

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531

Ullin, Illinois

Annual Comprehensive Financial Report

For the Year Ended

June 30, 2024

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CERTIFIED PUBLIC ACCOUNTANTS



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 of Shawnee Community College, Community College District #531 (the College) and its discretely presented component unit, Saints Foundation at Shawnee Community College (the Foundation) (collectively “the District”) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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.

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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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 require that the management's discussion and analysis on pages 5 through 9, the Schedule of Proportionate Share of Net Pension Liability – SURS on page 43, Schedule of Contributions – SURS on page 44, the Schedule of Proportionate Share of OPEB Liability – CIP on page 46, and the Schedule of Contributions – CIP on page 47 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 certification of per capita cost (Schedule 22) are presented for purposes of additional analysis as required by the Illinois Community College Board and are also not a required part of the basic financial statements. The accompanying Schedule 32 is presented for purposes of additional analysis as required by the Illinois Grant Accountability and Transparency Act and is not a required part of the basic financial statements. The accompanying Schedules 33 through 35, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. As described in Note 22, Schedules 1 through 3, Schedules 6 through 9, Schedules 11 through 13, Schedule 17, and Schedules 19 through 21 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities.

Schedules 1 through 22 and Schedules 32 through 35, including the schedule of expenditures of federal awards, are the responsibility of management. Schedules 1 through 22, except Schedule 16, and Schedules 32 through 35, were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Information on Schedules 1 through 22, except Schedule 16, and Schedules 32 through 35, has been subjected to the auditing procedures applied in the audit of the basic financial statements,

and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on Schedules 1 through 22, except Schedule 16, and Schedules 32 through 35, including the schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except for differences between GAAP for a special-purpose government engaged only in business-type activities and the modified accrual basis of accounting used for the schedules noted above.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 20, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MH CPA PLLC

Champaign, Illinois
November 20, 2024

**SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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, 2024. 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 10-42). 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, 2024, the College's Net Position was \$38.9 million, an increase of \$2.1 million over the prior year's Net Position of \$36.8 million. This increase in net position is primarily due to an increase of \$2.5 million in unrestricted assets.

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>2024</u>	<u>2023</u>
Current Assets	\$ 31.0	\$ 30.4
Non-Current Assets		
Land	0.1	0.1
Construction in Progress	1.0	0.2
Capital Assets, Net of Depreciation and Amortization	<u>22.9</u>	<u>23.3</u>
Total Assets	<u>55.0</u>	<u>54.0</u>
Deferred Outflows	<u>0.3</u>	<u>0.4</u>
Current Liabilities	4.4	3.5
Long-Term Liabilities	<u>8.5</u>	<u>9.6</u>
Total Liabilities	<u>12.9</u>	<u>13.1</u>
Deferred Inflows	<u>3.5</u>	<u>4.5</u>
Net Position		
Net Investment in Capital Assets	21.9	22.4
Restricted for:		
Expendable Trust	5.9	5.9
Capital Projects	2.3	1.7
Debt Service	0.4	0.4
Other	0.8	1.3
Unrestricted	<u>7.6</u>	<u>5.1</u>
Total Net Position	<u>\$ 38.9</u>	<u>\$ 36.8</u>

Operating expenses, excluding on-behalf payments, for the College over the fiscal year ending June 30, 2024 were \$17.6 million compared to \$17.7 million for the previous year.

Operating Expenses
As of June 30
(in millions)

	<u>2024</u>	<u>2023</u>
Instruction	\$ 4.6	\$ 3.9
Academic Support	0.6	0.9
Student Services	2.1	2.1
Public Services	1.2	1.2
Auxiliary Expenses	1.5	1.2
Operation and Maintenance of Plant	1.7	1.4
Institutional Support	3.8	3.7
Scholarships, Grants, and Waivers	1.6	3.1
Other Postemployment Benefits	(1.0)	(1.1)
Depreciation and Amortization	<u>1.5</u>	<u>1.4</u>
Total Operating Expenses	<u>\$ 17.6</u>	<u>\$ 17.7</u>

The operating revenue for fiscal year 2024 was \$3.4 million compared to \$2.8 for 2023. Non-operating revenues (expenses) for fiscal year 2024, excluding on-behalf revenue, were \$16.3 million compared to \$17.1 million for 2023.

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

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Tuition and Fees, Net of Allowance	\$ 2.5	\$ 2.1
Auxiliary Enterprise Revenues	0.5	0.4
Other	<u>0.4</u>	<u>0.3</u>
Total Operating Revenues	<u>3.4</u>	<u>2.8</u>
Non-Operating Revenue (Expenses)		
State Grants and Contracts	7.0	7.1
Local Property Taxes	4.7	4.5
Federal Grants and Contracts	3.7	5.3
Investment Income	1.2	0.6
Bond Issuance Cost	(0.0)	(0.1)
Interest Expense	<u>(0.3)</u>	<u>(0.3)</u>
Total Non-Operating Revenues	<u>16.3</u>	<u>17.1</u>
Total Revenues	19.7	19.9
Operating Expenses	17.6	17.7
Capital Contributions	<u>0.0</u>	<u>0.9</u>
Increase in Net Position	2.1	3.1
Net Position, Beginning of Year	<u>36.8</u>	<u>33.7</u>
Net Position, End of Year	<u>\$ 38.9</u>	<u>\$ 36.8</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 \$0.7 million in fiscal year 2024. This is due to an increase in state grants, tuition revenue, and investment income.

The liability, protection and settlement fund balance decreased in fiscal year 2024 by \$449,336 bringing that fund balance to \$771,917. 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 2024 with a decrease in fund balance of \$3,350. The remaining fund balance of \$445,053 will be used to make future bond payments.

The capital projects fund balance decreased by \$408,410. The decrease is attributed to the allocation of funds towards planned capital projects, which are financed through general obligation bonds. The remaining fund balance of \$8,636,560 will be used for future capital expenditures.

Capital Asset Administration

At the end of fiscal year 2024, the College had \$24.5 million invested in a broad range of capital assets (see table below). This amount represents a net increase of \$0.9 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>2024</u>	<u>2023</u>
Land	\$ 0.1	\$ 0.1
Construction in Progress	1.0	0.1
Land Improvements	0.6	0.7
Buildings	20.0	20.6
Equipment	0.9	0.9
Vehicles	0.5	0.4
Software	0.1	0.1
Computer Technology Equipment	0.1	0.1
Technology Hardware / Software	<u>0.7</u>	<u>0.6</u>
Total Capital Assets, Net of Depreciation and Amortization	<u>\$ 24.0</u>	<u>\$ 23.6</u>

Long-Term Debt Activity

The College's long-term debt decreased during Fiscal Year 2024 from \$11.0 million to \$10.2 million, which was mainly due to the retirement of \$0.8 million of 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. Committed to strong fiscal management, the College continues to seek out alternative revenue streams to support its operations. In fiscal year 2024, the College secured 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 2025 is \$13.9 million. The total College budget is \$34.2 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.

