

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531

Ullin, Illinois

Annual Comprehensive Financial Report

For the Year Ended

June 30, 2023

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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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, 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, 2023, 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.



Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended June 30, 2023, the College adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 21, 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 November 6, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Martin Hood LLC

Champaign, Illinois
November 6, 2023

**SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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, 2023. 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, 2023, the College's Net Position was \$36.8 million, an increase of \$3.1 million over the prior year's Net Position of \$33.7 million. This increase in net position is primarily due to an increase of \$3.0 in unrestricted assets and expendable trust, an increase in net investment in capital assets of \$2.3 million, and a decrease of \$1.6 million related to net position restricted for capital projects.

The largest concerns in the district are the unknown reductions of the corporate property replacement tax and the decline in population. Administration is working with the state and other schools to try to determine the future funding amounts. Administration is monitoring the population and looking for ways to provide programs and class schedules that would not only increase the percentage of in-district enrollment but entice more students from out of district to attend Shawnee Community College. In order to do this the College has begun to explore the possibility of moving to a virtual reality learning environment in addition to the traditional classroom setting. The College completed a facility condition assessment that will be used to complete a master plan. The master plan will include how the College facilities need to adapt to the future of higher education so the College will be the vehicle that provides the training. The master plan will also take into consideration the strategic plan which provides the layout and direction the College will be heading.

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>2023</u>	<u>2022</u>
Current Assets	\$ 30.4	\$ 23.2
Non-Current Assets		
Land	0.1	0.1
Buildings in Progress	0.1	0.0
Capital Assets, Net of Depreciation and Amortization	<u>23.4</u>	<u>21.6</u>
Total Assets	<u>54.0</u>	<u>44.9</u>
Deferred Outflows	<u>0.4</u>	<u>0.2</u>
Current Liabilities	3.5	3.5
Long Term Liabilities	<u>9.6</u>	<u>5.9</u>
Total Liabilities	<u>13.1</u>	<u>9.4</u>
Deferred Inflows	<u>4.5</u>	<u>2.0</u>
Net Position		
Net Investment in Capital Assets	22.4	20.1
Restricted for:		
Expendable Trust	5.9	5.0
Capital Projects	1.7	3.3
Debt Service	0.4	0.6
Other	1.3	1.7
Unrestricted	<u>5.1</u>	<u>3.0</u>
Total Net Position	<u>\$ 36.8</u>	<u>\$ 33.7</u>

Operating expenses, excluding on-behalf payments, for the College over the fiscal year ending June 30, 2023 were \$17.7 million compared to \$17.2 million for the previous year.

Operating Expenses
As of June 30
(in millions)

	<u>2023</u>	<u>2022</u>
Instruction	\$ 3.9	\$ 5.3
Academic Support	0.9	1.6
Student Services	2.0	1.6
Public Services	1.2	0.5
Auxiliary Expenses	1.2	1.1
Operation and Maintenance of Plant	1.4	1.3
Grants and Scholarships	3.1	1.9
Institutional Support	3.7	3.0
Other Postemployment Benefits	(1.1)	(0.1)
Depreciation and Amortization	<u>1.4</u>	<u>1.0</u>
Total Operating Expenses	<u>\$ 17.7</u>	<u>\$ 17.2</u>

The operating revenue for fiscal year 2023 was \$2.8 million compared to \$3.0 for 2022. Non-operating revenues (expenses) for fiscal year 2023, excluding on-behalf revenue, were \$17.1 million compared to \$16.7 million for 2022.

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

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Tuition and Fees, Net of Allowance	\$ 2.1	\$ 2.3
Auxiliary Enterprise Revenues	0.4	0.4
Other	<u>0.3</u>	<u>0.3</u>
Total Operating Revenues	<u>2.8</u>	<u>3.0</u>
Non-Operating Revenue (Expenses)		
State Grants and Contracts	7.1	6.5
Local Property Taxes	4.5	4.6
Federal Grants and Contracts	5.3	5.6
Investment Income	0.6	0.1
Bond Issuance Cost	(0.1)	0.0
Interest Expense	<u>(0.3)</u>	<u>(0.1)</u>
Total Non-Operating Revenues	<u>17.1</u>	<u>16.7</u>
Total Revenues	19.9	19.7
Operating Expenses	17.7	17.2
Capital Contributions	<u>0.9</u>	<u>0.0</u>
Increase in Net Position	3.1	2.5
Net Position, Beginning of Year	<u>33.7</u>	<u>31.2</u>
Net Position, End of Year	<u>\$ 36.8</u>	<u>\$ 33.7</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 an increase of \$1.1 million in fiscal year 2023. This is due to an increase in corporate personal property replacement tax and an increase in tuition revenue.

The liability, protection and settlement fund balance decreased in fiscal year 2023 by \$455,375 bringing that fund balance to \$1,221,253. 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 2023 with a decrease in fund balance of \$126,284. The remaining fund balance of \$448,403 will be used to make future bond payments.

The capital projects fund balance increased by \$5.8 million. This increase is due to issuance of general obligation bonds in fiscal year 2023 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 \$9,044,970 will be used for future capital expenditures.

Capital Asset Administration

At the end of fiscal year 2023, the College had \$23.6 million invested in a broad range of capital assets (see table below). This amount represents a net increase of \$1.9 million (including additions and depreciation and amortization) 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>2023</u>	<u>2022</u>
Land	\$ 0.1	\$ 0.1
Buildings in Progress	0.1	0.0
Land Improvements	0.7	0.1
Buildings	20.6	20.0
Equipment	0.9	0.7
Vehicles	0.4	0.2
Software	0.1	0.3
Computer Technology Equipment	0.1	0.2
Technology Hardware / Software	<u>0.6</u>	<u>0.1</u>
Total Capital Assets, Net of Depreciation and Amortization	<u>\$ 23.6</u>	<u>\$ 21.7</u>

Long-Term Debt Activity

The College's long-term debt increased during Fiscal Year 2023 from \$7.6 million to \$11 million due to the issuance of the general obligation bonds and recognition of subscription-based information technology agreements due to GASB 96. There was a \$3.5 million decrease in postemployment benefit liability and the retirement of \$1.6 million in bond debt. More detailed information about long-term debt can be found in Note 10 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 2023, the College secured new grants to develop career and technical educational programs, to help accelerate student process through developmental education, and to support green energy initiatives. The College's approved operating budget for fiscal year 2024 is \$12.9 million. The total College budget is \$24.6 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, and limited state funding. 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, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Primary Government	Component Unit
Current Assets		
Unrestricted:		
Cash and Cash Equivalents	\$ 10,884,573	\$ 193,531
Investments	-	520,993
Receivables:		
Property Taxes	648,682	-
Replacement Taxes	262,094	-
Student Tuition and Fees, Net of Allowance of \$149,093	518,933	-
Prepaid Expenses	250,694	13,782
Inventories	196,230	-
Restricted:		
Cash and Cash Equivalents	10,881,532	-
Investments	5,483,459	664,191
Receivables:		
Property Taxes	766,029	-
Governmental Grants and Contracts	512,670	-
Total Current Assets	30,404,896	1,392,497
Capital Assets, Net		
	23,639,666	-
Total Assets	54,044,562	1,392,497
Deferred Outflows of Resources		
Pension Related Deferred Outflows	89,450	-
Other Postemployment Benefits Related Deferred Outflows	262,938	-
Total Deferred Outflows of Resources	352,388	-
Total Assets and Deferred Outflows of Resources	\$ 54,396,950	\$ 1,392,497

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

Current Liabilities		
Accounts Payable	\$ 295,886	\$ 28,995
Accrued Liabilities	605,389	-
Due to Student Groups	195,562	-
Unearned Revenue	1,114,614	-
Lease Liabilities	111,861	-
Subscription Liabilities	225,318	-
Bond Premium	40,626	-
Bonds Payable	895,000	-
Total Current Liabilities	3,484,256	28,995
Long-Term Liabilities		
Lease Liabilities, Net of Current Portion	426,661	-
Subscription Liabilities, Net of Current Portion	440,301	-
Bond Premium, Net of Current Portion	197,386	-
Bonds Payable, Net of Current Portion	6,185,000	-
Net Other Postemployment Benefit Liabilities	2,350,732	-
Total Long-Term Liabilities	9,600,080	-
Total Liabilities	13,084,336	28,995
Deferred Inflows of Resources		
Other Postemployment Benefits Related Deferred Inflows	4,484,572	-
Net Position		
Net Investment in Capital Assets	22,396,850	-
Restricted for:		
Expendable Trust	5,873,870	-
Capital Projects	1,726,958	-
Debt Service	448,403	-
Other - Restricted by Enabling Legislation	1,258,103	-
Net Assets With Donor Restrictions	-	664,191
Unrestricted	5,123,858	699,311
Total Net Position	36,828,042	1,363,502
Total Liabilities, Deferred Inflows, and Net Position	\$ 54,396,950	\$ 1,392,497

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, 2023

Operating Revenues	
Student Tuition and Fees, Net of Scholarship	
Allowance of \$2,678,504	\$ 2,111,228
Auxiliary Enterprises Revenue	421,343
Other Operating Revenues	343,001
Total Operating Revenues	<u>2,875,572</u>
Operating Expenses	
Instruction	3,941,438
Academic Support	873,044
Student Services	2,002,979
Public Services	1,165,636
Auxiliary Expenses	1,174,587
Operation and Maintenance of Plant	1,427,565
Grants and Scholarships	3,075,051
Institutional Support	3,672,672
On-Behalf Payments	2,013,765
Other Postemployment Benefits	(1,074,900)
Depreciation and Amortization	1,372,140
Total Operating Expenses	<u>19,643,977</u>
Operating Loss	<u>(16,768,405)</u>
Non-Operating Revenues (Expenses)	
State Grants and Contracts	7,083,729
Local Property Tax Revenues	4,548,187
Federal Grants and Contracts	5,301,438
On-Behalf Payments	2,013,765
Investment Income Earned	628,213
Amortization of Bond Premium	25,632
Bond Issuance Cost	(92,480)
Interest Expense	(268,132)
Total Non-Operating Revenues	<u>19,240,352</u>
Capital Contributions	<u>596,415</u>
Increase in Net Position	3,068,362
Net Position, Beginning of Year	<u>33,759,680</u>
Net Position, End of Year	<u>\$ 36,828,042</u>

