	64,318
Note Payable	1,548,298	-	1,548,298	-	-
Total Long-Term Debt	<u>\$ 11,604,522</u>	<u>\$ 200,131</u>	<u>\$ 4,155,399</u>	<u>\$ 7,649,254</u>	<u>\$ 1,797,954</u>

The College issued 2017B general obligation community college bonds in December 2017. Principal payments are made annually beginning December 1, 2020 and run through December 1, 2022. Interest rates on the bonds range from 3.75 percent to 4.00 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2019.

In May 2020, the College received a Paycheck Protection Program (PPP) loan from the U.S. Small Business Administration in the amount of \$1,548,298 in response to the global COVID-19 pandemic. The note, including interest, was paid in full in May 2022.

Total interest expense incurred for all long-term debt for the year ended June 30, 2022 was \$109,930.

Maturities of the bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
<u>2023</u>	<u>\$ 1,575,000</u>	<u>\$ 31,500</u>	<u>\$ 1,606,500</u>

10. Defined Benefit Pension Plan

Plan Description

The College contributes to SURS, a cost-sharing multiple-employer-defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension

trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2021, can be found in SURS annual comprehensive financial report (ACFR) Notes to the Financial Statements.

Contributions

The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90 percent of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from “trust, federal, and other funds” are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The College’s normal cost for Fiscal Year 2022 was 12.32 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 8.0 percent of their annual covered salary. The contribution requirements of plan members and the College are established and may be amended by the Illinois General Assembly.

The College 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 percent during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

Net Pension Liability

At June 30, 2021, SURS reported a net pension liability (NPL) of \$28,528,477,079. The net pension liability was measured as of June 30, 2021.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the NPL to be recognized for the College is \$0. The proportionate share of the State of Illinois' net pension liability associated with the College is \$49,033,320 or 0.1719 percent. The College's proportionate share changed by 0.0043 percent from 0.1723 percent since the last measurement date on June 30, 2020. This amount is not recognized in the College's financial statements. The net pension liability and total pension liability as of June 30, 2021, was determined based on the June 30, 2020, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during Fiscal Year 2020.

Defined Benefit Pension Expense

At June 30, 2021, SURS defined benefit plan reported a collective net pension expense of \$2,342,460,058.

Employer Proportionate Share of Defined Benefit Pension Expense

The College's proportionate share of collective pension expense is recognized as nonoperating revenue with matching operating expense in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during Fiscal Year 2020. As a result, the College recognized on-behalf revenue and pension expense of \$4,026,103 from this special funding situation for the fiscal year ended June 30, 2022.

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$113,467,689	\$ -
Changes in assumption	776,968,084	-
Net difference between projected and actual earnings on pension plan investments	-	2,283,514,660
Total	\$890,435,773	\$2,283,514,660

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

Fiscal Year Ending June 30	Net Deferred Inflows of Resources
2022	\$ 34,095,451
2023	(197,005,703)
2024	(538,343,058)
2025	(691,825,577)
	<u>\$ (1,393,078,887)</u>

Employer Deferral of Fiscal Year 2021 Pension Expense

The College paid \$90,151 in federal, trust or grant contributions to SURS defined benefit pension plan for the fiscal year ended June 30, 2022. These contributions were made subsequent to the pension liability measurement date of June 30, 2021, and are recognized as Deferred Outflows of Resources as of June 30, 2022.

Assumptions and Other Inputs

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

- Inflation 2.25 percent
- Salary increases 3.00 to 12.75 percent, including inflation
- Investment rate of return 6.50 percent beginning with the actuarial valuation as of June 30, 2021

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

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

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	41.0%	6.30%
Credit Fixed Income	14.0%	1.82%
Core Real Assets	5.0%	3.92%
Options Strategies	6.0%	4.20%
Private Equity	7.5%	10.45%
Non-Core Real Assets	2.5%	8.83%
U.S. TIPS	6.0%	-0.22%
Core Fixed Income	8.0%	-0.81%
Systematic Trend Following	3.5%	3.45%
Alternative Risk Premia	3.0%	2.30%
Long Duration	3.5%	0.91%
Total	100%	4.43%
Inflation		2.25%
Expected Arithmetic Return		6.68%

Discount Rate

A single discount rate of 6.12 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 1.92 percent (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the State's net pension liability, calculated using a single discount rate of 6.12 percent, as well as what the State's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher:

1% Decrease 5.12%	Current Single Discount Rate Assumption 6.12%	1% Increase 7.12%
\$35,000,704,353	\$28,528,477,079	\$23,155,085,730

Additional information regarding the SURS basic financial statements including the Plan's net position can be found in the SURS ACFR by accessing the website at www.SURS.org.

11. Defined Contribution Pension Plan

Plan Description

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

Benefits Provided

A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2021, can be found in the System's Annual Comprehensive Financial Report (ACFR) Notes to the Financial Statements.

Contributions

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

employers. Employers are required to make the 7.60 percent contribution for employee earnings paid from “trust, federal, and other funds” as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State’s General Assembly.

Forfeitures

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

Defined Contribution Pension Expense

For the year ended June 30, 2021, the State’s contributions to the RSP on behalf of the individual employers totaled \$76,280,832. Of this amount, \$70,403,460 was funded via an appropriation from the State and \$5,877,372 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense

The College’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 2021. The College’s share of pensionable contributions was 0.0955 percent. As a result, the College recognized on-behalf revenue and defined contribution pension expense of \$72,836 from this special funding situation for the fiscal year ended June 30, 2022, of which \$5,612 constituted forfeitures.

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

Plan Description

The College 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 (the 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. 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 College to CIP and the College's contributions for the year ended June 30, 2022 were both \$32,384.

Net OPEB Liability

At June 30, 2021, CIP reported a net OPEB liability of \$1,735,532,863.

Employer Proportionate Share of Net OPEB Liability

The proportionate share of the net OPEB liability reported by the College is \$5,815,293. The State of Illinois is considered a non-employer contributing entity and the state's contribution meets the definition of special funding situation. The OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the OPEB liability was determined based on the June 30, 2020 actuarial valuation rolled forward. The College's proportion of the net OPEB liability was based on the College's share of contributions to the OPEB plan relative to the contributions of all participating employers and the state of Illinois. At June 30, 2021, the College's proportion was 0.3351 percent. The portion of the State of Illinois' liability that is associated with the College is \$5,815,293. The total share that is associated with the College is \$11,630,586.

OPEB Expense

At June 30, 2021, CIP reported a collective net OPEB expense of (\$8,291,172).

Employer Proportionate Share of OPEB Expense

For the year ended June 30, 2022, the College recognized proportionate share of collective OPEB expense of (\$24,814). The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported contributions made to CIP during Fiscal Year 2021.

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 represent 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	\$36,801	\$425,029
Changes in assumption	-	1,110,905
Net difference between projected and actual earnings on OPEB investments	-	168
Changes in proportion and differences between employer contributions and share of contributions	<u>88,011</u>	<u>453,067</u>
Total deferred amounts to be recognized in OPEB expense in future periods	124,812	1,989,169
OPEB contributions made subsequent to the measurement date	<u>32,384</u>	=
Total deferred amounts related to OPEB	\$157,196	\$1,989,169

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:

Fiscal Year Ending June 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2023	\$ 24,962	\$ 397,834
2024	24,962	397,834
2025	24,962	397,834
2026	24,963	397,834
2027	24,963	397,833
Total	\$ 124,812	\$ 1,989,169

Employer Deferral of Fiscal Year 2021 OPEB Expense

The College paid \$32,384 in OPEB contributions for the fiscal year ended June 30, 2022. These contributions were made subsequent to the OPEB liability measurement date of June 30, 2021, and are recognized as Deferred Outflows of Resources as of June 30, 2022. This amount will be recognized in OPEB expense in Fiscal Year 2022.

Assumptions and Other Inputs

The total CIP plan’s net OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

- Inflation – 2.25 percent
- Salary increases – depends on service and ranges from 12.25 percent at less than 1 year of service to 3.25 percent at 34 or more years of service. Salary increases include a 3.25 percent wage inflation assumption.
- Investment rate of return – 0 percent, net of OPEB plan investment expense, including inflation
- Healthcare cost trend rates – actual trend used for Fiscal Year 2021 based on premium increases. For fiscal years on or after 2022, trend starts at 8.00 percent for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend rate of 4.25 percent. Additional trend rate of 0.40 percent is added to non-Medicare cost on and after 2022 to account for the Excise tax.

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

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

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity’s index’s “20-year Municipal GO AA Index” has been selected. The discount rate is 1.92 percent as of June 30, 2021.

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

The following presents the College’s proportional share of the OPEB liability, calculated using a Single Discount Rate of 1.92 percent, as well as what the total CIP’s plan OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.92 percent) or 1-percentage-point higher (2.92 percent) than the current discount rate:

1% Decrease (0.92%)	Current Single Discount Rate Assumption (1.92%)	1% Increase (2.92%)
\$6,625,127	5,815,293	5,115,762

Sensitivity of the total CIP’s plan OPEB liability to changes in the healthcare cost trend rates

The following presents the College’s share of the net OPEB liability, calculated using the healthcare cost trend rates as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point that is higher or lower than the current healthcare cost trend rate. The key trend rates are 8.00 percent in 20223 decreasing to an ultimate trend rate of 4.25 percent in 2038.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$4,791,717	\$5,815,293	\$7,186,186

- One percentage point decrease in healthcare trend rates are 7.00 percent in 2023 decreasing to an ultimate trend rate of 3.25 percent in 2038.
- One percentage point increase in healthcare trend rates are 9.00 percent in 2023 decreasing to an ultimate trend rate of 5.25 percent in 2038.

No amount was owed to the plan at June 30, 2022. The College provides no other financially significant postemployment benefit to employees.

13. On-Behalf Payments for Fringe Benefits

For the year ending June 30, 2022, expense for fringe benefits payments made by the State of Illinois on behalf of the College were \$4,098,949 for pensions to SURS pensions and (\$48,010) for the health insurance program to CIP.

14. Other Risk Management Issues

The College is exposed to various risks of loss due to torts involving outside contractors, theft, or damage to assets, errors and omissions, and natural disasters. The College 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.

The College is insured under a retrospectively rated policy for workers' compensation coverage whereas the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the current fiscal year, there were no significant adjustments in premiums based on actual experience.

15. Inter-Sub-Fund Balances and Transfers

The College maintains various sub-funds to track the activity of the primary government. The following is a summary of the balances and transactions among these sub-funds as of and for the year ended June 30, 2022.