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, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Primary Government	Component Unit
Current Assets		
Unrestricted:		
Cash and Cash Equivalents	\$ 12,057,109	\$ 157,195
Investments	-	659,290
Receivables:		
Property Taxes	674,058	-
Replacement Taxes	169,628	-
Student Tuition and Fees, Net of Allowance of \$153,711	722,538	-
Prepaid Expenses	224,345	14,764
Inventories	267,664	-
Restricted:		
Cash and Cash Equivalents	10,065,576	-
Investments	5,477,780	613,801
Receivables:		
Property Taxes	781,024	-
Governmental Grants and Contracts	543,073	-
Total Current Assets	30,982,795	1,445,050
Capital Assets, Net		
	23,977,018	-
Total Assets	54,959,813	1,445,050
Deferred Outflows of Resources		
Pension Related Deferred Outflows	82,938	-
Other Postemployment Benefits Related Deferred Outflows	238,744	-
Total Deferred Outflows of Resources	321,682	-
Total Assets and Deferred Outflows of Resources	\$ 55,281,495	\$ 1,445,050

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

Current Liabilities		
Accounts Payable	\$ 484,193	\$ 90,953
Accrued Liabilities	456,037	-
Due to Student Groups	208,494	-
Unearned Revenue	1,687,161	-
Lease Liabilities	142,680	-
Subscription Liabilities	260,783	-
Bond Premium	43,941	-
Bonds Payable	1,115,000	-
Total Current Liabilities	4,398,289	90,953
Long-Term Liabilities		
Lease Liabilities, Net of Current Portion	430,358	-
Subscription Liabilities, Net of Current Portion	463,438	-
Bond Premium, Net of Current Portion	150,130	-
Bonds Payable, Net of Current Portion	5,070,000	-
Net Other Postemployment Benefit Liabilities	2,383,482	-
Total Long-Term Liabilities	8,497,408	-
Total Liabilities	12,895,697	90,953
Deferred Inflows of Resources		
Other Postemployment Benefits Related Deferred Inflows	3,448,961	-
Net Position		
Net Investment in Capital Assets	21,959,299	-
Restricted for:		
Expendable Trust	5,873,870	-
Capital Projects	2,257,489	-
Debt Service	445,053	-
Other - Restricted by Enabling Legislation	807,104	-
Net Assets With Donor Restrictions	-	613,801
Unrestricted	7,594,022	740,296
Total Net Position	38,936,837	1,354,097
Total Liabilities, Deferred Inflows, and Net Position	\$ 55,281,495	\$ 1,445,050

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, 2024

Operating Revenues

Student Tuition and Fees, Net of Scholarship	
Allowance of \$2,708,085	\$ 2,491,002
Auxiliary Enterprises Revenue	523,908
Other Operating Revenues	406,854
Total Operating Revenues	<u>3,421,764</u>

Operating Expenses

Instruction	4,598,449
Academic Support	637,636
Student Services	2,127,198
Public Services	1,224,762
Auxiliary Expenses	1,465,671
Operation and Maintenance of Plant	1,693,246
Institutional Support	3,829,566
Scholarships, Grants, and Waivers	1,596,176
On-Behalf Payments	2,230,609
Other Postemployment Benefits	(978,667)
Depreciation and Amortization	1,493,385
Total Operating Expenses	<u>19,918,031</u>

Operating Loss (16,496,267)

Non-Operating Revenues (Expenses)

State Grants and Contracts	7,000,025
Local Property Tax Revenues	4,711,511
Federal Grants and Contracts	3,672,462
On-Behalf Payments	2,230,609
Investment Income Earned	1,160,472
Amortization of Bond Premium	43,941
Interest Expense	(368,323)
Total Non-Operating Revenues	<u>18,450,697</u>

Capital Contributions 154,365

Increase in Net Position 2,108,795

Net Position, Beginning of Year 36,828,042

Net Position, End of Year \$ 38,936,837

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 Statement of Activities - Component Unit
 For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	\$ 28,578	\$ 21,502	\$ 50,080
Investment Return, Net	180,910	-	180,910
Total Support and Revenue	209,488	21,502	230,990
Net Assets Released from Restrictions	71,892	(71,892)	-
Total Support and Revenue and Net Assets Released from Restrictions	281,380	(50,390)	230,990
Expenses:			
<i>Program Services</i>			
Scholarships, Awards, and Grants	116,829	-	116,829
Supplies	966	-	966
Total Program Services	117,795	-	117,795
<i>Supporting Services</i>			
Fundraising Expenses			
Postage and Supplies	5,363	-	5,363
Total Fundraising Expenses	5,363	-	5,363
Management and General Expenses			
Salaries	79,467	-	79,467
Supplies	21,176	-	21,176
Professional Fees	13,362	-	13,362
Advertising	174	-	174
Miscellaneous	3,058	-	3,058
Total Management and General Expenses	117,237	-	117,237
Total Supporting Services	122,600	-	122,600
Total Expenses	240,395	-	240,395
Change in Net Assets	40,985	(50,390)	(9,405)
Net Assets, Beginning of Year	699,311	664,191	1,363,502
Net Assets, End of Year	\$ 740,296	\$ 613,801	\$ 1,354,097

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Cash Flows
For the Year Ended June 30, 2024

Cash Flows from Operating Activities	
Student Tuition and Fees	\$ 2,814,385
Payments to Suppliers	(6,095,591)
Payments to Employees and Benefits Paid	(9,328,407)
Payments for Financial Aid and Scholarships	(1,596,176)
Auxiliary Enterprise Charges	523,908
Other Receipts	406,854
Net Cash Used in Operating Activities	<u>(13,275,027)</u>
Cash Flows from Non-Capital Financing Activities	
State Grants and Contracts	7,092,491
Local Property Taxes	4,671,140
Federal Grants and Contracts	3,687,618
Net Cash Provided by Non-Capital Financing Activities	<u>15,451,249</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Bonds	(895,000)
Interest Paid on Bonds	(529,588)
Purchases of Property and Equipment	(1,212,009)
Payments of Subscription Liabilities	(214,773)
Payments of Lease Liabilities	(134,423)
Net Cash Used in Capital and Related Financing Activities	<u>(2,985,793)</u>
Cash Flows from Investing Activities	
Interest on Investments	1,160,472
Sale of Investments	5,679
Net Cash Provided by Investing Activities	<u>1,166,151</u>
Net Increase in Cash and Cash Equivalents	356,580
Cash and Cash Equivalents, Beginning of Year	<u>21,766,105</u>
Cash and Cash Equivalents, End of Year	<u>\$ 22,122,685</u>
On the Statement of Net Position as:	
Unrestricted - Cash and Cash Equivalents	\$ 12,057,109
Restricted - Cash and Cash Equivalents	<u>10,065,576</u>
Cash and Cash Equivalents, End of Year	<u>\$ 22,122,685</u>