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Statement of Activities - Component Unit
 For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	\$ 6,846	\$ 177,199	\$ 184,045
Investment Return, Net	63,032	-	63,032
Total Support and Revenue	69,878	177,199	247,077
Net Assets Released from Restrictions	46,828	(46,828)	-
Total Support and Revenue and Net Assets Released from Restrictions	116,706	130,371	247,077
Expenses:			
<i>Program Services</i>			
Scholarships, Awards, and Grants	78,515	-	78,515
Supplies	236	-	236
Total Program Services	78,751	-	78,751
<i>Supporting Services</i>			
Fundraising Expenses			
Postage and Supplies	1,826	-	1,826
Total Fundraising Expenses	1,826	-	1,826
Management and General Expenses			
Salaries	47,344	-	47,344
Supplies	12,662	-	12,662
Professional Fees	4,900	-	4,900
Consulting	2,076	-	2,076
Miscellaneous	3,980	-	3,980
Total Management and General Expenses	70,962	-	70,962
Total Supporting Services	72,788	-	72,788
Total Expenses	151,539	-	151,539
Change in Net Assets	(34,833)	130,371	95,538
Net Assets, Beginning of Year	734,144	533,820	1,267,964
Net Assets, End of Year	\$ 699,311	\$ 664,191	\$ 1,363,502

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Cash Flows
For the Year Ended June 30, 2023

Cash Flows from Operating Activities	
Student Tuition and Fees	\$ 2,252,054
Payments to Suppliers	(5,393,674)
Payments to Employees and Benefits Paid	(8,975,502)
Payments for Financial Aid and Scholarships	(3,075,051)
Auxiliary Enterprise Charges	421,343
Other Receipts	343,001
Net Cash Used in Operating Activities	<u>(14,427,829)</u>
Cash Flows from Non-Capital Financing Activities	
State Grants and Contracts	7,082,564
Local Property Taxes	4,582,461
Federal Grants and Contracts	5,536,067
Net Cash Provided by Non-Capital Financing Activities	<u>17,201,092</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Bonds	(1,575,000)
Interest Paid on Bonds	(66,882)
Bond Proceeds	7,343,644
Purchase of Property and Equipment	(1,383,339)
Bond Issuance Costs	(92,480)
Payments of Subscription Liabilities	(189,492)
Payments of Lease Liabilities	(89,560)
Net Cash Provided by Capital and Related Financing Activities	<u>3,946,891</u>
Cash Flows from Investing Activities	
Interest on Investments	628,213
Purchases of Investments	(2,835,445)
Net Cash Used in Investing Activities	<u>(2,207,232)</u>
Net Increase in Cash and Cash Equivalents	4,512,922
Cash and Cash Equivalents, Beginning of Year	<u>17,253,183</u>
Cash and Cash Equivalents, End of Year	<u>\$ 21,766,105</u>
On the Statement of Net Position as:	
Unrestricted - Cash and Cash Equivalents	\$ 10,884,573
Restricted - Cash and Cash Equivalents	<u>10,881,532</u>
Cash and Cash Equivalents, End of Year	<u>\$ 21,766,105</u>

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Cash Flows
For the Year Ended June 30, 2023

Reconciliation of Operating Loss to Net Cash

Used in Operating Activities

Operating Loss	\$ (16,768,405)
Adjustments to Reconcile Operating Loss to Net Cash	
Used in Operating Activities:	
Depreciation and Amortization Expense	1,372,140
On-Behalf Payments	2,013,765
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:	
Student Tuition and Fees Receivables	68,917
Prepaid Expenses	(110,443)
Inventories	(49,159)
Pension Related Deferred Outflows	701
OPEB Related Deferred Outflows	(105,742)
Accounts Payable	101,445
Accrued Liabilities	(12,077)
Due to Student Groups	(41,722)
Unearned Revenue	71,909
Net OPEB Liabilities	(3,464,561)
OPEB Related Deferred Inflows	2,495,403
Net Cash Used in Operating Activities	\$ (14,427,829)

Supplemental Disclosure of Non-Cash Capital and Related Financing Activity

Capital Assets Acquired through Lease Liabilities	\$ 527,757
Capital Assets Acquired through Subscription Liabilities	\$ 855,111
Contributed Capital Assets	\$ 596,415

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to Basic Financial Statements
June 30, 2023

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, 2023, was \$149,093.

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, leased assets, and subscription 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 and subscription assets are capitalized based on the present value of lease or subscription payments. Leased assets and subscription assets are amortized using the straight-line method over the lease or subscription 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, 2023. 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, 2022 and will be included in the pension and other postemployment benefit expense, respectively, in Fiscal Year 2024. 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, 2023. 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 2021 and 2022, were allocated 70 percent and 30 percent, respectively, for Fiscal Year 2023. 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	
		2022 Levy Payable 2023	2021 Levy Payable 2022
Education	.20000	.20000	.20000
Building	.10000	.10000	.10000
Tort Immunity	Unlimited	.10544	.10424
Social Security	Unlimited	.01722	.01752
Audit	.00500	.00500	.00500
Health and Safety	.05000	.03523	.03675
Bond and Interest	Unlimited	.19694	.23616
Prior Year Adjustment	N/A	-	-
		<u>.65983</u>	<u>.69967</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 May 2020, GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. The provisions of GASB 96 require recognizing a right-of-use subscription asset and corresponding subscription liability for applicable information technology arrangements greater than 12 months. The College adopted the new standard during Fiscal Year 2023. The adoption of the standard had no impact on net position as of June 30, 2022, as previously reported. The adoption of the standard caused a \$15,144 decrease in operating expenses and increase in nonoperating expenses of \$30,879 for the year ended June 30, 2023.

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, 2023, the College's investments consisted of 23 non-negotiable certificates of deposit with different banks, none of which that has a carrying value that exceeds five percent of the College's total investments at June 30, 2023.

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, 2023, \$8,054,980 of the College's \$14,039,858 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, 2023, the College held \$13,640,976 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, 2023, the College held a total of \$73,428 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, 2023:

	June 30, 2022	Additions	Disposals	June 30, 2023
Capital Assets, Not Being Depreciated:				
Land	\$ 89,166	\$ -	\$ -	\$ 89,166
Construction in Progress	23,980	154,945	23,980	154,945
Capital Assets Being Depreciated:				
Land Improvements	257,637	568,476	-	826,113
Buildings	32,213,364	873,225	-	33,086,589
Equipment	1,632,028	269,461	-	1,901,489
Vehicles	832,198	74,849	-	907,047
Software	1,199,826	-	-	1,199,826
Computer Technology Equipment	619,265	70,705	-	689,970
Total Capital Assets, being Depreciated	<u>36,867,464</u>	<u>2,011,661</u>	<u>23,980</u>	<u>38,855,145</u>
Less: Accumulated Depreciation				
Land Improvements	(152,991)	(18,225)	-	(171,216)
Buildings	(12,191,997)	(644,680)	-	(12,836,677)
Equipment	(899,344)	(170,912)	-	(1,070,256)
Vehicles	(609,333)	(63,348)	-	(672,681)
Software	(890,823)	(148,773)	-	(1,039,596)
Computer Technology Equipment	(569,480)	(36,124)	-	(605,604)
Total Accumulated Depreciation	<u>(15,313,968)</u>	<u>(1,082,062)</u>	<u>-</u>	<u>(16,396,030)</u>
Total Capital Assets, being Depreciated, Net	<u>21,553,496</u>	<u>929,599</u>	<u>23,980</u>	<u>22,459,115</u>
Lease Assets:				
Equipment	69,504	44,398	8,645	105,257
Vehicles	-	123,556	-	123,556
Building	104,985	359,804	-	464,789
Total Lease Assets, being Amortized	<u>174,489</u>	<u>527,758</u>	<u>8,645</u>	<u>693,602</u>
Less: Accumulated Amortization				
Equipment	(15,810)	(22,149)	(8,645)	(29,314)
Vehicles	-	(2,059)	-	(2,059)
Building	(62,991)	(68,571)	-	(131,562)
Total Accumulated Amortization	<u>(78,801)</u>	<u>(92,779)</u>	<u>(8,645)</u>	<u>(162,935)</u>
Total Lease Assets, being Amortized, Net	<u>95,688</u>	<u>434,979</u>	<u>-</u>	<u>530,667</u>
Subscription Assets:				
Technology Hardware / Software	-	855,111	-	855,111
Less: Accumulated Amortization				
Technology Hardware / Software	-	(205,227)	-	(205,227)
Total Accumulated Amortization	<u>-</u>	<u>(205,227)</u>	<u>-</u>	<u>(205,227)</u>
Total Subscription Assets, being Amortized, Net	<u>-</u>	<u>649,884</u>	<u>-</u>	<u>649,884</u>
Total Capital Assets, Net	<u>\$ 21,649,184</u>	<u>\$ 2,014,462</u>	<u>\$ 23,980</u>	<u>\$ 23,639,666</u>

5. Leases

The College is obligated under one non-cancellable operating lease for office building, classroom, and activity space, which required monthly lease payments of \$5,330 with terms running through February 2023. During the year ended June 30, 2023, the lease was extended two years through February 2025 with required monthly lease payments of \$6,000. The extension includes an option to extend for three years through February 2028 with monthly lease payments of \$6,500. The College intends to exercise the three-year extension.

The College is obligated under 8 non-cancellable operating leases for office equipment, which require monthly lease payments ranging from \$115 to \$630 with terms maturing from November 2023 to March 2028.

The College is obligated under a non-cancellable operating lease for four vehicles, which requires a monthly lease payment of \$2,278 with terms running through May 2028.

The total costs of the College's lease assets are recorded as \$693,602, less accumulated amortization of \$162,935.

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

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 111,861	\$ 13,124	\$ 124,985
2025	111,034	10,060	121,094
2026	115,591	6,983	122,574
2027	117,641	3,788	121,429
2028	82,395	803	83,198
	<u>\$ 538,522</u>	<u>\$ 34,758</u>	<u>\$ 573,280</u>

6. Subscription-Based Information Technology Arrangement

The College has entered into a long-term subscription-based information technology arrangement (SBITA) for an enterprise resource planning software. The College is obligated under this noncancellable arrangement on a subscription basis. The arrangement has terms running through August 2026. The total costs of the College's SBITA assets are \$855,111 less accumulated amortization of \$205,227.

Future minimum payments under this arrangement are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 225,318	\$ 1,664	\$ 226,982
2025	232,928	863	233,791
2026	207,373	-	207,373
2027	-	-	-
2028	-	-	-
	<u>\$ 665,619</u>	<u>\$ 2,527</u>	<u>\$ 668,146</u>

7. Accrued Liabilities

Accrued liabilities consist of the following at June 30, 2023:

Accrued Wages	\$	221,962
Accrued Vacation		163,871
Accrued Interest		219,556
Total Accrued Liabilities	\$	<u>605,389</u>

8. Unearned Revenue

Unearned revenue consists of the following at June 30, 2023:

Property Taxes Received Under Protest	\$	831,448
Unearned Student Fees		189,062
Unearned Student Tuition		48,479
Other Unearned Revenue		45,625
Total Unearned Revenue	\$	<u>1,114,614</u>

9. Unrestricted Net Position

Unrestricted net position at June 30, 2023 consisted of (\$6,572,366) related to other postemployment benefit activity and \$11,696,244 related to other general purposes.