	Due to	Due from
Education Fund	\$ -	\$ 800,000
Restricted Purposes Fund	800,000	-
	<u>\$ 800,000</u>	<u>\$ 800,000</u>
	Transfer in	Transfer out
Auxiliary Enterprise Fund	\$ 613,884	\$ -
Education Fund	8,204	2,262,262
Working Cash Fund	-	8,204
Operations & Maintenance - Operational Fund	-	278,981
Operations & Maintenance - Restricted Fund	1,927,359	-
	<u>\$ 2,549,447</u>	<u>\$ 2,549,447</u>

The inter-sub-fund balances and transactions are eliminated for the preparation of the basic financial statements of the primary government of the College.

16. Related Party Activity

At June 30, 2022, the College has \$41,850 receivable from the Foundation related to scholarships and salary reimbursements. The Foundation has a \$42,850 liability at June 30, 2022 due to the College.

17. Contingencies

Federal and State Grants

The College 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 College's management believes examinations would not result in any material disallowed costs for grant revenue recorded in these financial statements or from prior years.

During Fiscal Years 2018 through 2021, the College received an estimated \$831,449 in property taxes on county assessments that have been successfully protested by a taxpayer. As of the date of the Independent Auditor's Report, no claims have been made directly against the College by the impacted county or the taxpayer. In addition, at this stage in the process, a determination of the ultimate repayment amount and the scheduling of the repayment(s) has not been made.

Uncertainty

Beginning in March 2020, local, U.S., and world governments encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Some industries are still experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the College as of the date of the Independent Auditor's Report, management believes that a material impact on the College's financial position and results of future operations is reasonably possible.

18. Other Commitments

The College entered into a five-year contract for a cloud-based ERP system. The remaining commitment on the contract was approximately \$997,139 and is expected to be incurred during Fiscal Years 2023 through 2026.

The College entered into a construction contract for a truck driving school at one of its satellite locations. The remaining commitment on the contract was approximately \$193,000 and is expected to be incurred during Fiscal Year 2023.

Subsequent to year end, the College entered into a construction contract for a road project. The amount of the contract is approximately \$330,000 and is expected to be incurred during Fiscal Year 2023.

19. New Government Accounting Standard

In May 2020, GASB issued GASB Statement 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. The provisions of GASB 96 require that a right-to-use subscription asset and corresponding subscription liability be recorded for applicable contracts that are greater than 12 months. GASB 96 is effective for the College's Fiscal Year 2023.

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

20. Subsequent Event

In November 2022, the College entered into a contract for issuance of \$6,220,000 general obligation community college bonds series 2022A and \$860,000 general obligation community college bonds series 2022B. The proceeds of the 2022A bonds will be used to pay and redeem existing debt certificates. Proceeds of the 2022B bonds will be used to increase the College's Working Cash Fund. The bonds were issued at a premium, less costs of issuance, of \$243,756. The 2022A bonds will be payable annually beginning December 7, 2023 through December 1, 2028 and will bear interest at 5 percent. The 2022B bonds will be payable in full on December 1, 2023 and will bear interest at 5 percent.

21. Discretely Presented Component Unit

The following notes are provided for the College's component unit, the Foundation:

A. Nature of Organization

The Saints Foundation at Shawnee Community College (the Foundation) is a nonprofit corporation organized under the laws of the State of Illinois for the purpose of furthering the excellence of education at Shawnee Community College, Community College District #531 (the College). The Foundation is considered a component unit of the College under the accounting standards followed by the College; however, the Foundation is a separate legal entity.

The Foundation operates to secure gifts that support the mission of the College, its students, faculty, and programs through scholarships and other forms of institutional support. The Foundation's major sources of revenue and support are contributions from donors and investment income.

B. Summary of Significant Accounting Policies

- a. The Foundation's financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United

States. Net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Contributions with donor-imposed stipulations will be treated as net assets without donor restrictions if the restriction is met during the same report period.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Board of Directors and/or the passage of time, or that must be maintained perpetually by the Foundation. When a restriction expires, 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.

- b. Investments consist of managed investment accounts comprised of various mutual funds, fixed income investments that include corporate and government-backed bond funds, and cash equivalents. These investments are stated at fair value based on quoted market prices. Investment securities are exposed to various risks such as interest rate, market, and credit risks.
- c. Contributions of facilities and services are recognized if the benefit received (a) creates or enhances non-financial assets or (b) requires specialized skills provided by individuals possessing those skills and (c) would typically need to be purchased if not provided by donation. Such contributions are recorded at fair value on the date of the contribution and presented as in-kind contributions.
- d. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated among the programs and supporting services benefited.

Salaries expense was allocated on Exhibit C based on the time and effort of employees devoted to each function. All other expenses are identified with a specific program or supporting service.

- e. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.
- f. The Foundation has evaluated subsequent events through December 5, 2022, the date which the financial statements were available to be issued.
- g. In August 2018, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The provisions of the ASU will require presentation of contributed nonfinancial assets for not-for-profit entities as a separate line item in the Statement of Activities, apart from contribution of cash and other financial assets,

and disclosures regarding utilization of contributed nonfinancial assets. The adoption of this standard did not impact beginning net assets of July 1, 2021 and there was also no impact to any component of the financial statements for Fiscal Year 2022 as a result of applying this ASU.

C. Investments

Fair Value Measurements

FASB 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 Foundation has 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.

Mutual Funds, Unit Trust, and Exchange Traded Funds (ETF) – Valued at unadjusted quoted prices for identical assets in active markets that the Foundation has the ability to access.

The following table sets forth, by level within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2022:

	<u>Cost</u>	<u>Market</u>	<u>Fair Value Level</u>
ETF & Closed End Mutual Funds - Equity		\$ 359,404	1
Mutual Funds - Debt		310,303	1
Mutual Funds - Equity		265,902	1
ETF & Closed End Mutual Funds - Debt		203,616	1
Cash and Cash Equivalents		142	N/A
Total	<u>\$ 1,098,668</u>	<u>\$ 1,139,367</u>	

D. Custodial Credit Risk - Investments

At June 30, 2022, the Foundation had \$63,020 of its investments exposed to custodial credit risk related to its investments as all investments were held through a Securities Investor Protection Corporation (SIPC) member brokerage firm and the \$63,020 of the investments was in excess of the SIPC coverage limit.

E. Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of June 30, 2022:

Financial Assets at Year-End:

Cash and Cash Equivalents	\$ 162,991
Investments	<u>1,139,367</u>
Total Financial Assets	1,302,358

Less those unavailable for general expenditures within one year:	<u>533,820</u>
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Financial Assets available to meet cash needs for general expenditures within one year:	<u>\$ 768,538</u>
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The Foundation does not maintain a line of credit.

F. Net Assets With Donor Restrictions

Net assets with donor restrictions totaling \$441,040 at June 30, 2022 are restricted for the purpose of scholarships as designated by the donors.

G. Concentrations

The Foundation received \$116,500, or approximately 60 percent, of its total support and revenue from three donors for the year ended June 30, 2022.

22. Supplemental Information

Schedules 1 through 3, Schedules 6 through 9, Schedules 11 through 13, Schedule 17, and Schedules 19 through 21 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 of accounting differs from GAAP for a special-purpose government engaged only in business-type activities because:

- Capital assets are not depreciated, and depreciation 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.
- In the schedules, the full amount of summer school revenue and scholarship expense is recognized in the fiscal year in which the related term is completed.
- Expenditures in the schedules include the cost of capital asset acquisitions, except for funds considered to be proprietary operations.
- Debt service expenditures in the schedules are recorded only when payment is due, except for funds considered to be proprietary operations.
- Pension expenditures in the schedules include payments made by the College 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 College in the current fiscal year for salaries in the current fiscal year.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability - SURS
For the Year Ended June 30, 2022
(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
a) Shawnee's Proportionate Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	0%	0%	0%	0%
b) Shawnee's Proportionate Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability Associated with Shawnee	<u>38,542,019</u>	<u>42,413,468</u>	<u>46,570,743</u>	<u>44,540,973</u>	<u>47,675,561</u>	<u>51,121,727</u>	<u>52,759,237</u>	<u>49,033,320</u>
Total b) + c)	<u>\$ 38,542,019</u>	<u>\$ 42,413,468</u>	<u>\$ 46,570,743</u>	<u>\$ 44,540,973</u>	<u>\$ 47,675,561</u>	<u>\$ 51,121,727</u>	<u>\$ 52,759,237</u>	<u>\$ 49,033,320</u>
Shawnee Defined Benefit Covered Payroll	<u>\$ 6,467,888</u>	<u>\$ 6,554,621</u>	<u>\$ 6,498,556</u>	<u>\$ 6,190,483</u>	<u>\$ 6,217,104</u>	<u>\$ 6,456,232</u>	<u>\$ 6,408,469</u>	<u>\$ 5,834,259</u>
Proportion of Collective Net Pension Liability Associated with Shawnee as a Percentage of Defined Benefit Covered Payroll	595.90%	647.08%	716.63%	719.51%	766.85%	791.82%	823.27%	840.44%
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%

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

See Accompanying Notes on Page 44

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Required Supplementary Information
Schedule of Contributions - SURS
For the Year Ended June 30, 2022
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Shawnee's Federal, Trust, and Other Contribution	\$ 57,061	\$ 52,110	\$ 60,689	\$ 55,477	\$ 55,146	\$ 54,766
Shawnee's Contribution in relation to required contribution	57,061	52,110	60,689	55,477	55,146	54,766
Contribution Deficiency (Excess)	<u>\$ -</u>					
Shawnee's Covered Payroll	<u>\$ 479,102</u>	<u>\$ 445,004</u>	<u>\$ 478,243</u>	<u>\$ 442,753</u>	<u>\$ 442,584</u>	<u>\$ 445,614</u>
Contributions as a Percentage of Covered Payroll	11.91%	11.71%	12.69%	12.53%	12.46%	12.29%

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Shawnee's Federal, Trust, and Other Contribution	\$ 61,573	\$ 71,484	\$ 90,151
Shawnee's Contribution in relation to required contribution	61,573	71,484	90,151
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Shawnee's Covered Payroll	<u>\$ 472,911</u>	<u>\$ 562,866</u>	<u>\$ 731,745</u>
Contributions as a Percentage of Covered Payroll	13.02%	12.70%	12.32%

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

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to Required Supplementary Information – Pension Liability
For the Year Ended June 30, 2022
(Unaudited)

Changes of Benefit Terms

There were no benefit changes in the Total Pension Liability as of June 30, 2021.