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Statement of Cash Flows
For the Year Ended June 30, 2024

Reconciliation of Operating Loss to Net Cash

Used in Operating Activities

Operating Loss	\$ (16,496,267)
Adjustments to Reconcile Operating Loss to Net Cash	
Used in Operating Activities:	
Depreciation and Amortization Expense	1,493,385
On-Behalf Payments	2,230,609
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:	
Student Tuition and Fees Receivables	(249,164)
Prepaid Expenses	26,349
Inventories	(71,434)
Pension Related Deferred Outflows	6,512
Other Postemployment Benefits Related Deferred Outflows	24,194
Accounts Payable	188,307
Accrued Liabilities	(10,136)
Due to Student Groups	12,932
Unearned Revenue	572,547
Net Other Postemployment Benefits Liabilities	32,750
Other Postemployment Benefits Related Deferred Inflows	<u>(1,035,611)</u>
Net Cash Used in Operating Activities	<u>\$ (13,275,027)</u>

Supplemental Disclosure of Non-Cash Capital and Related Financing Activity

Capital Assets Acquired through Lease Liabilities	<u>\$ 168,939</u>
Capital Assets Acquired through Subscription Liabilities	<u>\$ 295,424</u>
Contributed Capital Assets	<u>\$ 154,365</u>

See Accompanying Notes

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to Basic Financial Statements
June 30, 2024

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, 2024, was \$153,711.

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	10-80 Years
Buildings	50 Years
Equipment	7-8 Years
Vehicles	5-7 Years
Software	3-7 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, 2024. 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, 2023 and will be included in the pension and other postemployment benefit expense, respectively, in Fiscal Year 2025. 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, 2024. 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 twenty 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 unearned grant revenue and 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. Sources of restricted revenue included federal, state, and private grants and contracts. Externally restricted funds may be utilized only in accordance with the purpose established by the source of such funds and are in contrast with unrestricted funds over which the Board of Trustees retains full control to use in achieving any of its institutional purposes.
 - 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 lawful 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 2022 and 2023, were allocated 70 percent and 30 percent,

respectively, for Fiscal Year 2024. 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	
		2023 Levy Payable 2024	2022 Levy Payable 2023
Education	.20000	.11413	.20000
Building	.10000	.05736	.10000
Tort Immunity	Unlimited	.06030	.10544
Social Security	Unlimited	.00957	.01722
Audit	.00500	.00318	.00500
Health and Safety	.05000	.01908	.03523
Bond and Interest	Unlimited	.10657	.19694
		<u>.37019</u>	<u>.65983</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. The Board may, from time to time, make transfers between the various items in any fund not exceeding, in the aggregate, 10 percent of the total of such fund as set forth in the budget. Budgetary transfers that exceed this limit must follow the procedures for the adoption of the original budget.
- 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 unearned revenue for property taxes received under appeal
3. The valuation of the liability for post-employment health insurance benefits
4. The amount of expenses eligible for reimbursement under the College's state and federal grants

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, 2024, 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, 2024.

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, 2024, \$6,387,113 of the College's \$12,248,723 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, 2024, the College held \$15,476,694 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, 2024, the College held a total of \$261,850 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. Capital Assets, Net

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

	June 30, 2023	Additions	Disposals	June 30, 2024
Capital Assets, Not Being Depreciated:				
Land	\$ 89,166	\$ -	\$ -	\$ 89,166
Construction in Progress	193,620	853,169	-	1,046,789
Capital Assets Being Depreciated:				
Land Improvements	826,113	-	-	826,113
Buildings	33,086,589	97,860	-	33,184,449
Equipment	1,862,813	291,442	-	2,154,255
Vehicles	907,048	92,803	6,601	993,250
Software	1,199,826	-	-	1,199,826
Computer Technology Equipment	689,970	31,100	6,900	714,170
Total Capital Assets, being Depreciated	<u>38,855,145</u>	<u>1,366,374</u>	<u>13,501</u>	<u>40,208,018</u>
Less: Accumulated Depreciation				
Land Improvements	(171,216)	(22,900)	-	(194,116)
Buildings	(12,836,677)	(655,883)	-	(13,492,560)
Equipment	(1,070,256)	(205,542)	-	(1,275,798)
Vehicles	(672,681)	(80,927)	(6,601)	(747,007)
Software	(1,039,596)	(130,794)	-	(1,170,390)
Computer Technology Equipment	(605,604)	(24,870)	(6,900)	(623,574)
Total Accumulated Depreciation	<u>(16,396,030)</u>	<u>(1,120,916)</u>	<u>(13,501)</u>	<u>(17,503,445)</u>
Total Capital Assets, being Depreciated, Net	<u>22,459,115</u>	<u>245,458</u>	<u>-</u>	<u>22,704,573</u>
Lease Assets:				
Equipment	105,821	-	5,582	100,239
Vehicles	123,556	168,939	-	292,495
Building	464,942	-	-	464,942
Total Lease Assets, being Amortized	<u>694,319</u>	<u>168,939</u>	<u>5,582</u>	<u>857,676</u>
Less: Accumulated Amortization				
Equipment	(29,879)	(23,158)	(5,582)	(47,455)
Vehicles	(2,059)	(49,953)	-	(52,012)
Building	(131,714)	(71,406)	-	(203,120)
Total Accumulated Amortization	<u>(163,652)</u>	<u>(144,517)</u>	<u>(5,582)</u>	<u>(302,587)</u>
Total Lease Assets, being Amortized, Net	<u>530,667</u>	<u>24,422</u>	<u>-</u>	<u>555,089</u>
Subscription Assets:				
Technology Hardware / Software	855,111	295,424	-	1,150,535
Less: Accumulated Amortization				
Technology Hardware / Software	(205,227)	(227,952)	-	(433,179)
Total Accumulated Amortization	<u>(205,227)</u>	<u>(227,952)</u>	<u>-</u>	<u>(433,179)</u>
Total Subscription Assets, being Amortized, Net	<u>649,884</u>	<u>67,472</u>	<u>-</u>	<u>717,356</u>
Total Capital Assets, Net	<u>\$ 23,639,666</u>	<u>\$ 337,352</u>	<u>\$ -</u>	<u>\$ 23,977,018</u>

The College recorded depreciation and amortization expense of \$1,493,385 for the year ended June 30, 2024. The College recognized \$154,365 of capital asset contributions from the Capital Development Board (CDB) related to construction in progress during the year ended June 30, 2024.

5. Leases

The College is obligated under one non-cancellable lease for an office building, classroom, and activity space, which requires monthly lease payments of \$6,000 with terms running through February 2025. The lease 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 eight non-cancellable 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 three non-cancellable leases for six vehicles, which require monthly lease payments ranging from \$1,570 to \$2,278 with terms maturing from May 2028 to October 2028.

The total costs of the College's lease assets are recorded as \$857,676, less accumulated amortization of \$302,587.