10. Long-Term Debt

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

	June 30, 2022	Additions	Retired	June 30, 2023	Due Within One Year
2017B Series Bond	\$ 1,575,000	\$ -	\$ 1,575,000	\$ -	\$ -
2022A Series Bond	-	6,220,000	-	6,220,000	35,000
2022B Series Bond	-	860,000	-	860,000	860,000
Bond Premium	-	263,644	25,632	238,012	40,626
Other Postemployment Benefit	5,815,293	-	3,464,561	2,350,732	-
Accrued Vacation	158,636	297,387	292,152	163,871	163,871
Lease Liabilities	100,325	527,757	89,560	538,522	111,861
Subscription Liabilities	-	855,111	189,492	665,619	225,318
Total Long-Term Debt	<u>\$ 7,649,254</u>	<u>\$ 9,023,899</u>	<u>\$ 5,636,397</u>	<u>\$ 11,036,756</u>	<u>\$ 1,436,676</u>

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

The College issued 2022A general obligation community college bonds in December 2022. Principal payments are made annually beginning December 1, 2023 and run through December 1, 2028. Interest rates on the bonds are 5.00 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2023.

The College issued 2022B general obligation community college bonds in December 2022. Principal and interest payments are due December 1, 2023. Interest rates on the bonds are 5.00 percent.

Total interest expense incurred for all long-term debt for the year ended June 30, 2023 was \$268,132.

Maturities of the bonds are as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30			
2024	\$ 895,000	\$ 502,725	\$ 1,397,725
2025	1,115,000	281,375	1,396,375
2026	1,175,000	224,125	1,399,125
2027	1,235,000	163,875	1,398,875
2028	1,295,000	100,625	1,395,625
Thereafter	1,365,000	34,125	1,399,125
	\$ 7,080,000	\$ 1,306,850	\$ 8,386,850

11. 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, 2022, 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 2023 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, 2022, SURS reported a net pension liability (NPL) of \$29,078,053,857. The net pension liability was measured as of June 30, 2022.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the 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 \$45,379,792 or 0.1561 percent. The College’s proportionate share changed by 0.0158 percent from 0.1719 percent since the last measurement date on June 30, 2021. This amount is not recognized in the College’s financial statements. The net pension liability and total pension liability as of June 30, 2022, was determined based on the June 30, 2021, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during Fiscal Year 2021.

Defined Benefit Pension Expense

At June 30, 2022, SURS defined benefit plan reported a collective net pension expense of \$1,903,314,699.

Employer Proportionate Share of Defined Benefit Pension Expense

The 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 2022. As a result, the College recognized on-behalf revenue and pension expense of \$2,970,351 from this special funding situation for the fiscal year ended June 30, 2023.

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	\$31,973,496	\$28,674,599
Changes in assumption	279,362,441	982,954,268
Net difference between projected and actual earnings on pension plan investments	31,628,935	-
Total	\$342,964,872	\$1,011,628,867

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 Outflows of Resources
2023	\$ (332,941,204)
2024	(528,966,820)
2025	(249,290,775)
2026	442,534,804
	<u>\$ (668,663,995)</u>

Employer Deferral of Fiscal Year 2022 Pension Expense

The College paid \$89,450 in federal, trust or grant contributions to SURS defined benefit pension plan for the fiscal year ended June 30, 2023. These contributions were made

subsequent to the pension liability measurement date of June 30, 2022, and are recognized as Deferred Outflows of Resources as of June 30, 2023.

Assumptions and Other Inputs

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

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

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

The long-term expected rate of return on defined benefit pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan’s trustees after considering input from the plan’s investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan’s target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

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

Discount Rate

A single discount rate of 6.39 percent was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50 percent and a municipal bond rate of 3.69 percent (based on the 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 2076, and the municipal bond rate was applied to all benefit payments after that date.

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

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

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

12. 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, 2022, can be found in the System's Annual Comprehensive Financial Report (ACFR) Notes to the Financial Statements.

Contributions

All employees who have elected to participate in the RSP are required to contribute 8.00 percent of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.60 percent of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.60 percent contribution for employee earnings paid from "trust, federal, and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

Forfeitures

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

Defined Contribution Pension Expense

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

Employer Proportionate Share of Defined Contribution Pension Expense

The 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 2022. The College's share of pensionable

contributions was 0.0567 percent. As a result, the College recognized on-behalf revenue and defined contribution pension expense of \$50,905 from this special funding situation for the fiscal year ended June 30, 2023, of which \$5,029 constituted forfeitures.

13. 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, 2023 were both \$33,376.

Net OPEB Liability

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

Employer Proportionate Share of Net OPEB Liability

The proportionate share of the net OPEB liability reported by the College is \$2,350,732. 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, 2022. The total OPEB liability used to calculate the OPEB liability was determined based on the June 30, 2021 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, 2022, the College's proportion was 0.3434 percent. The portion of the State of Illinois' liability that is associated with the College is \$2,350,732. The total share that is associated with the College is \$4,701,464.

OPEB Expense

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

Employer Proportionate Share of OPEB Expense

For the year ended June 30, 2023, the College recognized proportionate share of collective OPEB expense of (\$983,699). The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported contributions made to CIP during Fiscal Year 2022.

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

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

Deferred Inflows of Resources 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	\$18,570	\$979,153
Changes in assumption	-	3,168,714
Net difference between projected and actual earnings on OPEB investments	-	122
Changes in proportion and differences between employer contributions and share of contributions	<u>210,991</u>	<u>336,583</u>
Total deferred amounts to be recognized in OPEB expense in future periods	229,562	4,484,572
OPEB contributions made subsequent to the measurement date	<u>33,376</u>	-
Total deferred amounts related to OPEB	\$262,938	\$4,484,572

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
2024	\$ 45,912	\$ 896,914
2025	45,912	896,914
2026	45,912	896,914
2027	45,912	896,914
2028	45,912	896,916
Total	<u>\$ 229,562</u>	<u>\$ 4,484,572</u>

Employer Deferral of Fiscal Year 2022 OPEB Expense

The College paid \$33,376 in OPEB contributions for the fiscal year ended June 30, 2023. These contributions were made subsequent to the OPEB liability measurement date of June 30, 2022, and are recognized as Deferred Outflows of Resources as of June 30, 2023. This amount will be recognized in OPEB expense in Fiscal Year 2023.

Assumptions and Other Inputs

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

- Inflation – 2.25 percent
- Salary increases – depends on service and ranges from 12.75 percent at less than 1 year of service to 3.50 percent at 34 or more years of service for employees under 50 and ranges from 12.00 percent at less than 1 year of service to 3.00 percent at 34 or more years of service for employees over 50. Salary 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 2023 based on premium increases. For fiscal years on or after 2024, 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 in fiscal year 2039. For MAPD costs, trend rates are 0 percent in 2024 to 2028, 19.42 percent in 2029 to 2033 and 5.86 percent in 2034, declining gradually to an ultimate rate for 4.25 percent in 2039.

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

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

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rate is 3.69 percent as of June 30, 2022.

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 3.69 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 (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current discount rate:

1% Decrease (2.69%)	Current Single Discount Rate Assumption (3.69%)	1% Increase (4.69%)
\$2,573,295	\$2,350,732	\$2,160,409

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.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$2,100,739	\$2,350,732	\$2,656,202

- Current healthcare trend rates – Pre-Medicare per capita costs: 9.18 percent in 2023, 8.00 percent in 2024, decreasing by 0.25 percent per year to an ultimate rate of 4.25 percent in 2039. Post-Medicare per capita costs: 2.98 percent in 2023, 0.00 percent from 2024 to 2028, 19.42 percent from 2029 to 2033, 5.86 percent in 2034 decreasing ratably to an ultimate trend rate of 4.25 percent in 2039.
- One percentage point decrease in healthcare trend rates are 8.18 percent in 2023 decreasing to an ultimate trend rate of 3.25 percent in 2038.
- One percentage point increase in healthcare trend rates are 10.18 percent in 2023 decreasing to an ultimate trend rate of 5.25 percent in 2038.

No amount was owed to the plan at June 30, 2023. The College provides no other financially significant postemployment benefit to employees.

14. On-Behalf Payments for Fringe Benefits

For the year ending June 30, 2023, expense for fringe benefits payments made by the State of Illinois on behalf of the College were \$3,021,256 for pensions to SURS pensions and (\$1,007,491) for the health insurance program to CIP.

15. 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.

16. 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, 2023.

	<u>Due to</u>	<u>Due from</u>
Education Fund	\$ -	\$ 560,000
Restricted Purposes Fund	560,000	-
	<u>\$ 560,000</u>	<u>\$ 560,000</u>

	<u>Transfer in</u>	<u>Transfer out</u>
Auxiliary Enterprise Fund	\$ 738,217	\$ -
Education Fund	132,053	738,217
Working Cash Fund	-	132,053
Operations & Maintenance - Operational Fund	-	-
Operations & Maintenance - Restricted Fund	-	-
	<u>\$ 870,270</u>	<u>\$ 870,270</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.

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.

18. Other Commitments

The College entered into a construction contract for the purchase and installation of a building chiller. As of June 30, 2023, the remaining commitment on the contract is approximately \$451,000 and is expected to be incurred during Fiscal Year 2024.

19. New Government Accounting Standard

In June 2022, GASB issued GASB Statement No. 101 (GASB 101), *Compensated Absences*. The provisions of GASB 101 require that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. GASB 101 is effective for the College's Fiscal Year 2025. The College's management is currently reviewing what impact, if any, this new standard will have on its future financial statements and disclosures.

20. 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 November 6, 2023, the date which the financial statements were available to be issued.

C. Investments

Fair Value Measurements

Financial Accounting Standards Board (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, 2023:

	<u>Cost</u>	<u>Market</u>	<u>Fair Value Level</u>
ETF & Closed End Mutual Funds - Equity		\$ 389,707	1
Mutual Funds - Debt		306,721	1
Mutual Funds - Equity		250,095	1
ETF & Closed End Mutual Funds - Debt		238,285	1
Cash and Cash Equivalents		376	N/A
Total	<u>\$ 1,080,085</u>	<u>\$ 1,185,184</u>	

D. Custodial Credit Risk - Investments

At June 30, 2023, the Foundation had \$127,992 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 \$127,992 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, 2023:

Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 193,531
Investments	<u>1,185,184</u>
Total Financial Assets	<u>1,378,715</u>
Less those unavailable for general expenditures within one year:	
	<u>664,191</u>
Financial Assets available to meet cash needs for general expenditures within one year:	<u><u>\$ 714,524</u></u>

The Foundation does not maintain a line of credit.

F. Net Assets With Donor Restrictions

Net assets with donor restrictions totaling \$664,191 at June 30, 2023 are restricted for the purpose of scholarships as designated by the donors.

G. Related Party Activity

At June 30, 2023, the Foundation has a payable to the College of \$28,995 to reimburse the College for scholarships and salaries paid.

H. Concentrations

The Foundation received \$92,000, or approximately 37 percent, of its total support and revenue from one donor for the year ended June 30, 2023.