Changes of Assumptions

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

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

SHAWNEE COMMUNITY COLLEGE
 Required Supplementary Information
 Schedule of Proportionate Share of OPEB Liability - CIP
 For the Year Ended June 30, 2022
 (Unaudited)

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2021</u>
a) Shawnee's Proportionate Percentage of the Collective Net OPEB Liability	0.358787%	0.352815%	0.349766%	0.354974%	0.357224%	0.335073%
b) Shawnee's Proportionate Amount of the Collective Net OPEB Liability	\$ 6,529,754	\$ 6,434,065	\$ 6,593,971	\$ 6,703,834	\$ 6,511,352	\$ 5,815,293
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability Associated with Shawnee	6,803,453	6,349,324	6,593,970	6,703,834	6,511,339	5,815,293
Total b) + c)	<u>\$ 13,333,207</u>	<u>\$ 12,783,389</u>	<u>\$ 13,187,941</u>	<u>\$ 13,407,668</u>	<u>\$ 13,022,691</u>	<u>\$ 11,630,586</u>
Shawnee's Covered Payroll	<u>\$ 6,503,516</u>	<u>\$ 6,121,858</u>	<u>\$ 6,108,812</u>	<u>\$ 6,372,800</u>	<u>\$ 6,570,600</u>	<u>\$ 6,231,000</u>
Shawnee's Proportionate Share of Collective Net OPEB Liability as a Percentage of Covered Payroll	100.40%	105.10%	107.94%	105.19%	99.10%	93.33%
CIP Plan Net Position as a Percentage of Total OPEB Liability	-2.15%	-2.87%	-3.54%	-4.13%	-5.07%	-6.38%

NOTE: The College 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.

See Accompanying Notes on Page 47

SHAWNEE COMMUNITY COLLEGE
 Required Supplementary Information
 Schedule of Contributions - CIP
 For the Year Ended June 30, 2022
 (Unaudited)

<u>Year Ended June 30</u>	<u>Statutorily Required Contributions*</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2022	\$ 32,384	\$ 6,476,800	0.50%
2021	31,155	6,231,000	0.50%
2020	32,853	6,570,600	0.50%
2019	31,864	6,372,800	0.50%
2018	30,544	6,108,812	0.50%
2017	30,609	6,121,858	0.50%
2016	32,518	6,503,516	0.50%
2015	32,607	6,521,490	0.50%
2014	31,804	6,360,830	0.50%

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

NOTE: The College 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.

See Accompanying Notes on the Following Page

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to Required Supplementary Information – OPEB Liability
For the Year Ended June 30, 2022
(Unaudited)

Changes of Benefit Terms

There were no benefit changes in the Total OPEB Liability as of June 30, 2021.

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, 2020, contribution rates are 0.50 percent of pay for active members, 0.50 percent of pay for community colleges and 0.50 percent of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
- Asset Valuation Method – Market value
- Investment Rate of Return – 0 percent, net of OPEB plan investment expense, including inflation, for all plan years.
- Inflation – 2.25 percent
- Salary Increases – Depends on service and ranges from 12.25 percent at less than 1 year of service to 3.25 percent at 34 or more years of service. Salary increase includes a 3.25 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, 2018, actuarial valuation.
- Mortality – Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017.
- Healthcare Cost Trend Rates – Actual trend used for Fiscal Year 2022 based on premium increases. For fiscal years on and after 2023, trend starts at 8.00 percent for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25 percent.
- 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 cost. Operating expenses are included as a component of the Annual OPEB Expense.

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Combined Balance Sheet -
 Modified Accrual Basis (Governmental Fund Types and Account Groups)
 and GAAP Basis (Proprietary and Fiduciary Fund Types)
 All Fund Types and Account Groups
 June 30, 2022

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	
ASSETS									
Cash and Cash Equivalents	\$ 9,151,042	\$ 1,563,301	\$ 406,251	\$ 3,244,786	\$ 269,277	\$ 2,618,526	\$ -	\$ -	\$ 17,253,183
Investments	-	-	-	-	-	2,648,014	-	-	2,648,014
Receivables:									
Property Taxes	632,928	259,107	481,950	75,000	-	-	-	-	1,448,985
Replacement Taxes	260,929	-	-	-	-	-	-	-	260,929
Agency Tuition	39,281	-	-	-	-	-	-	-	39,281
Student Tuition and Fees, Net of Allowance	534,511	-	-	-	-	-	-	-	534,511
Governmental Grants and Contracts	-	761,357	-	-	-	-	-	-	761,357
Prepaid Expenses	53,047	87,204	-	-	-	-	-	-	140,251
Due from Other Funds	800,000	-	-	-	-	-	-	-	800,000
Inventory	-	-	-	-	147,071	-	-	-	147,071
Property and Equipment, Net	-	-	-	-	7,595	-	21,641,589	-	21,649,184
OTHER DEBITS									
Amount Available to Retire Debt	-	-	-	-	-	-	-	574,687	574,687
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	1,000,313	1,000,313
Total Assets and Other Debits	\$ 11,471,738	\$ 2,670,969	\$ 888,201	\$ 3,319,786	\$ 423,943	\$ 5,266,540	\$ 21,641,589	\$ 1,575,000	\$ 47,257,766

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combined Balance Sheet -
Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types)
All Fund Types and Account Groups
June 30, 2022

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	
LIABILITIES									
Accounts Payable	\$ 191,022	\$ -	\$ -	\$ -	\$ 3,419	\$ -	\$ -	\$ -	\$ 194,441
Accrued Liabilities	397,910	-	13,057	-	-	-	-	-	410,967
Unearned Revenue	813,142	151,689	300,457	45,569	27,983	-	-	-	1,338,840
Due to Other Funds	-	800,000	-	-	-	-	-	-	800,000
Due to Student Groups	-	-	-	-	922	236,362	-	-	237,284
Bonds Payable	-	-	-	-	-	-	-	1,575,000	1,575,000
Total Liabilities	1,402,074	951,689	313,514	45,569	32,324	236,362	-	1,575,000	4,556,532
COLLEGE EQUITY									
Investment in General Fixed Assets	-	-	-	-	-	-	21,641,589	-	21,641,589
Fund Balance:									
Reserved	-	1,719,280	574,687	3,274,217	-	5,030,178	-	-	10,598,362
Unreserved, Designated	762,823	-	-	-	-	-	-	-	762,823
Unreserved, Undesignated	9,306,841	-	-	-	-	-	-	-	9,306,841
Retained Earnings	-	-	-	-	391,619	-	-	-	391,619
Total College Equity	10,069,664	1,719,280	574,687	3,274,217	391,619	5,030,178	21,641,589	-	42,701,234
Total Liabilities and College Equity	\$ 11,471,738	\$ 2,670,969	\$ 888,201	\$ 3,319,786	\$ 423,943	\$ 5,266,540	\$ 21,641,589	\$ 1,575,000	\$ 47,257,766

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Modified Accrual Basis
All Governmental Fund Types
For the Year Ended June 30, 2022

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
Revenues					
Local Sources	\$ 3,489,653	\$ 828,662	\$ 1,621,304	\$ 240,575	\$ 6,180,194
State Sources	4,209,008	768,060	-	-	4,977,068
Federal Sources	1,119,998	5,597,223	-	-	6,717,221
Tuition and Fees	4,434,926	-	-	-	4,434,926
Facilities	51,379	-	-	-	51,379
Investment Income	42,409	-	-	-	42,409
Other Revenue	262,848	-	-	-	262,848
On-Behalf Payments	-	4,050,939	-	-	4,050,939
Total Revenues	<u>13,610,221</u>	<u>11,244,884</u>	<u>1,621,304</u>	<u>240,575</u>	<u>26,716,984</u>
Expenditures					
Instruction	4,599,049	770,020	-	-	5,369,069
Academic Support	286,487	1,268,160	-	-	1,554,647
Student Services	1,089,684	580,307	-	-	1,669,991
Public Service	57,410	433,836	-	-	491,246
Operation and Maintenance of Plant	1,291,333	-	-	58,272	1,349,605
Scholarships and Grants	1,949,358	2,181,797	-	-	4,131,155
Institutional Support	2,185,125	2,208,930	-	-	4,394,055
Principal	-	-	1,625,000	-	1,625,000
Interest	14,023	-	95,500	-	109,523
On-Behalf Payments	-	4,050,939	-	-	4,050,939
Total Expenditures	<u>11,472,469</u>	<u>11,493,989</u>	<u>1,720,500</u>	<u>58,272</u>	<u>24,745,230</u>
Revenue Over (Under) Expenditures	<u>2,137,752</u>	<u>(249,105)</u>	<u>(99,196)</u>	<u>182,303</u>	<u>1,971,754</u>
Other Financing Sources (Uses)					
Operating Transfers, Net	<u>(2,533,039)</u>	-	-	1,927,359	(605,680)
Total Other Financing Sources (Uses)	<u>(2,533,039)</u>	-	-	1,927,359	(605,680)
Revenue Over (Under) Expenditures and Other Financing Sources (Uses)	(395,287)	(249,105)	(99,196)	2,109,662	1,366,074
Fund Balance, July 1, 2021	<u>10,464,951</u>	<u>1,968,385</u>	<u>673,883</u>	<u>1,164,555</u>	<u>14,271,774</u>
Fund Balance, June 30, 2022	<u>\$ 10,069,664</u>	<u>\$ 1,719,280</u>	<u>\$ 574,687</u>	<u>\$ 3,274,217</u>	<u>\$ 15,637,848</u>

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget and Actual - Modified Accrual Basis
 All Budgeted Governmental Fund Types
 For the Year Ended June 30, 2022