Future minimum lease payments under these leases are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 142,680	\$ 16,599	\$ 159,279
2026	148,885	11,874	160,759
2027	152,671	6,943	159,614
2028	119,255	2,127	121,382
2029	9,547	42	9,589
	<u>\$ 573,038</u>	<u>\$ 37,585</u>	<u>\$ 610,623</u>

6. Subscription-Based Information Technology Arrangements

The College has entered into a long-term subscription-based information technology arrangement (SBITA) for enterprise resource planning software. The College is obligated under this noncancellable arrangement on a subscription basis, which requires annual payments of \$226,982 with terms running through August 2026.

The College has entered into a long-term SBITA for customer relationship management software. The College is obligated under this noncancellable arrangement on a subscription basis, which requires annual payments ranging from \$60,256 to \$69,752 with terms running through February 2029.

The total costs of the College's SBITA assets are \$1,765,813 less accumulated amortization of \$480,508.

Future minimum payments under these arrangements are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 260,783	\$ 24,656	\$ 285,439
2026	280,900	20,161	301,061
2027	54,788	8,150	62,938
2028	60,811	5,620	66,431
2029	66,939	2,814	69,753
	<u>\$ 724,221</u>	<u>\$ 61,401</u>	<u>\$ 785,622</u>

7. Accrued Liabilities

Accrued liabilities consist of the following at June 30, 2024:

Accrued Wages	\$ 224,822
Accrued Vacation	172,924
Accrued Interest	58,291
Total Accrued Liabilities	<u>\$ 456,037</u>

8. Unearned Revenue

Unearned revenue consists of the following at June 30, 2024:

Property Taxes Received Under Protest	\$ 831,448
Unearned Grant Revenue	654,474
Unearned Student Fees	145,633
Unearned Student Tuition	8,081
Other Unearned Revenue	47,525
Total Unearned Revenue	<u>\$ 1,687,161</u>

9. Unrestricted Net Position

Unrestricted net position at June 30, 2024 consisted of (\$5,593,699) related to other postemployment benefit activity and \$13,207,185 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, 2024:

	June 30, 2023	Additions	Retired	June 30, 2024	Due Within One Year
2022A Series Bond	\$ 6,220,000	\$ -	\$ 35,000	\$ 6,185,000	\$ 1,115,000
2022B Series Bond	860,000	-	860,000	-	-
Bond Premium	238,012	-	43,941	194,071	43,941
Other Postemployment Benefit	2,350,732	32,750	-	2,383,482	-
Accrued Vacation	163,871	51,451	42,398	172,924	172,924
Lease Liabilities	538,522	168,939	134,423	573,038	142,680
Subscription Liabilities	643,570	295,424	214,773	724,221	260,783
Total Long-Term Debt	<u>\$ 11,014,707</u>	<u>\$ 548,564</u>	<u>\$ 1,330,535</u>	<u>\$ 10,232,736</u>	<u>\$ 1,735,328</u>

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

Total interest expense incurred for all long-term debt for the year ended June 30, 2024 was \$379,946.

Maturities of the bonds are as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30			
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
2029	1,365,000	34,125	1,399,125
	<u>\$ 6,185,000</u>	<u>\$ 804,125</u>	<u>\$ 6,989,125</u>

11. Defined Benefit Pension Plan

Plan Description

The College contributes to the State Universities Retirement System (SURS), a cost-sharing multiple-employer-defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such

employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the State's Annual Comprehensive Financial Report (ACFR) as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

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

Contributions

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

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

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the NPL to be recognized for the College is \$0. The proportionate share of the State of Illinois' NPL associated with the College is \$47,505,523 or 0.1613 percent. The College's proportionate share changed by 0.0052 percent from 0.1561 percent since the last measurement date on June 30, 2022. This amount is not recognized in the College's financial statements. The NPL and total pension liability as of June 30, 2023, was determined based on the June 30, 2022, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during Fiscal Year 2022.

Defined Benefit Pension Expense

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

Employer Proportionate Share of Defined Benefit Pension Expense

The College's proportionate share of collective pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2022. As a result, the College recognized revenue and defined benefit pension expense of \$3,040,254 from this special funding situation during the fiscal year ended June 30, 2024.

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

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

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

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

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

Employer Deferral of Fiscal Year 2024 Contributions

The College paid \$82,938 in federal, trust or grant contributions to SURS defined benefit pension plan during the fiscal year ended June 30, 2024. These contributions were made subsequent to the pension liability measurement date of June 30, 2023, and are recognized as Deferred Outflows of Resources as of June 30, 2024.

Assumptions and Other Inputs

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

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

Mortality rates were based on the Pub-2010 employee and retiree gender 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, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	36.0%	7.97%
Stabilized Growth		
Core Real Assets	8.0%	4.68%
Public Credit Fixed Income	6.5%	4.52%
Private Credit	2.5%	7.36%
Non-Traditional Growth		
Private Equity	11.0%	11.32%
Non-Core Real Assets	4.0%	8.67%
Inflation Sensitive		
U.S. TIPS	5.0%	2.09%
Principal Protection		
Core Fixed Income	10.0%	1.13%
Crisis Risk Offset		
Systematic Trend Following	10.0%	3.18%
Alternative Risk Premia	3.0%	3.27%
Long Duration	2.0%	3.02%
Long Volatility/Tail Risk	2.0%	-1.14%
Total	100.0%	5.98%
Inflation		2.60%
Expected Arithmetic Return		8.58%

Discount Rate

A single discount rate of 6.37 percent was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50 percent and a municipal bond rate of 3.86 percent (based on the weekly rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index as of June 30, 2023). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under 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 2074. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2074, and the municipal bond rate was applied to all benefit payments after that date.

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

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

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

Additional information regarding the SURS basic financial statements including the Plan’s net position can be found in 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 and community colleges, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org. The RSP and its benefit terms were established and may be amended by the State’s General Assembly.

Benefits Provided

A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2023, can be found in 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, 2023, the State’s contributions to the RSP on behalf of the individual employers totaled \$90,330,044. Of this amount, \$81,991,471 was funded via an appropriation from the State and \$8,338,573 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense

The 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 2023. The College’s share of pensionable contributions was 0.0609 percent. As a result, the College recognized on-behalf revenue and defined contribution pension expense of \$54,988 from this special funding situation during the fiscal year ended June 30, 2024, of which \$5,076 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

Effective July 1, 2023, the Act (5 ILCS 375/6.10) requires every active contributor (employee) of SURS to contribute 0.75 percent of covered payroll and every community college district to contribute 0.75 percent of covered payroll, both of which were 0.50 percent in the years prior. 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, 2024 were both \$51,192.

Net OPEB Liability

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

Employer Proportionate Share of Net OPEB Liability

The proportionate share of the net OPEB liability reported by the College is \$2,383,483. 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, 2023. The total OPEB liability used to calculate the OPEB liability was determined based on the June 30, 2022 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, 2023, the College's proportion was 0.3374 percent. The portion of the State of Illinois' liability that is associated with the College is \$2,383,483. The total share that is associated with the College is \$4,766,966.