21. 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, 2023
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
a) Shawnee's Proportionate Percentage of the Collective Net Pension Liability	0%	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>	<u>45,379,792</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>	<u>\$ 45,379,792</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>	<u>\$ 6,170,763</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%	735.40%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%	45.45%	43.65%

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, 2023
(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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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	Fiscal Year 2023
Shawnee's Federal, Trust, and Other Contribution	\$ 61,573	\$ 71,484	\$ 90,151	\$ 89,450
Shawnee's Contribution in relation to required contribution	61,573	71,484	90,151	89,450
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Shawnee's Covered Payroll	<u>\$ 472,911</u>	<u>\$ 562,866</u>	<u>\$ 731,745</u>	<u>\$ 697,194</u>
Contributions as a Percentage of Covered Payroll	13.02%	12.70%	12.32%	12.83%

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

See Accompanying Notes on Page 44

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to Required Supplementary Information – Pension Liability
For the Year Ended June 30, 2023
(Unaudited)

Changes of Benefit Terms

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

Changes of Assumptions

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

- 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, 2023
(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>	<u>Fiscal Year 2022</u>
a) Shawnee's Proportionate Percentage of the Collective Net OPEB Liability	0.358787%	0.352815%	0.349766%	0.354974%	0.357224%	0.335073%	0.343393%
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	\$ 2,350,732
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability Associated with Shawnee	<u>6,803,453</u>	<u>6,349,324</u>	<u>6,593,970</u>	<u>6,703,834</u>	<u>6,511,339</u>	<u>5,815,293</u>	<u>2,350,732</u>
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>	<u>\$ 4,701,464</u>
Shawnee's Covered Payroll	<u>\$ 6,503,600</u>	<u>\$ 6,121,800</u>	<u>\$ 6,108,800</u>	<u>\$ 6,372,800</u>	<u>\$ 6,570,600</u>	<u>\$ 6,231,000</u>	<u>\$ 6,476,800</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%	36.29%
CIP Plan Net Position as a Percentage of Total OPEB Liability	-2.15%	-2.87%	-3.54%	-4.13%	-5.07%	-6.38%	-22.03%

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, 2023
 (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>
2023	\$ 33,376	\$ 6,675,200	0.50%
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	6,108,800	0.50%
2017	30,609	6,121,800	0.50%
2016	32,518	6,503,600	0.50%
2015	32,607	6,521,400	0.50%
2014	31,804	6,360,800	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, 2023
(Unaudited)

Changes of Benefit Terms

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

Assumptions Used

- Actuarial Cost Method – Entry Age Normal, used to measure the Total OPEB Liability
- Contribution Policy – Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2022, contribution rates are 0.50 percent of pay for active members, 0.50 percent of pay for community colleges and 0.50 percent of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
- Asset Valuation Method – Market value
- Investment Rate of Return – 0 percent, net of OPEB plan investment expense, including inflation, for all plan years.
- Inflation – 2.25 percent
- Salary Increases – Depends on age and service and ranges from 12.75 percent at less than 1 year of service to 3.50 percent at 34 or more years of service for employees under 50 and ranges from 12.00 percent at less than one year of service to 3.00 percent at 34 or more years of service for employees over 50. Salary increase includes a 3.00 percent wage inflation assumption.
- 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: Pub-2010 Healthy Mortality Table. Disabled Annuitants: Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-2010 Employee Mortality Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.
- Healthcare Cost Trend Rates – Actual trend used for Fiscal Year 2023 based on premium increases. For non-medicare costs, trend rates start at 8.00 percent for plan year 2024 and decrease gradually to an ultimate rate of 4.25 percent in 2039. For MAPD costs, trend rates are 0.00 percent in 2024 to 2028, 19.42 percent in 2029 to 2033 and 5.86 percent in 2034, declining gradually to an ultimate rate of 4.25 percent in 2039.
- Aging Factors – Based on the 2013 SOA Study “Health Care Costs – From Birth to Death”
- Expenses – Health administrative expenses are included in the development of the per-capita claims 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, 2023

	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	\$ 10,656,964	\$ 985,219	\$ 343,053	\$ 9,015,539	\$ 180,279	\$ 585,051	\$ -	\$ -	\$ 21,766,105
Investments	-	-	-	-	-	5,483,459	-	-	5,483,459
Receivables:									
Property Taxes	648,682	272,165	418,864	75,000	-	-	-	-	1,414,711
Replacement Taxes	262,094	-	-	-	-	-	-	-	262,094
Agency Tuition	45,559	-	-	-	-	-	-	-	45,559
Student Tuition and Fees, Net of Allowance	473,374	-	-	-	-	-	-	-	473,374
Governmental Grants and Contracts	-	512,670	-	-	-	-	-	-	512,670
Prepaid Expenses	50,956	199,738	-	-	-	-	-	-	250,694
Due from Other Funds	560,000	-	-	-	-	-	-	-	560,000
Inventory	-	-	-	-	196,230	-	-	-	196,230
Property and Equipment, Net	-	-	-	-	5,417	-	23,634,249	-	23,639,666
OTHER DEBITS									
Amount Available to Retire Debt	-	-	-	-	-	-	-	448,403	448,403
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	6,631,597	6,631,597
Total Assets and Other Debits	<u>\$ 12,697,629</u>	<u>\$ 1,969,792</u>	<u>\$ 761,917</u>	<u>\$ 9,090,539</u>	<u>\$ 381,926</u>	<u>\$ 6,068,510</u>	<u>\$ 23,634,249</u>	<u>\$ 7,080,000</u>	<u>\$ 61,684,562</u>

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, 2023

	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	\$ 292,454	\$ -	\$ -	\$ -	\$ 3,432	\$ -	\$ -	\$ -	\$ 295,886
Accrued Liabilities	385,833	-	13,057	-	-	-	-	-	398,890
Unearned Revenue	857,173	151,689	300,457	45,569	45,625	-	-	-	1,400,513
Due to Other Funds	-	560,000	-	-	-	-	-	-	560,000
Due to Student Groups	-	-	-	-	922	194,640	-	-	195,562
Bonds Payable	-	-	-	-	-	-	-	7,080,000	7,080,000
Total Liabilities	1,535,460	711,689	313,514	45,569	49,979	194,640	-	7,080,000	9,930,851
COLLEGE EQUITY									
Investment in General Fixed Assets	-	-	-	-	-	-	23,634,249	-	23,634,249
Fund Balance:									
Reserved	-	1,258,103	448,403	9,044,970	-	5,873,870	-	-	16,625,346
Unreserved, Designated	744,084	-	-	-	-	-	-	-	744,084
Unreserved, Undesignated	10,418,085	-	-	-	-	-	-	-	10,418,085
Retained Earnings	-	-	-	-	331,947	-	-	-	331,947
Total College Equity	11,162,169	1,258,103	448,403	9,044,970	331,947	5,873,870	23,634,249	-	51,753,711
Total Liabilities and College Equity	\$ 12,697,629	\$ 1,969,792	\$ 761,917	\$ 9,090,539	\$ 381,926	\$ 6,068,510	\$ 23,634,249	\$ 7,080,000	\$ 61,684,562

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, 2023

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
Revenues					
Local Sources	\$ 3,648,363	\$ 841,529	\$ 1,480,216	\$ 240,173	\$ 6,210,281
State Sources	4,367,378	1,054,257	-	-	5,421,635
Federal Sources	-	5,301,438	-	-	5,301,438
Tuition and Fees	4,799,968	-	-	-	4,799,968
Facilities	57,992	-	-	-	57,992
Investment Income	423,518	-	-	72,642	496,160
Other Revenue	234,384	-	-	57,252	291,636
On-Behalf Payments	-	2,013,765	-	-	2,013,765
Total Revenues	<u>13,531,603</u>	<u>9,210,989</u>	<u>1,480,216</u>	<u>370,067</u>	<u>24,592,875</u>
Expenditures					
Instruction	3,359,427	582,011	-	-	3,941,438
Academic Support	653,980	488,850	-	-	1,142,830
Student Services	975,662	1,026,616	-	-	2,002,278
Public Service	682,214	483,422	-	-	1,165,636
Operation and Maintenance of Plant	1,372,587	-	-	1,006,786	2,379,373
Scholarships and Grants	2,034,092	3,759,795	-	-	5,793,887
Institutional Support	2,754,972	1,317,707	-	-	4,072,679
Principal	-	-	1,575,000	-	1,575,000
Interest	-	-	31,500	-	31,500
Bond Issuance Costs	-	-	-	76,172	76,172
On-Behalf Payments	-	2,013,765	-	-	2,013,765
Total Expenditures	<u>11,832,934</u>	<u>9,672,166</u>	<u>1,606,500</u>	<u>1,082,958</u>	<u>24,194,558</u>
Revenue Over (Under) Expenditures	<u>1,698,669</u>	<u>(461,177)</u>	<u>(126,284)</u>	<u>(712,891)</u>	<u>398,317</u>
Other Financing Sources (Uses)					
Bond Proceeds	-	-	-	6,483,644	6,483,644
Operating Transfers, Net	(606,164)	-	-	-	(606,164)
Total Other Financing Sources (Uses)	<u>(606,164)</u>	<u>-</u>	<u>-</u>	<u>6,483,644</u>	<u>5,877,480</u>
Revenue Over (Under) Expenditures and Other Financing Sources (Uses)	<u>1,092,505</u>	<u>(461,177)</u>	<u>(126,284)</u>	<u>5,770,753</u>	<u>6,275,797</u>
Fund Balance, July 1, 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>
Fund Balance, June 30, 2023	<u>\$ 11,162,169</u>	<u>\$ 1,258,103</u>	<u>\$ 448,403</u>	<u>\$ 9,044,970</u>	<u>\$ 21,913,645</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, 2023