	General		Special Revenue		Debt Service - Bond and Interest Fund		Capital Projects Fund - Operation and Maintenance Restricted Fund		Total (Memorandum Only)	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues										
Local Sources	\$ 2,508,237	\$ 3,489,653	\$ 861,555	\$ 828,662	\$ 1,720,500	\$ 1,621,304	\$ 250,000	\$ 240,575	\$ 5,340,292	\$ 6,180,194
State Sources	4,047,554	4,209,008	734,002	768,060	-	-	-	-	4,781,556	4,977,068
Federal Sources	900,000	1,119,998	8,844,682	5,597,223	-	-	-	-	9,744,682	6,717,221
Tuition and Fees	5,210,361	4,434,926	-	-	-	-	-	-	5,210,361	4,434,926
Facilities	45,000	51,379	-	-	-	-	-	-	45,000	51,379
Investment Income	32,500	42,409	-	-	-	-	-	-	32,500	42,409
Other Revenue	527,600	262,848	-	-	-	-	-	-	527,600	262,848
Total Revenues	<u>13,271,252</u>	<u>13,610,221</u>	<u>10,440,239</u>	<u>7,193,945</u>	<u>1,720,500</u>	<u>1,621,304</u>	<u>250,000</u>	<u>240,575</u>	<u>25,681,991</u>	<u>22,666,045</u>
Expenditures										
Instruction	5,078,875	4,599,049	492,086	770,020	-	-	-	-	5,570,961	5,369,069
Academic Support	316,923	286,487	1,114,661	1,268,160	-	-	-	-	1,431,584	1,554,647
Student Services	1,156,123	1,089,684	682,318	580,307	-	-	-	-	1,838,441	1,669,991
Public Service	79,685	57,410	382,376	433,836	-	-	-	-	462,061	491,246
Operation and Maintenance of Plant	1,368,740	1,291,333	-	-	-	-	1,402,250	58,272	2,770,990	1,349,605
Scholarships and Grants	2,201,786	1,949,358	5,673,503	2,181,797	-	-	-	-	7,875,289	4,131,155
Institutional Support	2,621,573	2,185,125	2,538,079	2,208,930	-	-	-	-	5,159,652	4,394,055
Principal	-	-	-	-	1,625,000	1,625,000	-	-	1,625,000	1,625,000
Interest	-	14,023	-	-	95,500	95,500	-	-	95,500	109,523
Total Expenditures	<u>12,823,705</u>	<u>11,472,469</u>	<u>10,883,023</u>	<u>7,443,050</u>	<u>1,720,500</u>	<u>1,720,500</u>	<u>1,402,250</u>	<u>58,272</u>	<u>26,829,478</u>	<u>20,694,291</u>
Revenue Over (Under) Expenditures	<u>447,547</u>	<u>2,137,752</u>	<u>(442,784)</u>	<u>(249,105)</u>	<u>-</u>	<u>(99,196)</u>	<u>(1,152,250)</u>	<u>182,303</u>	<u>(1,147,487)</u>	<u>1,971,754</u>
Other Financing Sources (Uses)										
Operating Transfers, Net	<u>(2,643,771)</u>	<u>(2,533,039)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,950,981</u>	<u>1,927,359</u>	<u>(692,790)</u>	<u>(605,680)</u>
Total Other Financing Sources (Uses)	<u>(2,643,771)</u>	<u>(2,533,039)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,950,981</u>	<u>1,927,359</u>	<u>(692,790)</u>	<u>(605,680)</u>
Revenue Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ (2,196,224)</u>	<u>(395,287)</u>	<u>\$ (442,784)</u>	<u>(249,105)</u>	<u>\$ -</u>	<u>(99,196)</u>	<u>\$ 798,731</u>	<u>2,109,662</u>	<u>\$ (1,840,277)</u>	<u>1,366,074</u>
Fund Balance, July 1, 2021		<u>10,464,951</u>		<u>1,968,385</u>		<u>673,883</u>		<u>1,164,555</u>		<u>14,271,774</u>
Fund Balance, June 30, 2022		<u>\$ 10,069,664</u>		<u>\$ 1,719,280</u>		<u>\$ 574,687</u>		<u>\$ 3,274,217</u>		<u>\$ 15,637,848</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combined Statement of Revenues, Expenses,
and Changes in College Equity - Budget and Actual
Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 2022

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenues				
Student and Community Services	\$ -	\$ -	\$ 438,800	\$ 397,491
Student Tuition and Fees	-	-	-	-
State Sources	-	-	-	-
Other Revenue	-	-	-	-
Investment Income	20,000	8,204	-	-
Total Operating Revenues	<u>20,000</u>	<u>8,204</u>	<u>438,800</u>	<u>397,491</u>
Operating Expenses				
Salaries	-	-	218,284	218,372
Employee Benefits	-	-	27,225	23,509
Contractual Services	-	-	74,337	59,364
General Materials and Supplies	-	-	440,343	424,001
Conference and Meeting	-	-	39,873	35,282
Fixed Charges	-	-	25,000	18,070
Depreciation	-	-	2,000	4,028
Capital Outlay	-	-	12,000	4,061
Other	-	-	443,159	348,162
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>1,282,221</u>	<u>1,134,849</u>
Operating Income (Loss)	20,000	8,204	(843,421)	(737,358)
Other Financing Sources (Uses)				
Operating Transfers, Net	<u>(20,000)</u>	<u>(8,204)</u>	<u>712,790</u>	<u>613,884</u>
Net Loss	<u>\$ -</u>	<u>-</u>	<u>\$ (130,631)</u>	<u>(123,474)</u>
College Equity, July 1, 2021		<u>5,030,178</u>		<u>515,093</u>
College Equity, June 30, 2022		<u>\$ 5,030,178</u>		<u>\$ 391,619</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combined Statement of Cash Flows
Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 2022

	Fiduciary Fund Type	Proprietary Fund Type
	Working Cash Fund	Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	\$ -	\$ 397,491
Student Tuition and Fees	-	1,600
Payments to Suppliers	-	(866,200)
Payments to Employees and Benefits Paid	-	(241,881)
Interest on Investments	8,204	-
Net Cash Provided by (Used in) Operating Activities	<u>8,204</u>	<u>(708,990)</u>
Cash Flows from Non-Capital Financing Activities		
Operating Transfers In (Out)	(8,204)	613,884
Cash Flows from Investing Activities		
Purchases of Investments	<u>(649,814)</u>	<u>-</u>
Net Decrease in Cash and Cash Equivalents	(649,814)	(95,106)
Cash and Cash Equivalents, July 1, 2021	<u>3,031,978</u>	<u>364,383</u>
Cash and Cash Equivalents, June 30, 2022	<u>\$ 2,382,164</u>	<u>\$ 269,277</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 8,204	\$ (737,358)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	-	4,028
Changes in Assets and Liabilities:		
Receivables	-	1,600
Inventories	-	22,370
Payables	-	370
Net Cash Provided by (Used in) Operating Activities	<u>\$ 8,204</u>	<u>\$ (708,990)</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet - Modified Accrual Basis
General Funds
June 30, 2022

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,502,544	\$ 2,648,498	\$ 9,151,042
Receivables:			
Property Taxes	421,029	211,899	632,928
Replacement Taxes	260,929	-	260,929
Agency Tuition	39,281	-	39,281
Student Tuition and Fees, Net of Allowance	534,511	-	534,511
Governmental Grants and Contracts	-	-	-
Prepaid Expenses	53,047	-	53,047
Due From Other Funds	800,000	-	800,000
	<u>8,611,341</u>	<u>2,860,397</u>	<u>11,471,738</u>
Total Assets	<u>\$ 8,611,341</u>	<u>\$ 2,860,397</u>	<u>\$ 11,471,738</u>
LIABILITIES			
Accounts Payable	\$ 191,022	\$ -	\$ 191,022
Accrued Liabilities	397,910	-	397,910
Unearned Revenue	701,589	111,553	813,142
Total Liabilities	<u>1,290,521</u>	<u>111,553</u>	<u>1,402,074</u>
FUND BALANCE			
Unreserved, Designated	762,823	-	762,823
Unreserved, Undesignated	6,557,997	2,748,844	9,306,841
Total Fund Balance	<u>7,320,820</u>	<u>2,748,844</u>	<u>10,069,664</u>
	<u>\$ 8,611,341</u>	<u>\$ 2,860,397</u>	<u>\$ 11,471,738</u>
Total Liabilities and Fund Balance	<u>\$ 8,611,341</u>	<u>\$ 2,860,397</u>	<u>\$ 11,471,738</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Modified Accrual Basis
General Funds
For the Year Ended June 30, 2022

	Education Fund	Operation and Maintenance Fund	Total
Revenues			
Local Sources	\$ 2,454,387	\$ 1,035,266	\$ 3,489,653
State Sources	3,843,643	365,365	4,209,008
Federal Sources	1,119,998	-	1,119,998
Tuition and Fees	4,434,926	-	4,434,926
Facilities	-	51,379	51,379
Investment Income	42,409	-	42,409
Other Revenue	256,861	5,987	262,848
Total Revenues	<u>12,152,224</u>	<u>1,457,997</u>	<u>13,610,221</u>
Expenditures			
Instruction	4,599,049	-	4,599,049
Academic Support	286,487	-	286,487
Student Services	1,089,684	-	1,089,684
Public Service	57,410	-	57,410
Operation and Maintenance of Plant	-	1,291,333	1,291,333
Institutional Support	2,185,125	-	2,185,125
Scholarships and Grants	1,949,358	-	1,949,358
Interest	14,023	-	14,023
Total Expenditures	<u>10,181,136</u>	<u>1,291,333</u>	<u>11,472,469</u>
Revenue Over (Under) Expenditures	<u>1,971,088</u>	<u>166,664</u>	<u>2,137,752</u>
Other Financing Sources (Uses)			
Operating Transfers, Net	<u>(2,254,058)</u>	<u>(278,981)</u>	<u>(2,533,039)</u>
Total Other Financing Sources (Uses)	<u>(2,254,058)</u>	<u>(278,981)</u>	<u>(2,533,039)</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(282,970)	(112,317)	(395,287)
Fund Balance, July 1, 2021	<u>7,603,790</u>	<u>2,861,161</u>	<u>10,464,951</u>
Fund Balance, June 30, 2022	<u>\$ 7,320,820</u>	<u>\$ 2,748,844</u>	<u>\$ 10,069,664</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet - Modified Accrual Basis
Special Revenue Funds
June 30, 2022

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 38,643	\$ 37,594	\$ 1,487,064	\$ 1,563,301
Receivables:				
Property Taxes	-	10,635	248,472	259,107
Governmental Grants and Contracts	761,357	-	-	761,357
Prepaid Expenses	-	-	87,204	87,204
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 800,000</u>	<u>\$ 48,229</u>	<u>\$ 1,822,740</u>	<u>\$ 2,670,969</u>
LIABILITIES				
Unearned Revenue	\$ -	\$ 5,577	\$ 146,112	\$ 151,689
Due to Other Funds	800,000	-	-	800,000
Total Liabilities	<u>800,000</u>	<u>5,577</u>	<u>146,112</u>	<u>951,689</u>
FUND BALANCE				
Reserved	-	42,652	1,676,628	1,719,280
Total Fund Balance	<u>-</u>	<u>42,652</u>	<u>1,676,628</u>	<u>1,719,280</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 800,000</u>	<u>\$ 48,229</u>	<u>\$ 1,822,740</u>	<u>\$ 2,670,969</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - Modified Accrual Basis
Special Revenue Funds
For the Year Ended June 30, 2022

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenues				
Local Sources	\$ -	\$ 32,125	\$ 796,537	\$ 828,662
State Sources	768,060	-	-	768,060
Federal Sources	5,597,223	-	-	5,597,223
Other Revenue	-	-	-	-
On-Behalf Payments	4,050,939	-	-	4,050,939
Total Revenues	<u>10,416,222</u>	<u>32,125</u>	<u>796,537</u>	<u>11,244,884</u>
Expenditures				
Instruction	770,020	-	-	770,020
Academic Support	1,268,160	-	-	1,268,160
Student Services	580,307	-	-	580,307
Public Service	433,836	-	-	433,836
Auxiliary Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Institutional Support	1,131,163	37,950	1,039,817	2,208,930
Scholarships and Grants	2,181,797	-	-	2,181,797
On-Behalf Payments	4,050,939	-	-	4,050,939
Total Expenditures	<u>10,416,222</u>	<u>37,950</u>	<u>1,039,817</u>	<u>11,493,989</u>
Revenue Over (Under) Expenditures	-	(5,825)	(243,280)	(249,105)
Other Financing Sources (Uses)				
Operating Transfers (Net)	-	-	-	-
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	-	(5,825)	(243,280)	(249,105)
Fund Balance, July 1, 2021	<u>-</u>	<u>48,477</u>	<u>1,919,908</u>	<u>1,968,385</u>
Fund Balance, June 30, 2022	<u>\$ -</u>	<u>\$ 42,652</u>	<u>\$ 1,676,628</u>	<u>\$ 1,719,280</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet
Fiduciary Funds
June 30, 2022