OPEB Expense

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

Employer Proportionate Share of OPEB Expense

For the year ended June 30, 2024, the College recognized proportionate share of collective OPEB expense of (\$854,403). The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported contributions made to CIP during Fiscal Year 2023.

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

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

Deferred Inflows of Resources 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	\$ 35,867	\$ 717,564
Changes in assumption	-	2,330,067
Net difference between projected and actual earnings on OPEB investments	-	510
Changes in proportion and differences between employer contributions and share of contributions	<u>151,685</u>	<u>400,820</u>
Total deferred amounts to be recognized in OPEB expense in future periods	187,552	3,448,961
OPEB contributions made subsequent to the measurement date	<u>51,192</u>	=
Total deferred amounts related to OPEB	\$ 238,744	\$ 3,448,961

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
2025	\$ 37,510	\$ 689,792
2026	37,510	689,792
2027	37,510	689,792
2025	37,510	689,792
2029	37,512	689,793
Total	\$ 187,552	\$ 3,448,961

Employer Deferral of Fiscal Year 2024 OPEB Expense

The College paid \$51,192 in OPEB contributions for the fiscal year ended June 30, 2024. These contributions were made subsequent to the OPEB liability measurement date of June 30, 2023, and are recognized as Deferred Outflows of Resources as of June 30, 2024. This amount will be recognized in OPEB expense in the College’s Fiscal Year 2025.

Assumptions and Other Inputs

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

- Inflation – 2.25 percent
- Salary increases depend on age and service and ranges from 12.75 percent at less than 1 year of service to 3.50 percent at 34 or more years of service for employees under 50 and ranges from 12.00 percent at less than 1 year of service to 3.00 percent at 34 or more years of service for employees over 50. Salary increases include a 3.00 percent wage inflation assumption.
- Investment rate of return of 0 percent, net of OPEB plan investment expense, including inflation
- Healthcare cost trend rates – actual trend used for Fiscal Year 2024 based on premium increases. For fiscal years on or after 2025, trend starts at 8.00 percent for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend rate of 4.25 percent in 2040. For MAPD costs, trend rates are 0 percent in 2024 to 2028, 19.42 percent in 2029 to 2033 and 6.08 percent in 2034, declining gradually to an ultimate rate of 4.25 percent in 2040.

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period of June 30, 2017 to June 30, 2020.

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity’s index’s “20-year Municipal GO AA Index” has been selected. The discount rate is 3.86 percent as of June 30, 2023. The increase in the discount rate from 3.69 percent at June 30, 2022 to 3.86 percent caused the total OPEB liability to decrease by approximately \$10.2 million from 2022 to 2023.

Sensitivity of total CIP’s 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 3.86 percent, as well as what the total CIP’s plan OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.86 percent) or one-percentage-point higher (4.86 percent) than the current discount rate:

1% Decrease (2.86%)	Current Single Discount Rate Assumption (3.86%)	1% Increase (4.86%)
\$2,600,400	\$2,383,483	\$2,196,691

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
\$2,140,939	\$2,383,483	\$2,675,952

- Current health care trend rates are 9.14 percent in 2024 decreasing to an ultimate trend rate of 4.25 percent in 2040.
- One percentage point decrease in healthcare trend rates are 8.14 percent in 2024 decreasing to an ultimate trend rate of 3.25 percent in 2040.
- One percentage point increase in healthcare trend rates are 10.14 percent in 2024 decreasing to an ultimate trend rate of 5.25 percent in 2040.

No amount was owed to the plan at June 30, 2024. The College provides no other financially significant postemployment benefit to employees.

14. On-Behalf Payments for Fringe Benefits

For the year ending June 30, 2024, expense for fringe benefits payments made by the State of Illinois on behalf of the College were \$3,095,242 for pensions to SURS pensions and (\$864,633) 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 transactions among these sub-funds as of and for the year ended June 30, 2024.

	Transfer in	Transfer out
Auxiliary Enterprise Fund	\$ 866,858	\$ -
Education Fund	183,535	866,858
Working Cash Fund	-	183,535
	\$ 1,050,393	\$ 1,050,393

There were no balances due or owed between sub-funds as of and for the year ended June 30, 2024. 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.

Protested Property Taxes

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. Related Party Transactions

A College employee assists with responsibilities and duties of the Foundation. During the year ended June 30, 2024, the employee received \$44,478 in additional compensation, of which \$18,228 came from the College and \$26,250 came from the Foundation, for additional responsibilities and duties performed when the position of Executive Director of the Foundation was vacant.

The College enters into various transactions with the Foundation as part of fulfilling the purpose of promoting the general welfare of the College and its students. During the year ended June 30, 2024, the College received \$71,088 from the Foundation in the form of scholarships, payroll reimbursements, and other awards and grants.

During the year ended June 30, 2024, the College provided \$7,543 in support to the Foundation in the form of payroll deductions and expense reimbursements.

As of June 30, 2024, the Foundation owed the College \$88,346 for scholarships.

19. Other Commitments

The College has entered into construction contracts for the purchase and installation of a building chiller, purchase and installation of a heating and cooling system at the Metropolis Center Truck School, and remodel of the Anna Center. As of June 30, 2024, the remaining commitment on these contracts is approximately \$433,000 and is expected to be incurred during Fiscal Year 2025.

20. New Government Accounting Standards

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 will be effective for the College's Fiscal Year 2025.

In December 2023, GASB issued GASB Statement No. 102 (GASB 102), *Certain Risk Disclosures*. The provisions of GASB 102 require that risks related to government vulnerabilities due to certain concentrations or constraints are provided to users of the financial statements. GASB 102 will be effective for the College's Fiscal Year 2025.

In May 2024, GASB issued GASB Statement No. 103 (GASB 103), *Financial Reporting Model Improvements*. The provisions of GASB 103 improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. GASB 103 will be effective for the College's Fiscal Year 2026.

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

21. Discretely Presented Component Unit

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

A. Nature of Organization

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

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

B. Summary of Significant Accounting Policies

- a. The Foundation's financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States. Net assets of the Foundation and changes therein are classified and reported as follows:

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

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Board of Directors and/or the passage of time, or that must be maintained perpetually by the Foundation. When a restriction expires, assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

- b. Investments consist of managed investment accounts comprised of various mutual funds, common stock equities, negotiable certificates of deposits, 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 20, 2024, 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) 820-10, *Fair Value Measurements*, establishes a framework for measuring fair value under generally accepted accounting principles. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 Inputs to the valuation methodology are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation can 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 and Common Stock Equities – Valued at unadjusted quoted prices for identical assets in active markets that the Foundation has the ability to access.

Negotiable Certificates of Deposit – Valued at benchmark yields, reported trades, broker/dealer quotes, and other items for similar assets.