	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	\$ 3,584,097	\$ 3,648,363	\$ 863,690	\$ 841,529	\$ 1,606,500	\$ 1,480,216	\$ 250,000	\$ 240,173	\$ 6,304,287	\$ 6,210,281
State Sources	4,345,273	4,367,378	1,117,921	1,054,257	-	-	-	-	5,463,194	5,421,635
Federal Sources	-	-	7,242,433	5,301,438	-	-	-	-	7,242,433	5,301,438
Tuition and Fees	4,785,433	4,799,968	-	-	-	-	-	-	4,785,433	4,799,968
Facilities	50,000	57,992	-	-	-	-	-	-	50,000	57,992
Investment Income	45,000	423,518	-	-	-	-	-	72,642	45,000	496,160
Other Revenue	192,885	234,384	-	-	-	-	-	57,252	192,885	291,636
Total Revenues	<u>13,002,688</u>	<u>13,531,603</u>	<u>9,224,044</u>	<u>7,197,224</u>	<u>1,606,500</u>	<u>1,480,216</u>	<u>250,000</u>	<u>370,067</u>	<u>24,083,232</u>	<u>22,579,110</u>
Expenditures										
Instruction	3,522,742	3,359,427	458,733	582,011	-	-	-	-	3,981,475	3,941,438
Academic Support	767,992	653,980	893,925	488,850	-	-	-	-	1,661,917	1,142,830
Student Services	1,215,935	975,662	1,246,601	1,026,616	-	-	-	-	2,462,536	2,002,278
Public Service	679,367	682,214	433,650	483,422	-	-	-	-	1,113,017	1,165,636
Operation and Maintenance of Plant	1,420,799	1,372,587	8,000	-	-	-	1,261,450	1,006,786	2,690,249	2,379,373
Scholarships and Grants	1,727,526	2,034,092	5,345,470	3,759,795	-	-	-	-	7,072,996	5,793,887
Institutional Support	2,983,042	2,754,972	1,529,146	1,317,707	-	-	-	-	4,512,188	4,072,679
Principal	-	-	-	-	1,575,000	1,575,000	-	-	1,575,000	1,575,000
Interest	-	-	-	-	31,500	31,500	-	-	31,500	31,500
Bond Issuance Costs	-	-	-	-	-	-	15,450	76,172	15,450	76,172
Total Expenditures	<u>12,317,403</u>	<u>11,832,934</u>	<u>9,915,525</u>	<u>7,658,401</u>	<u>1,606,500</u>	<u>1,606,500</u>	<u>1,276,900</u>	<u>1,082,958</u>	<u>25,116,328</u>	<u>22,180,793</u>
Revenue Over (Under) Expenditures	<u>685,285</u>	<u>1,698,669</u>	<u>(691,481)</u>	<u>(461,177)</u>	<u>-</u>	<u>(126,284)</u>	<u>(1,026,900)</u>	<u>(712,891)</u>	<u>(1,033,096)</u>	<u>398,317</u>
Other Financing Sources (Uses)										
Bond Proceeds	-	-	-	-	-	-	6,420,000	6,483,644	6,420,000	6,483,644
Operating Transfers, Net	<u>(629,455)</u>	<u>(606,164)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(629,455)</u>	<u>(606,164)</u>
Total Other Financing Sources (Uses)	<u>(629,455)</u>	<u>(606,164)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,483,644</u>	<u>5,790,545</u>	<u>5,877,480</u>
Revenue Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ 55,830</u>	<u>1,092,505</u>	<u>\$ (691,481)</u>	<u>(461,177)</u>	<u>\$ -</u>	<u>(126,284)</u>	<u>\$ (1,026,900)</u>	<u>5,770,753</u>	<u>\$ 4,757,449</u>	<u>6,275,797</u>
Fund Balance, July 1, 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>
Fund Balance, June 30, 2023		<u>\$ 11,162,169</u>		<u>\$ 1,258,103</u>		<u>\$ 448,403</u>		<u>\$ 9,044,970</u>		<u>\$ 21,913,645</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, 2023

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenues				
Student and Community Services	\$ -	\$ -	\$ 455,200	\$ 414,716
Student Tuition and Fees	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Investment Income	50,000	132,053	-	-
Total Operating Revenues	<u>50,000</u>	<u>132,053</u>	<u>455,200</u>	<u>414,716</u>
Operating Expenses				
Salaries	-	-	271,215	277,436
Employee Benefits	-	-	27,885	23,235
Contractual Services	-	-	77,870	69,850
General Materials and Supplies	-	-	457,459	384,507
Conference and Meeting	-	-	58,631	33,520
Fixed Charges	-	-	25,000	18,655
Depreciation	-	-	2,900	2,178
Capital Outlay	-	-	26,000	22,742
Other	-	-	402,000	380,482
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>1,348,960</u>	<u>1,212,605</u>
Operating Income (Loss)	50,000	132,053	(893,760)	(797,889)
Non-Operating Expenses				
Bond Issuance Costs	<u>-</u>	<u>16,308</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Bond Proceeds	-	860,000	-	-
Operating Transfers, Net	<u>(50,000)</u>	<u>(132,053)</u>	<u>679,455</u>	<u>738,217</u>
Net Loss	<u>\$ -</u>	<u>843,692</u>	<u>\$ (214,305)</u>	<u>(59,672)</u>
College Equity, July 1, 2022		<u>5,030,178</u>		<u>391,619</u>
College Equity, June 30, 2023		<u>\$ 5,873,870</u>		<u>\$ 331,947</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, 2023

	Fiduciary Fund Type	Proprietary Fund Type
	Working Cash Fund	Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	\$ -	\$ 414,716
Student Tuition and Fees	-	17,642
Payments to Suppliers	-	(958,902)
Payments to Employees and Benefits Paid	-	(300,671)
Interest on Investments	132,053	-
Net Cash Provided by (Used in) Operating Activities	132,053	(827,215)
Cash Flows from Non-Capital Financing Activities		
Operating Transfers In (Out)	(132,053)	738,217
Cash Flows from Capital and Related Financing Activities		
Bond Proceeds	860,000	-
Bond Issuance Costs	(16,308)	-
Net Cash Provided by Capital and Related Financing Activities	843,692	-
Cash Flows from Investing Activities		
Purchases of Investments	(2,835,445)	-
Net Decrease in Cash and Cash Equivalents	(1,991,753)	(88,998)
Cash and Cash Equivalents, July 1, 2022	2,382,164	269,277
Cash and Cash Equivalents, June 30, 2023	\$ 390,411	\$ 180,279
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 132,053	\$ (797,889)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	-	2,178
Changes in Assets and Liabilities:		
Receivables	-	17,642
Inventories	-	(49,159)
Payables	-	13
Net Cash Provided by (Used in) Operating Activities	\$ 132,053	\$ (827,215)

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet - Modified Accrual Basis
General Funds
June 30, 2023

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,121,145	\$ 2,535,819	\$ 10,656,964
Receivables:			
Property Taxes	433,538	215,144	648,682
Replacement Taxes	233,264	28,830	262,094
Agency Tuition	45,559	-	45,559
Student Tuition and Fees, Net of Allowance	473,374	-	473,374
Governmental Grants and Contracts	-	-	-
Prepaid Expenses	50,956	-	50,956
Due From Other Funds	560,000	-	560,000
	<u>9,917,836</u>	<u>2,779,793</u>	<u>12,697,629</u>
Total Assets	\$ 9,917,836	\$ 2,779,793	\$ 12,697,629
LIABILITIES			
Accounts Payable	\$ 292,454	\$ -	\$ 292,454
Accrued Liabilities	385,833	-	385,833
Unearned Revenue	745,620	111,553	857,173
Total Liabilities	<u>1,423,907</u>	<u>111,553</u>	<u>1,535,460</u>
FUND BALANCE			
Unreserved, Designated	744,084	-	744,084
Unreserved, Undesignated	7,749,845	2,668,240	10,418,085
Total Fund Balance	<u>8,493,929</u>	<u>2,668,240</u>	<u>11,162,169</u>
	<u>9,917,836</u>	<u>2,779,793</u>	<u>12,697,629</u>
Total Liabilities and Fund Balance	\$ 9,917,836	\$ 2,779,793	\$ 12,697,629

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, 2023

	Education Fund	Operation and Maintenance Fund	Total
Revenues			
Local Sources	\$ 2,813,269	\$ 835,094	\$ 3,648,363
State Sources	3,985,397	381,981	4,367,378
Federal Sources	-	-	-
Tuition and Fees	4,799,968	-	4,799,968
Facilities	-	57,992	57,992
Investment Income	423,518	-	423,518
Other Revenue	217,468	16,916	234,384
Total Revenues	<u>12,239,620</u>	<u>1,291,983</u>	<u>13,531,603</u>
Expenditures			
Instruction	3,359,427	-	3,359,427
Academic Support	653,980	-	653,980
Student Services	975,662	-	975,662
Public Service	682,214	-	682,214
Operation and Maintenance of Plant	-	1,372,587	1,372,587
Institutional Support	2,754,972	-	2,754,972
Scholarships and Grants	2,034,092	-	2,034,092
Interest	-	-	-
Total Expenditures	<u>10,460,347</u>	<u>1,372,587</u>	<u>11,832,934</u>
Revenue Over (Under) Expenditures	<u>1,779,273</u>	<u>(80,604)</u>	<u>1,698,669</u>
Other Financing Sources (Uses)			
Operating Transfers, Net	<u>(606,164)</u>	<u>-</u>	<u>(606,164)</u>
Total Other Financing Sources (Uses)	<u>(606,164)</u>	<u>-</u>	<u>(606,164)</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,173,109	(80,604)	1,092,505
Fund Balance, July 1, 2022	<u>7,320,820</u>	<u>2,748,844</u>	<u>10,069,664</u>
Fund Balance, June 30, 2023	<u>\$ 8,493,929</u>	<u>\$ 2,668,240</u>	<u>\$ 11,162,169</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet - Modified Accrual Basis
Special Revenue Funds
June 30, 2023

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 47,330	\$ 31,405	\$ 906,484	\$ 985,219
Receivables:				
Property Taxes	-	11,022	261,143	272,165
Governmental Grants and Contracts	512,670	-	-	512,670
Prepaid Expenses	-	-	199,738	199,738
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 560,000</u>	<u>\$ 42,427</u>	<u>\$ 1,367,365</u>	<u>\$ 1,969,792</u>
LIABILITIES				
Unearned Revenue	\$ -	\$ 5,577	\$ 146,112	\$ 151,689
Due to Other Funds	560,000	-	-	560,000
Total Liabilities	<u>560,000</u>	<u>5,577</u>	<u>146,112</u>	<u>711,689</u>
FUND BALANCE				
Reserved	-	36,850	1,221,253	1,258,103
Total Fund Balance	<u>-</u>	<u>36,850</u>	<u>1,221,253</u>	<u>1,258,103</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 560,000</u>	<u>\$ 42,427</u>	<u>\$ 1,367,365</u>	<u>\$ 1,969,792</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, 2023

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenues				
Local Sources	\$ -	\$ 33,198	\$ 808,331	\$ 841,529
State Sources	1,054,257	-	-	1,054,257
Federal Sources	5,301,438	-	-	5,301,438
Other Revenue	-	-	-	-
On-Behalf Payments	2,013,765	-	-	2,013,765
Total Revenues	8,369,460	33,198	808,331	9,210,989
Expenditures				
Instruction	582,011	-	-	582,011
Academic Support	488,850	-	-	488,850
Student Services	1,026,616	-	-	1,026,616
Public Service	483,422	-	-	483,422
Auxiliary Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Institutional Support	15,001	39,000	1,263,706	1,317,707
Scholarships and Grants	3,759,795	-	-	3,759,795
On-Behalf Payments	2,013,765	-	-	2,013,765
Total Expenditures	8,369,460	39,000	1,263,706	9,672,166
Revenue Over (Under) Expenditures	-	(5,802)	(455,375)	(461,177)
Other Financing Sources (Uses)				
Operating Transfers (Net)	-	-	-	-
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	-	(5,802)	(455,375)	(461,177)
Fund Balance, July 1, 2022	-	42,652	1,676,628	1,719,280
Fund Balance, June 30, 2023	\$ -	\$ 36,850	\$ 1,221,253	\$ 1,258,103