	Non-Expendable Trust		
	<u>Working Cash Fund</u>	<u>Trust and Agency Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,382,164	\$ 236,362	\$ 2,618,526
Investments	<u>2,648,014</u>	<u>-</u>	<u>2,648,014</u>
Total Assets	<u>\$ 5,030,178</u>	<u>\$ 236,362</u>	<u>\$ 5,266,540</u>
LIABILITIES			
Due to Student Groups	\$ -	\$ 236,362	\$ 236,362
FUND BALANCE			
Reserved	<u>5,030,178</u>	<u>-</u>	<u>5,030,178</u>
Total Liabilities and Fund Balance	<u>\$ 5,030,178</u>	<u>\$ 236,362</u>	<u>\$ 5,266,540</u>

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Balance Sheet - Modified Accrual Basis (Governmental Fund Types and Account Groups)
 and GAAP Basis (Proprietary and Fiduciary Fund Types)
 All Funds and Account Groups
 June 30, 2022

	Education Fund	Operations and Maintenance Funds		Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Trust and Agency Fund	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	Account Groups		Total (Memorandum Only)
		Operational	Restricted								General Fixed Assets	General Long-Term Debt	
ASSETS													
Cash and Cash Equivalents	\$ 6,502,544	\$ 2,648,498	\$ 3,244,786	\$ 269,277	\$ 38,643	\$ 2,382,164	\$ 236,362	\$ 406,251	\$ 37,594	\$ 1,487,064	\$ -	\$ -	\$ 17,253,183
Investments	-	-	-	-	-	2,648,014	-	-	-	-	-	-	2,648,014
Receivables:													
Property Taxes	421,029	211,899	75,000	-	-	-	-	481,950	10,635	248,472	-	-	1,448,985
Replacement Taxes	260,929	-	-	-	-	-	-	-	-	-	-	-	260,929
Agency Tuition	39,281	-	-	-	-	-	-	-	-	-	-	-	39,281
Student Tuition and Fees, Net of Allowance	534,511	-	-	-	-	-	-	-	-	-	-	-	534,511
Governmental Grants and Contracts	-	-	-	-	761,357	-	-	-	-	-	-	-	761,357
Due from Other Funds	800,000	-	-	-	-	-	-	-	-	-	-	-	800,000
Prepaid Expenses	53,047	-	-	-	-	-	-	-	-	87,204	-	-	140,251
Inventory	-	-	-	147,071	-	-	-	-	-	-	-	-	147,071
Property and Equipment at Cost, Net	-	-	-	7,595	-	-	-	-	-	-	21,641,589	-	21,649,184
Amount Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	574,687	574,687
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	1,000,313	1,000,313
Total Assets	\$ 8,611,341	\$ 2,860,397	\$ 3,319,786	\$ 423,943	\$ 800,000	\$ 5,030,178	\$ 236,362	\$ 888,201	\$ 48,229	\$ 1,822,740	\$ 21,641,589	\$ 1,575,000	\$ 47,257,766
LIABILITIES													
Accounts Payable	\$ 191,022	\$ -	\$ -	\$ 3,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,441
Accrued Liabilities	397,910	-	-	-	-	-	-	13,057	-	-	-	-	410,967
Due to Other Funds	-	-	-	-	800,000	-	-	-	-	-	-	-	800,000
Unearned Revenue	701,589	111,553	45,569	27,983	-	-	-	300,457	5,577	146,112	-	-	1,338,840
Due to Student Groups	-	-	-	922	-	-	236,362	-	-	-	-	-	237,284
Lease Liabilities	-	-	-	-	-	-	-	-	-	-	100,325	-	100,325
Bonds Payable	-	-	-	-	-	-	-	-	-	-	-	1,575,000	1,575,000
Total Liabilities	1,290,521	111,553	45,569	32,324	800,000	-	236,362	313,514	5,577	146,112	100,325	1,575,000	4,656,857
COLLEGE EQUITY													
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	21,541,264	-	21,541,264
Fund Balance:													
Reserved	-	-	3,274,217	-	-	5,030,178	-	574,687	42,652	1,676,628	-	-	10,598,362
Unreserved, Designated	762,823	-	-	-	-	-	-	-	-	-	-	-	762,823
Unreserved, Undesignated	6,557,997	2,748,844	-	-	-	-	-	-	-	-	-	-	9,306,841
Retained Earnings	-	-	-	391,619	-	-	-	-	-	-	-	-	391,619
Total College Equity	7,320,820	2,748,844	3,274,217	391,619	-	5,030,178	-	574,687	42,652	1,676,628	21,541,264	-	42,600,909
Total Liabilities and College Equity	\$ 8,611,341	\$ 2,860,397	\$ 3,319,786	\$ 423,943	\$ 800,000	\$ 5,030,178	\$ 236,362	\$ 888,201	\$ 48,229	\$ 1,822,740	\$ 21,641,589	\$ 1,575,000	\$ 47,257,766

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Statement of Revenues, Expenditures, and Changes in College Equity -
 Modified Accrual Basis (Governmental Fund Types)
 and GAAP Basis (Proprietary and Fiduciary Fund Types)
 All Funds
 For the Year Ended June 30, 2022

	Education Fund	Operations and Maintenance Funds		Auxiliary Enterprise Funds	Restricted Purposes Fund	Working Cash Fund	Bond and Interest Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total (Memorandum Only)
		Operational	Restricted							
Revenues										
Local Sources	\$ 2,454,387	\$ 1,035,266	\$ 240,575	\$ -	\$ -	\$ -	\$ 1,621,304	\$ 32,125	\$ 796,537	\$ 6,180,194
State Sources	3,843,643	365,365	-	-	768,060	-	-	-	-	4,977,068
Federal Sources	1,119,998	-	-	-	5,597,223	-	-	-	-	6,717,221
Tuition and Fees	4,434,926	-	-	-	-	-	-	-	-	4,434,926
Facilities	-	51,379	-	-	-	-	-	-	-	51,379
Investment Income	42,409	-	-	-	-	8,204	-	-	-	50,613
Other Revenue	256,861	5,987	-	397,491	-	-	-	-	-	660,339
On-Behalf Payments	-	-	-	-	4,050,939	-	-	-	-	4,050,939
Total Revenues	12,152,224	1,457,997	240,575	397,491	10,416,222	8,204	1,621,304	32,125	796,537	27,122,679
Expenditures										
Instruction	4,599,049	-	-	-	770,020	-	-	-	-	5,369,069
Academic Support	286,487	-	-	-	1,268,160	-	-	-	-	1,554,647
Student Services	1,089,684	-	-	-	580,307	-	-	-	-	1,669,991
Public Service	57,410	-	-	-	433,836	-	-	-	-	491,246
Auxiliary Services	-	-	-	1,130,821	-	-	-	-	-	1,130,821
Operation and Maintenance of Plant	-	1,291,333	58,272	-	-	-	-	-	-	1,349,605
Institutional Support	2,185,125	-	-	-	1,131,163	-	-	37,950	1,039,817	4,394,055
Scholarships and Grants	1,949,358	-	-	-	2,181,797	-	-	-	-	4,131,155
Principal	-	-	-	-	-	-	1,625,000	-	-	1,625,000
Interest	14,023	-	-	-	-	-	95,500	-	-	109,523
Depreciation	-	-	-	4,028	-	-	-	-	-	4,028
On-Behalf Payments	-	-	-	-	4,050,939	-	-	-	-	4,050,939
Total Expenditures	10,181,136	1,291,333	58,272	1,134,849	10,416,222	-	1,720,500	37,950	1,039,817	25,880,079
Revenue Over (Under) Expenditures	1,971,088	166,664	182,303	(737,358)	-	8,204	(99,196)	(5,825)	(243,280)	1,242,600
Other Financing Sources (Uses)										
Operating Transfers, Net	(2,254,058)	(278,981)	1,927,359	613,884	-	(8,204)	-	-	-	-
Total Other Financing Sources (Uses)	(2,254,058)	(278,981)	1,927,359	613,884	-	(8,204)	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(282,970)	(112,317)	2,109,662	(123,474)	-	-	(99,196)	(5,825)	(243,280)	1,242,600
College Equity, Beginning of Year	7,603,790	2,861,161	1,164,555	515,093	-	5,030,178	673,883	48,477	1,919,908	19,817,045
College Equity, End of Year	\$ 7,320,820	\$ 2,748,844	\$ 3,274,217	\$ 391,619	\$ -	\$ 5,030,178	\$ 574,687	\$ 42,652	\$ 1,676,628	\$ 21,059,645

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Reconciliations to the Basic Financial Statements

Reconciliation of the Balance Sheet -
Modified Accrual Basis (Governmental Fund Types and Account Groups)
and GAAP Basis (Proprietary and Fiduciary Fund Types) to the Statement of Net Position
June 30, 2022

College Equity	\$ 42,600,909
Reconciling Items:	
Reclassification of Long Term Debt	(1,575,000)
Accrual of Interest on Long-Term Debt	(5,249)
Recognition of Other Postemployment Benefit Liability	(5,815,293)
Recognition of Summer Tuition Revenues and Scholarship Expenses	296,135
Deferred Outflows of Resources - Other Postemployment Benefits	157,196
Deferred Inflows of Resources - Other Postemployment Benefits	(1,989,169)
Deferred Outflows of Resources - Retirement Plan Contributions	<u>90,151</u>
Net Position	<u>\$ 33,759,680</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in College Equity -
Modified Accrual Basis (Governmental Fund Types) and GAAP Basis (Proprietary Fund Types)
to the Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022

Change in College Equity	\$ 1,242,600
Reconciling Items:	
General Obligation Debt Retired	1,625,000
Record Depreciation and Amortization on the Capital Assets	(1,125,217)
Remove Capital Expenditures Related to Capital Assets	536,900
Remove Grant Revenue Recognized in Education and Restricted Purposes Funds	(1,119,998)
Remove Grant Expenses Recognized in Education and Restricted Purposes Funds	1,119,998
Change in Recognition of Summer Tuition Revenues and Scholarship Expenses	76,169
Change in Deferred Outflows - Other Postemployment Benefits	(45,979)
Change in Deferred Inflows - Other Postemployment Benefits	(504,167)
Change in Net Other Postemployment Benefits Liability	696,059
Accrual of Interest on Long-Term Debt and Lease Liabilities	(407)
Change in Deferred Outflows - Retirement Plan Contributions	<u>18,667</u>
Change in Net Position	<u>\$ 2,519,625</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2022