Corporate Bonds – Valued at quoted market prices for similar assets or liabilities 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, 2024:

	<u>Cost</u>	<u>Market</u>	<u>Fair Value Level</u>
Negotiable Certificates of Deposit		\$ 176,212	2
Mutual Funds - Debt		73,476	1
Common Stock Equities		910,666	1
Corporate Bonds		87,977	2
Cash and Cash Equivalents		24,760	N/A
Total	<u>\$ 1,200,428</u>	<u>\$ 1,273,091</u>	

D. Custodial Credit Risk - Investments

Of the investment amounts held in investment accounts at June 30, 2024, \$674,855 is subject to custodial credit risk as their value exceeds coverage provided by the Securities Investor Protection Corporation.

E. Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of June 30, 2024:

Financial Assets at Year-End:

Cash and Cash Equivalents	\$ 157,195
Investments	<u>1,273,091</u>
Total Financial Assets	1,430,286

Less those unavailable for general expenditures
within one year:

613,801

Financial Assets available to meet cash needs for general
expenditures within one year:

\$ 816,485

The Foundation does not maintain a line of credit.

F. Net Assets With Donor Restrictions

Net assets with donor restrictions totaling \$613,801 at June 30, 2024 are restricted for the purpose of scholarships as designated by the donors.

G. Related Party Transactions

The Foundation enters into various transactions with the College as part of fulfilling the purpose of promoting the general welfare of the College and its students. During the year ended June 30, 2024, the Foundation paid the College \$71,088 in the form of scholarships, payroll reimbursements, and other awards and grants.

During the year ended June 30, 2024, the Foundation received \$7,543 in support from the College in the form of payroll deductions and expense reimbursements.

As of June 30, 2024, the Foundation owed the College \$88,346 for scholarships.

22. Supplemental Information

Schedules 1 through 3, Schedules 6 through 9, Schedules 11 through 13, Schedule 17, and Schedules 19 through 21 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities.

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

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

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability - SURS
For the Year Ended June 30, 2024
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
a) Shawnee's Proportionate Percentage of the Collective Net Pension Liability	0%	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	38,542,019	42,413,468	46,570,743	44,540,973	47,675,561	51,121,727	52,759,237	49,033,320	45,379,792	47,505,523
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>	<u>\$ 47,505,523</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>	<u>\$ 6,366,430</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%	746.19%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%	45.45%	43.65%	44.06%

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Required Supplementary Information
Schedule of Contributions - SURS
For the Year Ended June 30, 2024
(Unaudited)

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Shawnee's Federal, Trust, and Other Contribution	\$ 52,110	\$ 60,689	\$ 55,477	\$ 55,146	\$ 54,766
Shawnee's Contribution in relation to required contribution	52,110	60,689	55,477	55,146	54,766
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Shawnee's Covered Payroll	<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	11.71%	12.69%	12.53%	12.46%	12.29%
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Shawnee's Federal, Trust, and Other Contribution	\$ 61,573	\$ 71,484	\$ 90,151	\$ 89,450	\$ 82,938
Shawnee's Contribution in relation to required contribution	61,573	71,484	90,151	89,450	82,938
Contribution Deficiency (Excess)	<u>\$ -</u>	<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>	<u>\$ 661,915</u>
Contributions as a Percentage of Covered Payroll	13.02%	12.70%	12.32%	12.83%	12.53%

See Accompanying Notes on Page 45

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to Required Supplementary Information – Pension Liability
For the Year Ended June 30, 2024
(Unaudited)

Changes of Benefit Terms

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

Changes of Assumptions

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

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

SHAWNEE COMMUNITY COLLEGE
Required Supplementary Information
Schedule of Proportionate Share of OPEB Liability - CIP
For the Year Ended June 30, 2024
(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>	<u>Fiscal Year 2023</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%	0.337444%
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	\$ 2,383,479
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability Associated with Shawnee	6,803,453	6,349,324	6,593,970	6,703,834	6,511,339	5,815,293	2,350,732	2,383,483
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>	<u>\$ 4,766,962</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>	<u>\$ 6,825,600</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%	34.92%
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%	-17.87%

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.

SHAWNEE COMMUNITY COLLEGE
 Required Supplementary Information
 Schedule of Contributions - CIP
 For the Year Ended June 30, 2024
 (Unaudited)

Year Ended June 30	Statutorily Required Contributions*	Covered Payroll	Actual Contribution as a % of Covered Payroll
2024	\$ 51,192	\$ 6,825,600	0.75%
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%

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

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, 2024
(Unaudited)

Changes of Benefit Terms

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

Assumptions Used

- Actuarial Cost Method – Entry Age Normal, used to measure the Total OPEB Liability
- Contribution Policy – Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2023, contribution rates are 0.50 percent of pay for active members, 0.50 percent of pay for community colleges and 0.50 percent of pay for the State. 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 age 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 age 50. Salary increase includes a 3.00 percent wage inflation assumption.
- Retirement Age – Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2021, actuarial valuation.
- Mortality – Retirement and Beneficiary Annuitants: Pub-2010 Healthy Mortality Table. Disabled Annuitants: Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-2010 Employee Mortality Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020.
- Healthcare Cost Trend Rates – Trend used for plan year end 2024 are based on actual premium increases. For non-Medicare costs, trend rates start at 8.00 percent for plan year 2025 and decrease gradually to an ultimate rate of 4.25 percent in 2040. For MAPD costs, trend rates are 0.00 percent in 2024 to 2028, 19.42 percent in 2029 to 2033 and 6.08 percent in 2034, declining gradually to an ultimate rate of 4.25 percent in 2040.
- Aging Factors – Based on the 2013 SOA Study “Health Care Costs – From Birth to Death”
- Expenses – Health administrative expenses are included in the development of the per-capita claims 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, 2024

	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	\$ 11,918,282	\$ 626,532	\$ 339,654	\$ 8,607,129	\$ 27,426	\$ 603,662	\$ -	\$ -	\$ 22,122,685
Investments	-	-	-	-	-	5,477,780	-	-	5,477,780
Receivables:									
Property Taxes	674,058	287,111	418,913	75,000	-	-	-	-	1,455,082
Replacement Taxes	169,628	-	-	-	-	-	-	-	169,628
Agency Tuition	182,467	-	-	-	-	-	-	-	182,467
Student Tuition and Fees, Net of Allowance	540,071	-	-	-	-	-	-	-	540,071
Governmental Grants and Contracts	-	543,073	-	-	-	-	-	-	543,073
Prepaid Expenses	67,794	156,551	-	-	-	-	-	-	224,345
Inventories	-	-	-	-	267,664	-	-	-	267,664
Property and Equipment, Net	-	-	-	-	3,319	-	23,973,699	-	23,977,018
OTHER DEBITS									
Amount Available to Retire Debt	-	-	-	-	-	-	-	445,053	445,053
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	5,934,018	5,934,018
Total Assets and Other Debits	\$ 13,552,300	\$ 1,613,267	\$ 758,567	\$ 8,682,129	\$ 298,409	\$ 6,081,442	\$ 23,973,699	\$ 6,379,071	\$ 61,338,884