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet
Fiduciary Funds
June 30, 2023

	Non-Expendable Trust		
	<u>Working</u>	Trust and	<u>Total</u>
	<u>Cash Fund</u>	<u>Agency Fund</u>	
ASSETS			
Cash and Cash Equivalents	\$ 390,411	\$ 194,640	\$ 585,051
Investments	<u>5,483,459</u>	<u>-</u>	<u>5,483,459</u>
Total Assets	<u>\$ 5,873,870</u>	<u>\$ 194,640</u>	<u>\$ 6,068,510</u>
LIABILITIES			
Due to Student Groups	\$ -	\$ 194,640	\$ 194,640
FUND BALANCE			
Reserved	<u>5,873,870</u>	<u>-</u>	<u>5,873,870</u>
Total Liabilities and Fund Balance	<u>\$ 5,873,870</u>	<u>\$ 194,640</u>	<u>\$ 6,068,510</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, 2023

	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	\$ 8,121,145	\$ 2,535,819	\$ 9,015,539	\$ 180,279	\$ 47,330	\$ 390,411	\$ 194,640	\$ 343,053	\$ 31,405	\$ 906,484	\$ -	\$ -	\$ 21,766,105
Investments	-	-	-	-	-	5,483,459	-	-	-	-	-	-	5,483,459
Receivables:													
Property Taxes	433,538	215,144	75,000	-	-	-	-	418,864	11,022	261,143	-	-	1,414,711
Replacement Taxes	233,264	28,830	-	-	-	-	-	-	-	-	-	-	262,094
Agency Tuition	45,559	-	-	-	-	-	-	-	-	-	-	-	45,559
Student Tuition and Fees, Net of Allowance	473,374	-	-	-	-	-	-	-	-	-	-	-	473,374
Governmental Grants and Contracts	-	-	-	-	512,670	-	-	-	-	-	-	-	512,670
Due from Other Funds	560,000	-	-	-	-	-	-	-	-	-	-	-	560,000
Prepaid Expenses	50,956	-	-	-	-	-	-	-	-	199,738	-	-	250,694
Inventory	-	-	-	196,230	-	-	-	-	-	-	-	-	196,230
Property and Equipment at Cost, Net	-	-	-	5,417	-	-	-	-	-	-	23,634,249	-	23,639,666
Amount Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	448,403	448,403
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	6,869,609	6,869,609
Total Assets	\$ 9,917,836	\$ 2,779,793	\$ 9,090,539	\$ 381,926	\$ 560,000	\$ 5,873,870	\$ 194,640	\$ 761,917	\$ 42,427	\$ 1,367,365	\$ 23,634,249	\$ 7,318,012	\$ 61,922,574
LIABILITIES													
Accounts Payable	\$ 292,454	\$ -	\$ -	\$ 3,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295,886
Accrued Liabilities	385,833	-	-	-	-	-	-	13,057	-	-	-	-	398,890
Due to Other Funds	-	-	-	-	560,000	-	-	-	-	-	-	-	560,000
Unearned Revenue	745,620	111,553	45,569	45,625	-	-	-	300,457	5,577	146,112	-	-	1,400,513
Due to Student Groups	-	-	-	922	-	-	194,640	-	-	-	-	-	195,562
Lease Liabilities	-	-	-	-	-	-	-	-	-	-	538,522	-	538,522
Subscription Liabilities	-	-	-	-	-	-	-	-	-	-	665,619	-	665,619
Bond Premium	-	-	-	-	-	-	-	-	-	-	-	238,012	238,012
Bonds Payable	-	-	-	-	-	-	-	-	-	-	-	7,080,000	7,080,000
Total Liabilities	1,423,907	111,553	45,569	49,979	560,000	-	194,640	313,514	5,577	146,112	1,204,141	7,318,012	11,373,004
COLLEGE EQUITY													
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	22,430,108	-	22,430,108
Fund Balance:													
Reserved	-	-	9,044,970	-	-	5,873,870	-	448,403	36,850	1,221,253	-	-	16,625,346
Unreserved, Designated	744,084	-	-	-	-	-	-	-	-	-	-	-	744,084
Unreserved, Undesignated	7,749,845	2,668,240	-	-	-	-	-	-	-	-	-	-	10,418,085
Retained Earnings	-	-	-	331,947	-	-	-	-	-	-	-	-	331,947
Total College Equity	8,493,929	2,668,240	9,044,970	331,947	-	5,873,870	-	448,403	36,850	1,221,253	22,430,108	-	50,549,570
Total Liabilities and College Equity	\$ 9,917,836	\$ 2,779,793	\$ 9,090,539	\$ 381,926	\$ 560,000	\$ 5,873,870	\$ 194,640	\$ 761,917	\$ 42,427	\$ 1,367,365	\$ 23,634,249	\$ 7,318,012	\$ 61,922,574

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, 2023

	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	\$ 2,813,269	\$ 835,094	\$ 240,173	\$ -	\$ -	\$ -	\$ 1,480,216	\$ 33,198	\$ 808,331	\$ 6,210,281
State Sources	3,985,397	381,981	-	-	1,054,257	-	-	-	-	5,421,635
Federal Sources	-	-	-	-	5,301,438	-	-	-	-	5,301,438
Tuition and Fees	4,799,968	-	-	-	-	-	-	-	-	4,799,968
Facilities	-	57,992	-	-	-	-	-	-	-	57,992
Investment Income	423,518	-	72,642	-	-	132,053	-	-	-	628,213
Other Revenue	217,468	16,916	57,252	414,716	-	-	-	-	-	706,352
On-Behalf Payments	-	-	-	-	2,013,765	-	-	-	-	2,013,765
Total Revenues	12,239,620	1,291,983	370,067	414,716	8,369,460	132,053	1,480,216	33,198	808,331	25,139,644
Expenditures										
Instruction	3,359,427	-	-	-	582,011	-	-	-	-	3,941,438
Academic Support	653,980	-	-	-	488,850	-	-	-	-	1,142,830
Student Services	975,662	-	-	-	1,026,616	-	-	-	-	2,002,278
Public Service	682,214	-	-	-	483,422	-	-	-	-	1,165,636
Auxiliary Services	-	-	-	1,210,427	-	-	-	-	-	1,210,427
Operation and Maintenance of Plant	-	1,372,587	1,006,786	-	-	-	-	-	-	2,379,373
Institutional Support	2,754,972	-	-	-	15,001	-	-	39,000	1,263,706	4,072,679
Scholarships and Grants	2,034,092	-	-	-	3,759,795	-	-	-	-	5,793,887
Principal	-	-	-	-	-	-	1,575,000	-	-	1,575,000
Interest	-	-	-	-	-	-	31,500	-	-	31,500
Bond Issuance Costs	-	-	76,172	-	-	16,308	-	-	-	92,480
Depreciation	-	-	-	2,178	-	-	-	-	-	2,178
On-Behalf Payments	-	-	-	-	2,013,765	-	-	-	-	2,013,765
Total Expenditures	10,460,347	1,372,587	1,082,958	1,212,605	8,369,460	16,308	1,606,500	39,000	1,263,706	25,423,471
Revenue Over (Under) Expenditures	1,779,273	(80,604)	(712,891)	(797,889)	-	115,745	(126,284)	(5,802)	(455,375)	(283,827)
Other Financing Sources (Uses)										
Bond Proceeds	-	-	6,483,644	-	-	860,000	-	-	-	7,343,644
Operating Transfers, Net	(606,164)	-	-	738,217	-	(132,053)	-	-	-	-
Total Other Financing Sources (Uses)	(606,164)	-	6,483,644	738,217	-	727,947	-	-	-	7,343,644
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,173,109	(80,604)	5,770,753	(59,672)	-	843,692	(126,284)	(5,802)	(455,375)	7,059,817
College Equity, Beginning 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
College Equity, End of Year	\$ 8,493,929	\$ 2,668,240	\$ 9,044,970	\$ 331,947	\$ -	\$ 5,873,870	\$ 448,403	\$ 36,850	\$ 1,221,253	\$ 28,119,462

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, 2023

College Equity	\$ 50,549,570
Reconciling Items:	
Reclassification of Long Term Debt	(7,318,012)
Accrual of Interest on Long-Term Debt	(206,499)
Recognition of Other Postemployment Benefit Liability	(2,350,732)
Recognition of Summer Tuition Revenues and Scholarship Expenses	285,899
Deferred Outflows of Resources - Other Postemployment Benefits	262,938
Deferred Inflows of Resources - Other Postemployment Benefits	(4,484,572)
Deferred Outflows of Resources - Retirement Plan Contributions	<u>89,450</u>
Net Position	<u>\$ 36,828,042</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, 2023

Change in College Equity	\$ 7,059,817
Reconciling Items:	
General Obligation Debt Retired	1,575,000
Record Depreciation and Amortization on the Capital Assets	(1,369,962)
Record Contributed Capital for Capital Assets	596,415
Remove Capital Expenditures Related to Capital Assets	1,697,773
Remove Bond Proceeds	(7,343,644)
Remove Bond Premium Amortization	25,632
Change in Recognition of Summer Tuition Revenues and Scholarship Expenses	(10,236)
Change in Deferred Outflows - Other Postemployment Benefits	105,742
Change in Deferred Inflows - Other Postemployment Benefits	(2,495,403)
Change in Net Other Postemployment Benefits Liability	3,464,561
Accrual of Interest on Long-Term Debt and Lease Liabilities	(236,632)
Change in Deferred Outflows - Retirement Plan Contributions	<u>(701)</u>
Change in Net Position	<u>\$ 3,068,362</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2023

	<u>2021 Levy</u>	<u>2020 Levy</u>	<u>2019 Levy</u>	<u>2018 Levy</u>
District Valuations	\$ 683,320,904	\$ 660,122,102	\$ 648,899,847	\$ 635,983,048
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	0.10411	0.10859	0.10813	0.10711
Social Security	0.01749	0.01881	0.01971	0.01860
Audit	0.00500	0.00500	0.00500	0.00500
Health and Safety	0.03670	0.03849	0.03931	0.04132
Bond and Interest	0.23586	0.26485	0.27654	0.28356
TOTAL	<u>0.69916</u>	<u>0.73574</u>	<u>0.74869</u>	<u>0.75559</u>
Tax Extensions				
Education	\$ 1,366,642	\$ 1,320,244	\$ 1,297,800	\$ 1,271,966
Building	683,321	660,122	648,900	635,983
Liability Insurance	711,392	716,827	701,655	681,201
Social Security	119,520	124,169	127,898	118,293
Audit	34,166	33,006	32,445	31,799
Health and Safety	250,806	254,081	255,083	262,788
Bond and Interest	1,611,674	1,748,360	1,794,468	1,803,394
	<u>\$ 4,777,521</u>	<u>\$ 4,856,809</u>	<u>\$ 4,858,249</u>	<u>\$ 4,805,424</u>
Collections				
Education	\$ 1,317,684	\$ 1,258,605	\$ 1,307,153	\$ 1,276,325
Building	652,832	632,164	650,594	632,989
Liability Insurance	676,140	672,162	706,712	684,475
Social Security	119,520	124,169	127,898	118,293
Audit	32,811	31,730	32,611	31,739
Health and Safety	240,173	240,575	256,612	263,860
Bond and Interest	1,543,302	1,655,504	1,805,362	1,810,764
	<u>\$ 4,582,462</u>	<u>\$ 4,614,909</u>	<u>\$ 4,886,942</u>	<u>\$ 4,818,445</u>
Percent of Extension Collected	<u>95.92%</u>	<u>95.02%</u>	<u>100.59%</u>	<u>100.27%</u>