	<u>2020 Levy</u>	<u>2019 Levy</u>	<u>2018 Levy</u>	<u>2017 Levy</u>
District Valuations	\$ 660,122,102	\$ 648,899,847	\$ 635,983,048	\$ 624,533,755
Tax Rates (Per \$100 Assessed Valuations)				
Education	0.20000	0.20000	0.20000	0.20000
Building	0.10000	0.10000	0.10000	0.10000
Liability Insurance	0.10859	0.10813	0.10711	0.11142
Social Security	0.01881	0.01971	0.01860	0.01956
Audit	0.00500	0.00500	0.00500	0.00500
Health and Safety	0.03849	0.03931	0.04132	0.04077
Bond and Interest	0.26485	0.27654	0.28356	0.26934
TOTAL	<u>0.73574</u>	<u>0.74869</u>	<u>0.75559</u>	<u>0.74609</u>
Tax Extensions				
Education	\$ 1,320,244	\$ 1,297,800	\$ 1,271,966	\$ 1,249,068
Building	660,122	648,900	635,983	624,534
Liability Insurance	716,827	701,655	681,201	695,856
Social Security	124,169	127,898	118,293	122,159
Audit	33,006	32,445	31,799	31,227
Health and Safety	254,081	255,083	262,788	254,604
Bond and Interest	1,748,360	1,794,468	1,803,394	1,682,119
	<u>\$ 4,856,809</u>	<u>\$ 4,858,249</u>	<u>\$ 4,805,424</u>	<u>\$ 4,659,567</u>
Collections				
Education	\$ 1,258,605	\$ 1,307,153	\$ 1,276,325	\$ 1,262,663
Building	632,164	650,594	632,989	621,662
Liability Insurance	672,162	706,712	684,475	701,317
Social Security	124,169	127,898	118,293	122,159
Audit	31,730	32,611	31,739	31,121
Health and Safety	240,575	256,612	263,860	256,522
Bond and Interest	1,655,504	1,805,362	1,810,764	1,691,263
	<u>\$ 4,614,909</u>	<u>\$ 4,886,942</u>	<u>\$ 4,818,445</u>	<u>\$ 4,686,707</u>
Percent of Extension Collected	<u>95.02%</u>	<u>100.59%</u>	<u>100.27%</u>	<u>100.58%</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Legal Debt Margin
June 30, 2022

Assessed Valuations - 2021 Levy***	\$	683,320,904
Debt Limit, 2.875 Percent of Assessed Valuation (50 ILCS 405/1)	\$	19,645,476
Indebtedness:		
General Obligation Community College Bonds		1,575,000
Legal Debt Margin	\$	18,070,476

*** - Most Current Assessed Valuation Available

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Student Enrollment and Full-Time Equivalency
 At Tenth Day
 For the Year Ended June 30, 2022
 (Unaudited)

School Quarter	Student Enrollment	Full-Time Equivalency
	<u> </u>	<u> </u>
Summer 2021	544	188
Fall 2021	1,073	674
Spring 2022	<u>1,098</u>	<u>671</u>
Semester Average (Exclusive of Summer School)	<u><u>1,086</u></u>	<u><u>673</u></u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
All Funds Summary - Modified Accrual Basis
Uniform Financial Statement No. 1
For the Year Ended June 30, 2022

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund Balance, July 1, 2021	\$ 7,603,790	\$ 2,861,161	\$ 1,164,555	\$ 673,883	\$ 515,093	\$ -	\$ 5,030,178	\$ 48,477	\$ 1,919,908	\$ 19,817,045
Revenues:										
Local Tax Revenue	1,261,293	635,767	240,575	1,621,304	-	-	-	32,125	796,537	4,587,601
All Other Local Revenue	1,193,094	399,499	-	-	-	-	-	-	-	1,592,593
Chargeback Revenue	-	-	-	-	-	-	-	-	-	-
ICCB Grants	3,843,643	365,365	-	-	-	250,611	-	-	-	4,459,619
All Other State Revenue (Including SURS On-Behalf)	-	-	-	-	-	4,568,388	-	-	-	4,568,388
Federal Revenue	1,119,998	-	-	-	-	5,597,223	-	-	-	6,717,221
Student Tuition and Fees	4,434,926	-	-	-	-	-	-	-	-	4,434,926
All Other Revenue	299,270	57,366	-	-	397,491	-	8,204	-	-	762,331
Total Revenues	12,152,224	1,457,997	240,575	1,621,304	397,491	10,416,222	8,204	32,125	796,537	27,122,679
Expenditures:										
Instruction	4,476,745	-	-	-	-	2,885,824	-	-	-	7,362,569
Academic Support	408,791	-	-	-	-	1,570,571	-	-	-	1,979,362
Student Services	1,089,684	-	-	-	-	1,269,077	-	-	-	2,358,761
Public Service/Continuing Education	57,410	-	-	-	-	570,027	-	-	-	627,437
Organized Research	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	1,134,849	117,825	-	-	-	1,252,674
Operations and Maintenance	-	1,291,333	58,272	-	-	76,012	-	-	-	1,425,617
Institutional Support	2,199,148	-	-	1,720,500	-	1,736,912	-	37,950	1,039,817	6,734,327
Scholarships, Student Grants, and Waivers	1,949,358	-	-	-	-	2,189,974	-	-	-	4,139,332
Total Expenditures	10,181,136	1,291,333	58,272	1,720,500	1,134,849	10,416,222	-	37,950	1,039,817	25,880,079
Net Transfers	(2,254,058)	(278,981)	1,927,359	-	613,884	-	(8,204)	-	-	-
Fund Balance, June 30, 2022	\$ 7,320,820	\$ 2,748,844	\$ 3,274,217	\$ 574,687	\$ 391,619	\$ -	\$ 5,030,178	\$ 42,652	\$ 1,676,628	\$ 21,059,645

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
For the Year Ended June 30, 2022

	Capital Assets / Long Term Debt			
	As Restated July 1, 2021	Additions	Deletions	June 30, 2022
Fixed Assets:				
Land	\$ 89,166	\$ -	\$ -	\$ 89,166
Land Improvements	239,000	18,637	-	257,637
Buildings, Additions, and Improvements	32,138,589	74,775	-	32,213,364
Equipment	4,308,719	339,519	(190,432)	4,457,806
Other Fixed Assets	-	23,980	-	23,980
Accumulated Depreciation and Amortization	(14,453,958)	(1,129,245)	190,432	(15,392,771)
Net Fixed Assets	<u>\$ 22,321,516</u>	<u>\$ (672,334)</u>	<u>\$ -</u>	<u>\$ 21,649,182</u>
Fixed Debt:				
Bonds	\$ 3,200,000	\$ -	\$ (1,625,000)	\$ 1,575,000
Net Other Postemployment Benefit Liability	6,511,352	-	(696,059)	5,815,293
Lease Liabilities	174,489	-	(74,164)	100,325
Note Payable	1,548,298	-	(1,548,298)	-
Total Fixed Liabilities	<u>\$ 11,434,139</u>	<u>\$ -</u>	<u>\$ (3,943,521)</u>	<u>\$ 7,490,618</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Operating Funds Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 3
For the Year Ended June 30, 2022

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Source:			
<i>Local Government Revenue</i>			
Local Taxes	\$ 1,261,293	\$ 635,767	\$ 1,897,060
Corporate Personal Property Replacement Tax	1,193,094	399,499	1,592,593
Chargeback Revenue	-	-	-
Total Local Government	<u>2,454,387</u>	<u>1,035,266</u>	<u>3,489,653</u>
<i>State Government</i>			
ICCB Base Operating Grant	953,947	365,365	1,319,312
ICCB Equalization Grant	2,777,300	-	2,777,300
ICCB Career & Technical Education	112,396	-	112,396
Total State Government	<u>3,843,643</u>	<u>365,365</u>	<u>4,209,008</u>
<i>Federal Government</i>			
Department of Education	1,119,998	-	1,119,998
Total Federal Government	<u>1,119,998</u>	<u>-</u>	<u>1,119,998</u>
<i>Student Tuition and Fees</i>			
Tuition	3,831,969	-	3,831,969
Fees	602,957	-	602,957
Total Student Tuition and Fees	<u>4,434,926</u>	<u>-</u>	<u>4,434,926</u>
<i>Other Sources</i>			
Sales and Service Fees	5,219	-	5,219
Facilities Revenue	-	51,379	51,379
Investment Revenue	42,409	-	42,409
Other	251,642	5,987	257,629
Total Other Sources	<u>299,270</u>	<u>57,366</u>	<u>356,636</u>
Total Operating Revenues	<u>12,152,224</u>	<u>1,457,997</u>	<u>13,610,221</u>
<i>Less: Non-Operating Items</i>			
Tuition Chargeback Revenue	-	-	-
Adjusted Operating Revenue	<u>\$ 12,152,224</u>	<u>\$ 1,457,997</u>	<u>\$ 13,610,221</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Operating Funds Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 3
For the Year Ended June 30, 2022

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	\$ 4,476,745	\$ -	\$ 4,476,745
Academic Support	408,791	-	408,791
Student Services	1,089,684	-	1,089,684
Public Service/Continuing Education	57,410	-	57,410
Operations and Maintenance	-	1,291,333	1,291,333
Institutional Support	2,199,148	-	2,199,148
Scholarships, Grants, and Waivers	1,949,358	-	1,949,358
Transfers	2,254,058	-	2,254,058
Total Operating Expenditures by Program	12,435,194	1,291,333	13,726,527
Less: Non-Operating Items			
Transfers	(2,254,058)	-	(2,254,058)
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	\$ 10,181,136	\$ 1,291,333	\$ 11,472,469
Operating Expenditures by Object:			
Salaries	\$ 6,005,092	\$ 141,152	\$ 6,146,244
Employee Benefits	608,224	14,682	622,906
Contractual Services	807,317	432,501	1,239,818
General Materials and Supplies	417,538	113,969	531,507
<i>Library Materials *</i>	39,217	-	39,217
Conference and Meeting Expenses	44,376	-	44,376
Fixed Charges	123,737	-	123,737
Utilities	52,086	567,202	619,288
Capital Outlay	14,722	21,827	36,549
Other	2,108,044	-	2,108,044
Transfers	2,254,058	-	2,254,058
Total Operating Expenditures by Object	12,435,194	1,291,333	13,726,527
Less: Non-Operating Items			
Transfers	(2,254,058)	-	(2,254,058)
Adjusted Operating Expenditures by Object	\$ 10,181,136	\$ 1,291,333	\$ 11,472,469