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, 2024

	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	\$ 481,974	\$ -	\$ -	\$ -	\$ 2,219	\$ -	\$ -	\$ -	\$ 484,193
Accrued Liabilities	397,746	-	13,057	-	-	-	-	-	410,803
Unearned Revenue	796,463	806,163	300,457	45,569	47,525	-	-	-	1,996,177
Due to Student Groups	-	-	-	-	922	207,572	-	-	208,494
Bond Premium	-	-	-	-	-	-	-	194,071	194,071
Bonds Payable	-	-	-	-	-	-	-	6,185,000	6,185,000
Total Liabilities	1,676,183	806,163	313,514	45,569	50,666	207,572	-	6,379,071	9,478,738
COLLEGE EQUITY									
Investment in General Fixed Assets	-	-	-	-	-	-	23,973,699	-	23,973,699
Fund Balance:									
Reserved	-	807,104	445,053	8,636,560	-	5,873,870	-	-	15,762,587
Unreserved, Designated	744,084	-	-	-	-	-	-	-	744,084
Unreserved, Undesignated	11,132,033	-	-	-	-	-	-	-	11,132,033
Retained Earnings	-	-	-	-	247,743	-	-	-	247,743
Total College Equity	11,876,117	807,104	445,053	8,636,560	247,743	5,873,870	23,973,699	-	51,860,146
Total Liabilities and College Equity	\$ 13,552,300	\$ 1,613,267	\$ 758,567	\$ 8,682,129	\$ 298,409	\$ 6,081,442	\$ 23,973,699	\$ 6,379,071	\$ 61,338,884

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, 2024

	General	Special Revenue	Debt Service - Bond and Interest	Capital Projects Fund-Operation and Maintenance Restricted	Total (Memorandum Only)
Revenues					
Local Sources	\$ 3,156,063	\$ 913,206	\$ 1,394,374	\$ 249,413	\$ 5,713,056
State Sources	4,520,125	1,478,355	-	-	5,998,480
Federal Sources	-	3,672,462	-	-	3,672,462
Tuition and Fees	5,175,970	-	-	-	5,175,970
Facilities	54,155	-	-	-	54,155
Investment Income	627,126	-	-	349,811	976,937
Other Revenue	332,760	10,250	-	16,890	359,900
On-Behalf Payments	-	2,230,609	-	-	2,230,609
Total Revenues	<u>13,866,199</u>	<u>8,304,882</u>	<u>1,394,374</u>	<u>616,114</u>	<u>24,181,569</u>
Expenditures					
Instruction	3,543,515	1,054,934	-	-	4,598,449
Academic Support	699,846	288,751	-	-	988,597
Student Services	1,116,035	1,004,651	-	-	2,120,686
Public Service	640,100	584,662	-	-	1,224,762
Operation and Maintenance of Plant	1,475,352	-	-	1,024,524	2,499,876
Institutional Support	2,917,888	1,364,205	-	-	4,282,093
Scholarships, Grants, and Waivers	2,076,192	2,228,069	-	-	4,304,261
Principal	-	-	895,000	-	895,000
Interest	-	-	502,724	-	502,724
On-Behalf Payments	-	2,230,609	-	-	2,230,609
Total Expenditures	<u>12,468,928</u>	<u>8,755,881</u>	<u>1,397,724</u>	<u>1,024,524</u>	<u>23,647,057</u>
Revenue Over (Under) Expenditures	<u>1,397,271</u>	<u>(450,999)</u>	<u>(3,350)</u>	<u>(408,410)</u>	<u>534,512</u>
Other Financing Sources (Uses)					
Operating Transfers, Net	(683,323)	-	-	-	(683,323)
Total Other Financing Sources (Uses)	<u>(683,323)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(683,323)</u>
Revenue Over (Under) Expenditures and Other Financing Sources (Uses)	713,948	(450,999)	(3,350)	(408,410)	(148,811)
Fund Balance, July 1, 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>
Fund Balance, June 30, 2024	<u>\$ 11,876,117</u>	<u>\$ 807,104</u>	<u>\$ 445,053</u>	<u>\$ 8,636,560</u>	<u>\$ 21,764,834</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, 2024

	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	\$ 3,237,378	\$ 3,156,063	\$ 907,219	\$ 913,206	\$ 1,397,725	\$ 1,394,374	\$ 250,000	\$ 249,413	\$ 5,792,322	\$ 5,713,056
State Sources	4,437,729	4,520,125	1,634,701	1,478,355	-	-	-	-	6,072,430	5,998,480
Federal Sources	-	-	5,177,542	3,672,462	-	-	-	-	5,177,542	3,672,462
Tuition and Fees	5,312,763	5,175,970	-	-	-	-	-	-	5,312,763	5,175,970
Facilities	50,000	54,155	-	-	-	-	-	-	50,000	54,155
Investment Income	450,000	627,126	-	-	-	-	-	349,811	450,000	976,937
Other Revenue	173,937	332,760	-	10,250	-	-	-	16,890	173,937	359,900
Total Revenues	13,661,807	13,866,199	7,719,462	6,074,273	1,397,725	1,394,374	250,000	616,114	23,028,994	21,950,960
Expenditures										
Instruction	3,723,558	3,543,515	1,202,119	1,054,934	-	-	-	-	4,925,677	4,598,449
Academic Support	812,556	699,846	296,820	288,751	-	-	-	-	1,109,376	988,597
Student Services	1,261,634	1,116,035	988,313	1,004,651	-	-	-	-	2,249,947	2,120,686
Public Service	744,203	640,100	704,773	584,662	-	-	-	-	1,448,976	1,224,762
Operation and Maintenance of Plant	1,549,416	1,475,352	8,000	-	-	-	1,261,450	1,024,524	2,818,866	2,499,876
Institutional Support	3,085,787	2,917,888	1,538,739	1,364,205	-	-	-	-	4,624,526	4,282,093
Scholarships, Grants, and Waivers	1,812,606	2,076,192	3,625,470	2,228,069	-	-	-	-	5,438,076	4,304,261
Principal	-	-	-	-	895,000	895,000	-	-	895,000	895,000
Interest	-	-	-	-	502,725	502,724	-	-	502,725	502,724
Total Expenditures	12,989,760	12,468,928	8,364,234	6,525,272	1,397,725	1,397,724	1,261,450	1,024,524	24,013,169	21,416,448
Revenue Over (Under) Expenditures	672,047	1,397,271	(644,772)	(450,999)	-	(3,350)	(1,011,450)	(408,410)	(984,175)	534,512
Other Financing Sources (Uses)										
Operating Transfers, Net	(672,047)	(683,323)	-	-	-	-	-	-	(672,047)	(683,323)
Total Other Financing Sources (Uses)	(672,047)	(683,323)	-	-	-	-	-	-	(672,047)	(683,323)
Revenue Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	713,948	\$ (644,772)	(450,999)	\$ -	(3,350)	\$ (1,011,450)	(408,410)	\$ (1,656,222)	(148,811)
Fund Balance, July 1, 2023		11,162,169		1,258,103		448,403		9,044,970		21,913,645
Fund Balance, June 30, 2024		\$ 11,876,117		\$ 807,104		\$ 445,053		\$ 8,636,560		\$ 21,764,834