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Schedule of Legal Debt Margin
 June 30, 2023

Assessed Valuations - 2022 Levy***	\$ 719,421,866
Debt Limit, 2.875 Percent of Assessed Valuation (50 ILCS 405/1)	\$ 20,683,379
Indebtedness:	
General Obligation Community College Bonds	7,080,000
Legal Debt Margin	\$ 13,603,379

*** - 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, 2023
 (Unaudited)

School Quarter	Student Enrollment	Full-Time Equivalency
	<u> </u>	<u> </u>
Summer 2022	516	185
Fall 2022	1,174	707
Spring 2023	<u>1,142</u>	<u>718</u>
Semester Average (Exclusive of Summer School)	<u><u>1,158</u></u>	<u><u>713</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, 2023

	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, 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
Revenues:										
Local Tax Revenue	1,330,193	656,076	240,173	1,480,216	-	-	-	33,198	808,331	4,548,187
All Other Local Revenue	1,483,076	179,018	-	-	-	-	-	-	-	1,662,094
Chargeback Revenue	-	-	-	-	-	-	-	-	-	-
ICCB Grants	3,985,397	381,981	-	-	-	690,698	-	-	-	5,058,076
All Other State Revenue (Including SURS On-Behalf)	-	-	-	-	-	2,377,324	-	-	-	2,377,324
Federal Revenue	-	-	-	-	-	5,301,438	-	-	-	5,301,438
Student Tuition and Fees	4,799,968	-	-	-	-	-	-	-	-	4,799,968
All Other Revenue	640,986	74,908	6,613,538	-	414,716	-	992,053	-	-	8,736,201
Total Revenues	12,239,620	1,291,983	6,853,711	1,480,216	414,716	8,369,460	992,053	33,198	808,331	32,483,288
Expenditures:										
Instruction	3,254,052	-	-	-	-	1,275,961	-	-	-	4,530,013
Academic Support	759,355	-	-	-	-	913,476	-	-	-	1,672,831
Student Services	975,662	-	-	-	-	1,284,352	-	-	-	2,260,014
Public Service/Continuing Education	682,214	-	-	-	-	550,642	-	-	-	1,232,856
Organized Research	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	1,212,605	73,724	-	-	-	1,286,329
Operations and Maintenance	-	1,372,587	1,082,958	-	-	54,511	-	-	-	2,510,056
Institutional Support	2,754,972	-	-	1,606,500	-	451,841	16,308	39,000	1,263,706	6,132,327
Scholarships, Student Grants, and Waivers	2,034,092	-	-	-	-	3,764,953	-	-	-	5,799,045
Total Expenditures	10,460,347	1,372,587	1,082,958	1,606,500	1,212,605	8,369,460	16,308	39,000	1,263,706	25,423,471
Net Transfers	(606,164)	-	-	-	738,217	-	(132,053)	-	-	-
Fund Balance, June 30, 2023	\$ 8,493,929	\$ 2,668,240	\$ 9,044,970	\$ 448,403	\$ 331,947	\$ -	\$ 5,873,870	\$ 36,850	\$ 1,221,253	\$ 28,119,462

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
For the Year Ended June 30, 2023

	Capital Assets / Long Term Debt			
	As Restated July 1, 2022	Additions	Deletions	June 30, 2023
Fixed Assets:				
Land	\$ 89,166	\$ -	\$ -	\$ 89,166
Land Improvements	257,637	568,476	-	826,113
Buildings, Additions, and Improvements	32,213,364	873,225	-	33,086,589
Equipment	4,457,806	1,797,884	-	6,255,690
Other Fixed Assets	23,980	154,945	(23,980)	154,945
Accumulated Depreciation and Amortization	(15,392,769)	(1,380,068)	-	(16,772,837)
Net Fixed Assets	<u>\$ 21,649,184</u>	<u>\$ 2,014,462</u>	<u>\$ (23,980)</u>	<u>\$ 23,639,666</u>
Fixed Debt:				
Bonds	\$ 1,575,000	\$ 7,080,000	\$ (1,575,000)	\$ 7,080,000
Bond Premium	-	263,644	(25,632)	238,012
Net Other Postemployment Benefit Liability	5,815,293	-	(3,464,561)	2,350,732
Lease Liabilities	100,325	527,758	(89,561)	538,522
Subscription Liabilities	-	855,111	(189,492)	665,619
Total Fixed Liabilities	<u>\$ 7,490,618</u>	<u>\$ 8,726,513</u>	<u>\$ (5,344,246)</u>	<u>\$ 10,872,885</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, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<i>Operating Revenues by Source:</i>			
<i>Local Government Revenue</i>			
Local Taxes	\$ 1,330,193	\$ 656,076	\$ 1,986,269
Corporate Personal Property Replacement Tax	1,483,076	179,018	1,662,094
Chargeback Revenue	-	-	-
Total Local Government	<u>2,813,269</u>	<u>835,094</u>	<u>3,648,363</u>
<i>State Government</i>			
ICCB Base Operating Grant	913,395	381,981	1,295,376
ICCB Equalization Grant	2,955,150	-	2,955,150
ICCB Career & Technical Education	116,852	-	116,852
Total State Government	<u>3,985,397</u>	<u>381,981</u>	<u>4,367,378</u>
<i>Federal Government</i>			
Department of Education	-	-	-
Total Federal Government	<u>-</u>	<u>-</u>	<u>-</u>
<i>Student Tuition and Fees</i>			
Tuition	4,078,978	-	4,078,978
Fees	720,990	-	720,990
Total Student Tuition and Fees	<u>4,799,968</u>	<u>-</u>	<u>4,799,968</u>
<i>Other Sources</i>			
Sales and Service Fees	6,627	-	6,627
Facilities Revenue	-	57,992	57,992
Investment Revenue	423,518	-	423,518
Other	210,841	16,916	227,757
Total Other Sources	<u>640,986</u>	<u>74,908</u>	<u>715,894</u>
Total Operating Revenues	<u>12,239,620</u>	<u>1,291,983</u>	<u>13,531,603</u>
<i>Less: Non-Operating Items</i>			
Tuition Chargeback Revenue	-	-	-
Adjusted Operating Revenue	<u>\$ 12,239,620</u>	<u>\$ 1,291,983</u>	<u>\$ 13,531,603</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, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	\$ 3,254,052	\$ -	\$ 3,254,052
Academic Support	759,355	-	759,355
Student Services	975,662	-	975,662
Public Service/Continuing Education	682,214	-	682,214
Operations and Maintenance	-	1,372,587	1,372,587
Institutional Support	2,754,972	-	2,754,972
Scholarships, Grants, and Waivers	2,034,092	-	2,034,092
Transfers	606,164	-	606,164
Total Operating Expenditures by Program	11,066,511	1,372,587	12,439,098
Less: Non-Operating Items			
Transfers	(606,164)	-	(606,164)
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	\$ 10,460,347	\$ 1,372,587	\$ 11,832,934
Operating Expenditures by Object:			
Salaries	\$ 6,052,309	\$ 205,730	\$ 6,258,039
Employee Benefits	605,497	18,077	623,574
Contractual Services	716,948	430,440	1,147,388
General Materials and Supplies	533,574	115,315	648,889
<i>Library Materials *</i>	40,836	-	40,836
Conference and Meeting Expenses	124,294	-	124,294
Fixed Charges	130,466	2,278	132,744
Utilities	85,120	600,747	685,867
Capital Outlay	81,992	-	81,992
Other	2,130,147	-	2,130,147
Transfers	606,164	-	606,164
Total Operating Expenditures by Object	11,066,511	1,372,587	12,439,098
Less: Non-Operating Items			
Transfers	(606,164)	-	(606,164)
Adjusted Operating Expenditures by Object	\$ 10,460,347	\$ 1,372,587	\$ 11,832,934

* 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, 2023

	<u>Restricted Purposes Fund</u>
Revenue by Source:	
<i>State Government</i>	
ICCB - Adult Education	\$ 170,956
ICCB - Other	519,742
Illinois State Board of Education	191,114
SURS - On Behalf	2,013,765
Other State Government	172,445
Total State Government	<u>3,068,022</u>
 <i>Federal Government</i>	
Department of Education	4,422,308
ICCB - Adult Education	109,435
ICCB - Carl Perkins	221,931
ICCB - Other Grants	-
Department of Agriculture	244,702
Department of Health and Human Services	28,518
Department of Labor	80,361
Department of Treasury	99,038
Department of Commerce and Economic Opportunity	95,145
Total Federal Government	<u>5,301,438</u>
Total Restricted Purposes Fund Revenues	<u><u>\$ 8,369,460</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, 2023

	Restricted Purposes Fund
Expenditures by Program:	
Instruction	\$ 1,400,751
Academic Support	661,623
Student Services	1,289,346
Public Service/Continuing Education	672,711
Auxiliary Services	73,724
Operations and Maintenance	54,511
Institutional Support	451,841
Scholarships, Grants, and Waivers	3,764,953
Total Restricted Purposes Fund Expenditures by Program	\$ 8,369,460
Expenditures by Object:	
Salaries	\$ 949,195
Employee Benefits (Including SURS On-Behalf)	2,237,463
Contractual Services	396,703
General Materials and Supplies	252,845
Travel and Conference/Meeting Expenses	98,971
Utilities	300
Capital Outlay	464,737
Other	3,969,246
<i>Scholarships, Grants, and Waivers *</i>	3,764,953
Total Restricted Purposes Fund Expenditures by Object	\$ 8,369,460

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, 2023

Instruction:	
Instructional Programs	<u>\$ 4,530,013</u>
Academic Support:	
Library Center	122,461
Academic Computing Support	145,630
Academic Administration and Planning	491,264
Other	913,476
Total Academic Support	<u>1,672,831</u>
Student Services Support:	
Admissions and Records	115,761
Counseling and Career Services	414,455
Financial Aid Administration	216,257
Other	1,513,541
Total Student Services Support	<u>2,260,014</u>
Public Service/Continuing Education:	
Community Services	1,043,567
Other	189,289
Total Public Service/Continuing Education	<u>1,232,856</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, 2023