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

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2022

	<u>Restricted Purposes Fund</u>
Revenue by Source:	
<i>State Government</i>	
ICCB - Adult Education	\$ 160,142
ICCB - Other	90,469
Illinois State Board of Education	470,063
SURS - On Behalf	4,050,939
Other State Government	47,386
Total State Government	<u>4,818,999</u>
 <i>Federal Government</i>	
Department of Education	4,681,870
ICCB - Adult Education	84,555
ICCB - Carl Perkins	303,823
ICCB - Other Grants	-
Department of Agriculture	416,939
Department of Health and Human Services	15,870
Department of Commerce and Economic Opportunity	94,166
Total Federal Government	<u>5,597,223</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 10,416,222</u></u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Restricted Purposes Fund Revenues and Expenditures - Modified Accrual Basis
Uniform Financial Statement No. 4
For the Year Ended June 30, 2022

	Restricted Purposes Fund
Expenditures by Program:	
Instruction	\$ 2,941,083
Academic Support	1,565,265
Student Services	1,193,345
Public Service/Continuing Education	595,806
Auxiliary Services	117,825
Operations and Maintenance	76,012
Institutional Support	1,736,912
Scholarships, Grants, and Waivers	2,189,974
Total Restricted Purposes Fund Expenditures by Program	\$ 10,416,222
Expenditures by Object:	
Salaries	\$ 1,085,193
Employee Benefits (Including SURS On-Behalf)	4,269,398
Contractual Services	589,531
General Materials and Supplies	231,572
Travel and Conference/Meeting Expenses	47,821
Utilities	77,425
Capital Outlay	663,269
Other	3,452,013
<i>Scholarships, Grants, and Waivers *</i>	2,189,974
Total Restricted Purposes Fund Expenditures by Object	\$ 10,416,222

Per ICCB reporting requirements, this line is presented as a memo only figures

* and is not added into the total expenditures amount.

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Current Funds* Expenditures by Activity - Modified Accrual Basis
 Uniform Financial Statement No. 5
 For the Year Ended June 30, 2022

Instruction:	
Instructional Programs	<u>\$ 7,362,569</u>
Academic Support:	
Library Center	121,208
Academic Computing Support	235,160
Academic Administration and Planning	280,288
Other	<u>1,342,706</u>
Total Academic Support	<u>1,979,362</u>
Student Services Support:	
Admissions and Records	46,685
Counseling and Career Services	839,580
Financial Aid Administration	203,419
Other	<u>1,269,077</u>
Total Student Services Support	<u>2,358,761</u>
Public Service/Continuing Education:	
Community Services	465,467
Other	<u>161,970</u>
Total Public Service/Continuing Education	<u>627,437</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Current Funds* Expenditures by Activity - Modified Accrual Basis
Uniform Financial Statement No. 5
For the Year Ended June 30, 2022

Auxiliary Services	<u>1,252,674</u>
Operations and Maintenance of Plant:	
Maintenance	337,614
Custodial Services	338,799
Grounds	43,298
Campus Security	4,420
Transportation	-
Utilities	567,202
Administration	-
Other	76,012
Total Operations and Maintenance of Plant	<u>1,367,345</u>
Institutional Support:	
Executive Management	268,676
Fiscal Operations	546,515
Community Relations	151,484
Board of Trustees	18,850
General Institutional	2,757,886
Institutional Research	84,043
Administrative Data Processing	566,601
Other	2,326,249
Total Institutional Support	<u>6,720,304</u>
Scholarships, Student Grants, and Waivers	<u>4,139,332</u>
Total Current Funds Expenditures	<u><u>\$ 25,807,784</u></u>

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

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Certificate of Chargeback Reimbursement
For the Year Ended June 30, 2022

All Fiscal Year 2022 Non-Capital Audited Operating Expenditures
from the Following Funds:

Education	\$ 10,166,414
Operations and Maintenance Fund	1,269,506
Bond and Interest Fund	-
Restricted Purposes Fund	5,702,014
Audit Fund	37,950
Liability, Protection and Settlement Fund	750,028
Auxiliary Enterprise Fund (Subsidy Fund)	613,884
Total Non-Capital Expenditures	18,539,796

Depreciation on Capital Outlay Expenditures from Sources

Other than State and Federal Funds	836,468
Total Costs Included	\$ 19,376,264

Total Certified Semester Credit Hours for Fiscal Year 2022	22,946
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Per Capita Cost	\$ 844.43
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All Fiscal Year 2022 State and Federal Operating Grants for Non-Capital Expenditures, Except ICCB Grants	\$ 7,234,670
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Fiscal Year 2022 State and Federal Grants Per Semester Credit Hour	315.29
--	--------

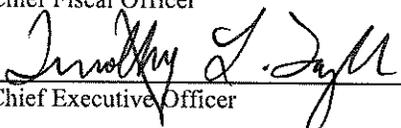
District's Average ICCB Grant Rate for Fiscal Year 2023	47.72
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District's Student Tuition and Fee Rate Per Semester Credit Hour for Fiscal Year 2023	140.00
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Chargeback Reimbursement Per Semester Credit Hour	\$ 341.42
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Approved: 
Chief Fiscal Officer

Date: 12/14/2022

Approved: 
Chief Executive Officer

Date: 12/14/2022

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

Board of Trustees
Shawnee Community College
Community College District #531
Ullin, Illinois

Report on the Financial Statements

Opinion

We have audited the accompanying balance sheet of the Adult Education and Family Literacy Grants Program of Shawnee Community College (the College) as of June 30, 2022, and the related combining statement of revenues, expenditures, and changes in fund balance for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy grants of the College at June 30, 2022, and the results of its 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 College, 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 College and the State of Illinois and the ICCB. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

Responsibilities of Management for the Financial Statements and Compliance

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College'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 College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

The accompanying balance sheets and statements of revenue 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.

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 25) 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 College'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 College 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 College's noncompliance.

Martin Hood LLC

Champaign, Illinois
December 5, 2022

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
State Adult Education Restricted Funds
(State Basic and Performance)
Balance Sheet
June 30, 2022

ASSETS

	State Basic	Performance	Total
	<u> </u>	<u> </u>	<u> </u>
Cash	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes on Page 80

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
State Adult Education Restricted Funds
(State Basic and Performance)
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2022

	State Basic	Performance	Total
Revenues			
ICCB Grant	\$ 113,882	\$ 46,260	\$ 160,142
Expenditures			
Instructional Student Services:			
Instruction	94,713	42,834	137,547
Social Work Services	-	-	-
Guidance Services	-	-	-
Assistive and Adaptive Equipment	-	-	-
Assessment and Testing	3,028	2,458	5,486
Student Transportation Services	-	-	-
Literacy Services	-	-	-
Total Instructional Student Services	<u>97,741</u>	<u>45,292</u>	<u>143,033</u>
Program Support:			
Improvement of Instructional Services	8,979	968	9,947
General Administration	7,162	-	7,162
Operation and Maintenance of Plant	-	-	-
Data and Information Services	-	-	-
Approved Indirect Costs	-	-	-
Total Program Support	<u>16,141</u>	<u>968</u>	<u>17,109</u>
Total Expenditures	<u>113,882</u>	<u>46,260</u>	<u>160,142</u>
Excess of Revenue Over Expenditures	-	-	-
Fund Balance, July 01, 2021	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes on Page 80

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 ICCB Compliance Statement for the
 Adult Education and Family Literacy Grant
 Expenditure Amounts and Percentages for
 ICCB Grant Funds Only
 For the Year Ended June 30, 2022

	<u>Audited Expenditure (Dollars)</u>	<u>Actual Expenditure (Percentage)</u>
State Basic		
Instruction (45 Percent Minimum Required)*	\$ 94,713	83.17%
General Administration (15 Percent Maximum Allowed)	7,162	6.29%

* This requirement was amended and reduced to 25 percent by ICCB for Fiscal Year 2022.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to the ICCB Grant Financial Statements
June 30, 2022

The Adult Education and Family Literacy Grant Program was established as a special revenue sub-fund of Shawnee Community College, Community College District #531 (the College) to account for revenues and expenditures of the respective program. This program is administered by the Illinois Community College Board (ICCB). The following is a summary of the significant accounting policies followed by the College in respect to this fund.

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, 2022. 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 College prepares a budget for the grant. 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 the 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 College, 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
Shawnee Community College
Community College District #531
Ullin, 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 Shawnee Community College (the College) for the year ended June 30, 2022.

In our opinion, the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of the College for the year ended June 30, 2022 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 College, 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.



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

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 College'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 College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement noted above. The information on Schedules 27 through 31 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 College'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 5, 2022, on our consideration of the College'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 College'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 College's internal control over financial reporting and compliance.

Martin Hood LLC

Champaign, Illinois
December 5, 2022

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Enrollment Data and Other Bases
Upon Which Claims are Filed
For the Year Ended June 30, 2022

Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	1,661.0	-	6,364.0	-	6,283.0	-	14,308.0	-
Business Occupational	65.0	-	621.5	7.0	726.0	-	1,412.5	7.0
Technical Occupational	146.0	-	873.5	-	770.0	-	1,789.5	-
Health Occupational	440.0	70.0	1,445.5	149.0	1,287.5	253.5	3,173.0	472.5
Remedial Developmental	27.0	-	305.0	-	209.0	-	541.0	-
Adult Basic/Secondary Education	292.0	39.0	590.0	1,615.0	840.0	1,414.0	1,722.0	3,068.0
TOTAL CREDIT HOURS CERTIFIED	2,631.0	109.0	10,199.5	1,771.0	10,115.5	1,667.5	22,946.0	3,547.5

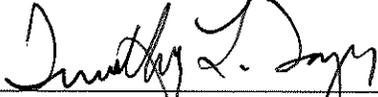
	Attending In-District	Attending Out-of-District on Chargeback	Total
Reimbursable Semester Credit Hours (All Terms)	25,020.0	-	25,020.0

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	3,071.0	3,085.0

District 2020 Equalized Assessed Valuation \$ 660,122,102

Categories	Total Reimbursable Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	-	-	-	-
Business Occupational	-	-	-	-
Technical Occupational	-	-	-	-
Health Occupational	-	-	-	-
Remedial Developmental	-	-	-	-
Adult Basic/Secondary Education	-	-	-	-
TOTAL CREDIT HOURS CERTIFIED	-	-	-	-

Signatures:



Chief Executive Officer (CEO)



Chief Financial Officer (CFO)

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
For the Year Ended June 30, 2022

Reconciliation of Total Semester Credit Hours

Categories	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
Baccalaureate	14,308.0	14,308.0	-	-	-	-
Business Occupational	1,412.5	1,412.5	-	7	7	-
Technical Occupational	1,789.5	1,789.5	-	-	-	-
Health Occupational	3,173.0	3,173.0	-	473	473	-
Remedial Developmental	541.0	541.0	-	-	-	-
Adult Basic / Secondary Education	1,722.0	1,722.0	-	3,068	3,068	-
Total Credit Hours Certified	<u>22,946.0</u>	<u>22,946.0</u>	<u>-</u>	<u>3,548</u>	<u>3,548</u>	<u>-</u>

Reconciliation of In-District/Chargeback and Cooperative/Contractual Agreement Credit Hours

	Total Attending	Total Attending as Certified to the ICCB	Difference
In-District Residents	25,020.0	25,020.0	-
Out-of-District on Chargeback or Contractual Agreement	-	-	-
Total	<u>25,020.0</u>	<u>25,020.0</u>	<u>-</u>

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	3,071.0	3,071.0	-
Dual Enrollment	3,085.0	3,085.0	-
Total	<u>6,156.0</u>	<u>6,156.0</u>	<u>-</u>

Reconciliation of Total Correctional Semester Credit Hours

Categories	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupational	-	-	-
Health Occupational	-	-	-
Remedial Developmental	-	-	-
Adult Basic/Secondary Education	-	-	-
Total Credit Hours Certified	<u>-</u>	<u>-</u>	<u>-</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Documentation of Residency Verification Steps
For the Year Ended June 30, 2022

The following procedures detail the process for verifying the residency status of the students of Shawnee Community College, Community College District #531:

In-District Student

Description: A student who has lived in Johnson, Alexander, Massac, Pulaski, or Union counties for at least 30 days prior to the beginning of the semester.

Residency Code: In-district

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

Tuition Charge: Current in-district tuition charge

Student Employed Full-Time in the District

Description: An Illinois resident who lives outside the district but works at least 35 hours per week at a business or industry located in the district.

Residency Code: In-district

Acceptable Documentation: A signed letter from employer verifying that the student works at least 35 hours in the district.

Tuition Charge: Current in-district tuition charge

Out-of-District Student

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

Residency Code: Out-of-district

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

Tuition Charge: Current out-of-district tuition charge

Chargeback Student

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

Residency Code: Out-of-district

Acceptable Documentation: A signed chargeback agreement from home community college. Documentation maintained by the Business Office.

Tuition Charge: Current in-district tuition charge

Reciprocal Agreement Student

Description: A student who lives in the district of a College participating in the Comprehensive Agreement Regarding the Expansion of Educational Resources (CAREER) and attends Shawnee Community College for the purpose of enrolling in a program or specific course not offered by the home community college. Since this is an agreement made among these colleges, a chargeback request is not required.

Residency Code: Out-of-district

Acceptable Documentation: A letter of reciprocity from the home community college. Documentation maintained by the Business Office.

Tuition Charge: Current in-district tuition charge

Out-of-State Student

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

Residency Code: Out-of-state

Acceptable Documentation: None is required.

Tuition Charge: Current out-of-state tuition charge

International Student

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

Residency Code: Out-of-country

Acceptable Documentation: None, other than the typical international student admission paperwork which is completed with the Dean of Student Services or Registrar.

Tuition Charge: Current foreign student tuition charge

International Athlete

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

Residency Code: Out-of-country

Acceptable Documentation: None, other than the typical international student admission paperwork which is completed with the Dean of Student Services or Registrar.

Tuition Charge: Current foreign student tuition charge

International Student with U.S. In-District Sponsor

Description: A student whose permanent residence is outside of the United States but who lives with and is financially sponsored by a resident within the college district.

Residency Code: Out-of-country

Acceptable Documentation: None, other than the typical international student admission paperwork which is completed with the Dean of Student Services or Registrar.

Tuition Charge: Current foreign student tuition charge

Returned Mail

When mail is returned to the College in which the post office has provided a label indicating the forwarding address is out-of-district or out-of-state, the College will correct the address in the computer system.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Background Information on State Grant Activity
For the Year Ended June 30, 2022

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.

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 College 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.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Findings and Questioned Costs – ICCB Grant Compliance
For the Year Ended June 30, 2022

Findings – ICCB Grant Compliance

No findings noted in the current fiscal year.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Prior Audit Findings – ICCB Grant Compliance
For the Year Ended June 30, 2022

Findings – ICCB Grant Compliance

No findings noted in the prior fiscal year.

SHAWNEE COMMUNITY COLLEGE
 Illinois Grant Accountability and Transparency - Consolidated Year-End Financial Report
 For the Year Ended June 30, 2022

CSFA Number	Program Name	State Funding	Federal Funding	Other Funding	Total
420-35-0083	Small Business Development Centers	\$ -	\$ 94,166	\$ -	\$ 94,166
684-00-0465	Career and Technical Ed Improvement (CTEI)	469,943	-	-	469,943
684-00-0465	Postsecondary Perkins Basic Grants - Federal CTE	-	206,485	-	206,485
684-00-0816	Small College Grants	60,932	-	-	60,932
684-00-2455	Governor's Emergency Education Relief	-	118,350	-	118,350
684-00-2502	Developmental Education Innovation Grant - GRF	10,000	-	-	10,000
684-00-2576	Postsecondary Perkins Basic Reserve - Federal Reserve	-	97,338	-	97,338
684-00-2455	Governor's Emergency Education Relief Fund II - Federal	-	59,301	-	59,301
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	160,142	84,555	-	244,697
684-01-1670	Innovative Bridge and Transition Grant - State	80,469	-	-	80,469
	Other Grant Programs and Activities	-	4,937,028	47,386	4,984,414
	All Other Costs Not Allocated	-	-	14,910,965	14,910,965
Total		<u>\$ 781,486</u>	<u>\$ 5,597,223</u>	<u>\$ 14,958,351</u>	<u>\$ 21,337,060</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/State Pass-Through Grantor/Program Title/Grant Name	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Provided to Subrecipients
Department of Agriculture				
<i>Direct</i>				
Distance Learning and Telemedicine Loans and Grants	10.855		\$ 150,993	\$ -
Delta Health Care Services Grant	10.874		* 265,946	-
Total Department of Agriculture			<u>416,939</u>	<u>-</u>
Department of Education				
<i>Direct</i>				
<i>Student Financial Aid Cluster</i>				
Pell Grant Program	84.063		1,839,657	-
Federal Work Study	84.033		15,185	-
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		8,145	-
Total Student Financial Aid Cluster			<u>1,862,987</u>	<u>-</u>
<i>Trio Cluster</i>				
Trio Student Support Services	84.042A		350,815	-
Trio Talent Search Program	84.044A		325,432	-
Total Trio Cluster			<u>676,247</u>	<u>-</u>
<i>Education Stabilization Fund</i>				
<i>Direct</i>				
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	84.425E		* 1,569,604	-
COVID-19 Higher Education Emergency Relief Fund - Student Portion	84.425F		* 318,810	-
COVID-19 Higher Education Emergency Relief Fund - Strengthening Institutions Program	84.425M		* 76,571	-
<i>Passed-Through the Illinois Community College Board (ICCB)</i>				
COVID-19 Governor's Emergency Education Relief Fund	84.425C	GEER-531	* 118,350	-
COVID-19 Governor's Emergency Education Relief Fund	84.425C	GEERII-53122	* 59,301	-
Total Education Stabilization Fund			<u>2,142,636</u>	<u>-</u>
<i>Passed through the Illinois Community College Board (ICCB)</i>				
Career and Technical Education - Basic Grants to States	84.048	CTE-53122	303,823	-
Adult Education - Basic Grants to States	84.002	AE-53101-22	84,555	-
Total Passed through ICCB			<u>388,378</u>	<u>-</u>
Total Department of Education			<u>5,070,248</u>	<u>-</u>
Department of Human and Health Services				
<i>Passed through Southern Illinois University</i>				
S.I. Bridges to the Baccalaureate Program	93.859	20-03	15,870	-
U.S. Small Business Administration				
<i>Passed through the Illinois Department of Commerce and Economic Opportunity:</i>				
Small Business Development Center	59.037	20-561999	47,085	-
COVID-19 Small Business Development Center	59.037	20-543174	10,147	-
Small Business Development Center	59.037	21-181174	36,934	-
Total U.S. Small Business Administration			<u>94,166</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 5,597,223</u>	<u>\$ -</u>

* - Denotes a major program.

See Accompanying Notes on the Following Page

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (Schedule 33) includes the federal grant activity of Shawnee Community College (the College) for the year ended June 30, 2022. 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 College, which are presented in conformity with accounting principles generally accepted in the United States of America.

The College did not use the 10 percent de minimis indirect cost rate. The indirect allocations allowable under the TRIO Cluster was \$60,811 for the year ended June 30, 2022.

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 received as of June 30, 2022.

3. Property and Equipment

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

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

1. Summary of Auditor's Results

- (i) Type of audit report issued on the financial statements: Unmodified
- (ii) The audit did not disclose a significant deficiency or material weakness in internal control 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 that is required to be reported in accordance with *Government Auditing Standards*.
- (iv) The audit did not disclose a significant deficiency or a material weakness in internal control over a major federal award.
- (v) Type of report issued on compliance for the major programs: Unmodified
- (vi) The audit did not disclose a finding that is required to be reported in accordance with 2 CFR Section 200.516a.
- (vii) Major Programs:
 - U.S. Department of Agriculture:
 - Delta Healthcare Grants Assistance Listing #10.874
 - U.S. Department of Education:
 - COVID-19 Education Stabilization Fund
 - Assistance Listing #84.425C
 - Assistance Listing #84.425E
 - Assistance Listing #84.425F
 - Assistance Listing #84.425M
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$750,000.
- (ix) The College qualifies as a low-risk auditee.

2. Findings – Financial Statement Audit

None noted

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

None noted

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2022

2021-001: Higher Education Emergency Relief Fund – Reporting

Condition

Controls surrounding reporting for the Higher Education Emergency Relief Fund were not effective in preventing inaccurate and late filings.

Current Status

No similar finding was noted in the 2022 audit.

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
Shawnee Community College
Community College District #531
Ullin, 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 Shawnee Community College (the College) and its discretely presented component unit of as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated December 5, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College'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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Hood LLC

Champaign, Illinois
December 5, 2022

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

Board of Trustees
Shawnee Community College
Community College District #531
Ullin, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Shawnee Community College's (the College) 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 College's major federal programs for the year ended June 30, 2022. The College'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 College, 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, 2022.

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.



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

We are required to be independent of the College 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 College'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 College'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 College'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 College'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 College'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 College'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 College's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Martin Hood LLC

Champaign, Illinois
December 5, 2022