Auxiliary Services	1,286,329
Operations and Maintenance of Plant:	
Maintenance	334,146
Custodial Services	394,574
Grounds	42,218
Campus Security	902
Transportation	-
Utilities	600,747
Administration	-
Other	54,511
Total Operations and Maintenance of Plant	1,427,098
Institutional Support:	
Executive Management	819,871
Fiscal Operations	580,025
Community Relations	131,439
Board of Trustees	21,163
General Institutional	1,828,117
Institutional Research	164,156
Administrative Data Processing	527,908
Other	2,043,340
Total Institutional Support	6,116,019
Scholarships, Student Grants, and Waivers	5,799,045
Total Current Funds Expenditures	\$ 24,324,205

* 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, 2023

All Fiscal Year 2023 Non-Capital Audited Operating Expenditures
from the Following Funds:

Education	\$ 10,378,355
Operations and Maintenance Fund	1,372,587
Bond and Interest Fund	-
Restricted Purposes Fund	5,890,958
Audit Fund	39,000
Liability, Protection and Settlement Fund	1,153,469
Auxiliary Enterprise Fund (Subsidy Fund)	738,217
Total Non-Capital Expenditures	19,572,586

Depreciation on Capital Outlay Expenditures from Sources

Other than State and Federal Funds	863,450
Total Costs Included	\$ 20,436,036

Total Certified Semester Credit Hours for Fiscal Year 2023 23,900

Per Capita Cost \$ 855.06


All Fiscal Year 2023 State and Federal Operating Grants
for Non-Capital Expenditures, Except ICCB Grants \$ 5,664,997

Fiscal Year 2023 State and Federal Grants Per Semester Credit Hour 237.03

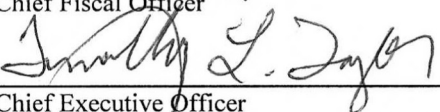
District's Average ICCB Grant Rate for Fiscal Year 2024 53.61

District's Student Tuition and Fee Rate Per Semester
Credit Hour for Fiscal Year 2024 155.00

Chargeback Reimbursement Per Semester Credit Hour \$ 409.42

Approved: 
Chief Fiscal Officer

Date: 11-15-23

Approved: 
Chief Executive Officer

Date: 11/15/23

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, 2023, and the related combining statement of revenues, expenditures, and changes in fund balance for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy grants of the College at June 30, 2023, 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.



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
November 6, 2023

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
State Adult Education Restricted Funds
(State Basic and Performance)
Balance Sheet
June 30, 2023

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, 2023

	State Basic	Performance	Total
Revenues			
ICCB Grant	\$ 113,871	\$ 57,085	\$ 170,956
Expenditures			
Personnel Services	87,130	23,164	110,294
Fringe Benefits	7,173	5,306	12,479
Travel	1,979	7,388	9,367
Equipment	-	-	-
Supplies	17,289	20,107	37,396
Contractual Services	300	1,120	1,420
Consultant	-	-	-
Occupancy	-	-	-
Telecommunications	-	-	-
Training and Education	-	-	-
Miscellaneous	-	-	-
General Administrative	-	-	-
Total Expenditures	113,871	57,085	170,956
Excess of Revenue Over Expenditures	-	-	-
Fund Balance, July 01, 2022	-	-	-
Fund Balance, June 30, 2023	\$ -	\$ -	\$ -

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, 2023

	<u>Audited Expenditure (Dollars)</u>	<u>Actual Expenditure (Percentage)</u>
State Basic		
Instruction Generation (45 Percent Minimum Required)	\$ 174,938	154%

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to the ICCB Grant Financial Statements
June 30, 2023

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, 2023. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

Budgets and Budgetary Accounting

Each year the 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, 2023.

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, 2023 is fairly presented in accordance with the financial reporting provisions of the Illinois Community College Board (ICCB) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Basis for Opinion

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



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 November 6, 2023, 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

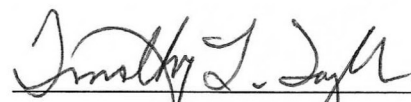
Champaign, Illinois
November 6, 2023

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, 2023

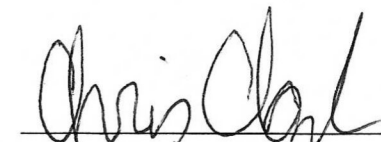
Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	1,788.0	-	6,585.0	-	6,878.0	-	15,251.0	-
Business Occupational	88.0	-	656.5	-	806.5	-	1,551.0	-
Technical Occupational	252.5	-	1,207.0	-	1,162.0	-	2,621.5	-
Health Occupational	402.5	75.0	1,150.5	198.5	1,256.5	181.0	2,809.5	454.5
Remedial Developmental	62.0	-	395.0	-	113.0	-	570.0	-
Adult Basic/Secondary Education	438.0	6.0	251.0	1,583.5	408.0	2,076.0	1,097.0	3,665.5
TOTAL CREDIT HOURS CERTIFIED	3,031.0	81.0	10,245.0	1,782.0	10,624.0	2,257.0	23,900.0	4,120.0
					Attending Out-of- District on Chargeback			Total
Reimbursable Semester Credit Hours (All Terms)				<u>26,410.5</u>				<u>26,410.5</u>
					Dual Enrollment			
Reimbursable Semester Credit Hours (All Terms)				<u>4,595.0</u>		<u>4,648.0</u>		
District 2021 Equalized Assessed Valuation				<u>\$ 683,320,904</u>				

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, 2023

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	15,251.0	15,251.0	-	-	-	-
Business Occupational	1,551.0	1,551.0	-	-	-	-
Technical Occupational	2,621.5	2,621.5	-	-	-	-
Health Occupational	2,809.5	2,809.5	-	455	455	-
Remedial Developmental Adult Basic / Secondary Education	570.0	570.0	-	-	-	-
	1,097.0	1,097.0	-	3,666	3,666	-
Total Credit Hours Certified	<u>23,900.0</u>	<u>23,900.0</u>	<u>-</u>	<u>4,120</u>	<u>4,120</u>	<u>-</u>

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

Categories	Total Attending	Total Attending as Certified to the ICCB	Difference
In-District Residents	26,410.5	26,410.5	-
Out-of-District on Chargeback or Contractual Agreement	-	-	-
Total	<u>26,410.5</u>	<u>26,410.5</u>	<u>-</u>

Categories	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	4,595.0	4,595.0	-
Dual Enrollment	4,648.0	4,648.0	-
Total	<u>9,243.0</u>	<u>9,243.0</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, 2023

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, 2023

Unrestricted Grants

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

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

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, 2023

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, 2023

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, 2023

CSFA Number	Program Name	State Funding	Federal Funding	Other Funding	Total
420-35-0083	Small Business Development Centers	\$ -	\$ 95,145	\$ -	\$ 95,145
586-18-2206	State Programs: Mental Health Services	29,716	-	-	29,716
586-41-2359	Career and Technical Ed Improvement (CTEI)	166,830	-	-	166,830
601-00-1591	Nurse Educator Fellowship Program	10,000	-	-	10,000
684-00-0465	Postsecondary Perkins Basic Grants - Federal CTE	-	221,931	-	221,931
684-00-0816	Small College Grants	54,840	-	-	54,840
684-00-2502	Developmental Education Innovation Grant - GRF	15,000	-	-	15,000
684-00-2727	Governor's Emergency Education Relief Fund II - Federal	-	80,650	-	80,650
684-01-1434	LPN Grant - State CTE	299,808	-	-	299,808
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	170,956	109,435	-	280,391
684-01-1670	Innovative Bridge and Transition Grant - State	175,218	-	-	175,218
684-05-2840	College Bridge Programs	-	99,038	-	99,038
684-05-2866	Early Childhood Access Consortium for Equity	-	20,965	-	20,965
	Other Grant Programs and Activities	-	4,699,038	188,522	4,887,560
	All Other Costs Not Allocated	-	-	13,567,497	13,567,497
Total		<u>\$ 922,368</u>	<u>\$ 5,326,202</u>	<u>\$ 13,756,019</u>	<u>\$ 20,004,589</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

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>				
Delta Health Care Services Grant	10.874		\$ 269,466	\$ -
Department of Education				
<i>Direct</i>				
<i>Student Financial Aid Cluster</i>				
Pell Grant Program	84.063		* 2,012,492	-
Federal Work Study	84.033		* 19,465	-
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		* 8,145	-
Total Student Financial Aid Cluster			<u>2,040,102</u>	<u>-</u>
<i>Trio Cluster</i>				
Trio Student Support Services	84.042A		325,880	-
Trio Talent Search Program	84.044A		255,983	-
Total Trio Cluster			<u>581,863</u>	<u>-</u>
<i>Education Stabilization Fund</i>				
<i>Direct</i>				
COVID-19 Higher Education Emergency Relief Fund - Student Portion <i>Passed-Through the Illinois Community College Board (ICCB)</i>	84.425E		* 1,719,693	-
COVID-19 Governor's Emergency Education Relief Fund Total Education Stabilization Fund	84.425C	GEERII	* 80,650	-
			<u>1,800,343</u>	<u>-</u>
<i>Passed through the Illinois Community College Board (ICCB)</i>				
Carl Perkins	84.048	CTE-53123	221,931	-
Adult Education - Federal Basic	84.002	AE-53101-23	109,435	-
Total Passed through ICCB			<u>331,366</u>	<u>-</u>
Total Department of Education			<u>4,753,674</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	7,553	-
<i>Passed through the Illinois Community College Board (ICCB)</i>				
Early Childhood Education Pathways	93.575	ECE-53101-22	20,965	-
Total Department of Human and Health Services			<u>28,518</u>	<u>-</u>
Department of Labor				
<i>Passed through Parkland Community College</i>				
Strengthening Community Colleges	17.261	CC-38940-22-60-A-17	80,361	-
Department of Treasury				
<i>Passed through the Illinois Community College Board (ICCB)</i>				
College Bridge Grant	21.027	CB-53101-22	99,038	-
U.S. Small Business Administration				
<i>Passed through the Illinois Department of Commerce and Economic Opportunity:</i>				
Small Business Development Center	59.037	22-561174	95,145	-
Total U.S. Small Business Administration			<u>95,145</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 5,326,202</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, 2023

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, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the 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 \$34,443 for the year ended June 30, 2023.

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, 2023.

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, 2023

1. Summary of Auditor's Results

- (i) Type of audit report issued on the financial statements: Unmodified
- (ii) The audit did not disclose a significant deficiency or 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 Education:
 - Student Financial Aid Cluster
 - Pell Grant Program Assistance Listing #84.063
 - Federal Work Study Assistance Listing #84.033
 - Federal Supplemental Educational Opportunity Grant Assistance Listing #84.007
 - COVID-19 Education Stabilization Fund
 - Assistance Listing #84.425E
 - Assistance Listing #84.425C
- (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, 2023

No findings noted in the prior fiscal year.

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

Board of Trustees
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, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated November 6, 2023.

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.



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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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
November 6, 2023

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

Board of Trustees
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 identified as subject to audit 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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.



We are required to be independent of the 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
November 6, 2023