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, 2024

	Fiduciary Fund Type		Proprietary Fund Type	
	Working Cash Fund		Enterprise Funds	
	Budget	Actual	Budget	Actual
Operating Revenues				
Student and Community Services	\$ -	\$ -	\$ 471,200	\$ 516,707
Student Tuition and Fees	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Investment Income	150,000	183,535	-	-
Total Operating Revenues	<u>150,000</u>	<u>183,535</u>	<u>471,200</u>	<u>516,707</u>
Operating Expenses				
Salaries	-	-	291,965	268,327
Employee Benefits	-	-	25,958	23,758
Contractual Services	-	-	94,198	80,132
General Materials and Supplies	-	-	533,651	617,649
Conference and Meeting	-	-	51,021	22,254
Fixed Charges	-	-	25,000	19,662
Depreciation	-	-	4,100	2,098
Capital Outlay	-	-	61,000	23,440
Other	-	-	383,760	410,449
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>1,470,653</u>	<u>1,467,769</u>
Operating Income (Loss)	150,000	183,535	(999,453)	(951,062)
Other Financing Sources (Uses)				
Operating Transfers, Net	<u>(150,000)</u>	<u>(183,535)</u>	<u>822,047</u>	<u>866,858</u>
Net Loss	<u>\$ -</u>	<u>-</u>	<u>\$ (177,406)</u>	<u>(84,204)</u>
College Equity, July 1, 2023		<u>5,873,870</u>		<u>331,947</u>
College Equity, June 30, 2024		<u>\$ 5,873,870</u>		<u>\$ 247,743</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, 2024

	Fiduciary Fund Type Working Cash Fund	Proprietary Fund Type Enterprise Funds
Cash Flows from Operating Activities		
Auxiliary Enterprise Charges	\$ -	\$ 516,707
Student Tuition and Fees	-	1,900
Payments to Suppliers	-	(1,246,233)
Payments to Employees and Benefits Paid	-	(292,085)
Interest on Investments	183,535	-
Net Cash Provided by (Used in) Operating Activities	183,535	(1,019,711)
Cash Flows from Non-Capital Financing Activities		
Operating Transfers In (Out)	(183,535)	866,858
Cash Flows from Investing Activities		
Sale of Investments	5,679	-
Net Increase (Decrease) in Cash and Cash Equivalents	5,679	(152,853)
Cash and Cash Equivalents, July 1, 2023	390,411	180,279
Cash and Cash Equivalents, June 30, 2024	\$ 396,090	\$ 27,426
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 183,535	\$ (951,062)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	-	2,098
Changes in Assets and Liabilities:		
Receivables	-	1,900
Inventories	-	(71,434)
Payables	-	(1,213)
Net Cash Provided by (Used in) Operating Activities	\$ 183,535	\$ (1,019,711)

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet - Modified Accrual Basis
General Funds
June 30, 2024

	Education Fund	Operation and Maintenance Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 9,383,637	\$ 2,534,645	\$ 11,918,282
Receivables:			
Property Taxes	448,610	225,448	674,058
Replacement Taxes	118,740	50,888	169,628
Agency Tuition	182,467	-	182,467
Student Tuition and Fees, Net of Allowance	540,071	-	540,071
Governmental Grants and Contracts	-	-	-
Prepaid Expenses	67,794	-	67,794
Total Assets	\$ 10,741,319	\$ 2,810,981	\$ 13,552,300
LIABILITIES			
Accounts Payable	\$ 481,974	\$ -	\$ 481,974
Accrued Liabilities	397,746	-	397,746
Unearned Revenue	684,910	111,553	796,463
Total Liabilities	1,564,630	111,553	1,676,183
FUND BALANCE			
Unreserved, Designated	744,084	-	744,084
Unreserved, Undesignated	8,432,605	2,699,428	11,132,033
Total Fund Balance	9,176,689	2,699,428	11,876,117
Total Liabilities and Fund Balance	\$ 10,741,319	\$ 2,810,981	\$ 13,552,300

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, 2024

	Education Fund	Operation and Maintenance Fund	Total
Revenues			
Local Sources	\$ 2,135,238	\$ 1,020,825	\$ 3,156,063
State Sources	4,118,808	401,317	4,520,125
Federal Sources	-	-	-
Tuition and Fees	5,175,970	-	5,175,970
Facilities	-	54,155	54,155
Investment Income	627,126	-	627,126
Other Revenue	302,517	30,243	332,760
Total Revenues	<u>12,359,659</u>	<u>1,506,540</u>	<u>13,866,199</u>
Expenditures			
Instruction	3,543,515	-	3,543,515
Academic Support	699,846	-	699,846
Student Services	1,116,035	-	1,116,035
Public Service	640,100	-	640,100
Operation and Maintenance of Plant	-	1,475,352	1,475,352
Institutional Support	2,917,888	-	2,917,888
Scholarships, Grants, and Waivers	2,076,192	-	2,076,192
Interest	-	-	-
Total Expenditures	<u>10,993,576</u>	<u>1,475,352</u>	<u>12,468,928</u>
Revenue Over (Under) Expenditures	<u>1,366,083</u>	<u>31,188</u>	<u>1,397,271</u>
Other Financing Sources (Uses)			
Operating Transfers, Net	<u>(683,323)</u>	-	<u>(683,323)</u>
Total Other Financing Sources (Uses)	<u>(683,323)</u>	<u>-</u>	<u>(683,323)</u>
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	682,760	31,188	713,948
Fund Balance, July 1, 2023	<u>8,493,929</u>	<u>2,668,240</u>	<u>11,162,169</u>
Fund Balance, June 30, 2024	<u>\$ 9,176,689</u>	<u>\$ 2,699,428</u>	<u>\$ 11,876,117</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet - Modified Accrual Basis
Special Revenue Funds
June 30, 2024

	Restricted Purposes Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 111,401	\$ 28,283	\$ 486,848	\$ 626,532
Receivables:				
Property Taxes	-	12,481	274,630	287,111
Governmental Grants and Contracts	543,073	-	-	543,073
Prepaid Expenses	-	-	156,551	156,551
Total Assets	<u>\$ 654,474</u>	<u>\$ 40,764</u>	<u>\$ 918,029</u>	<u>\$ 1,613,267</u>
LIABILITIES				
Unearned Revenue	<u>\$ 654,474</u>	<u>\$ 5,577</u>	<u>\$ 146,112</u>	<u>\$ 806,163</u>
FUND BALANCE				
Reserved	-	35,187	771,917	807,104
Total Fund Balance	<u>-</u>	<u>35,187</u>	<u>771,917</u>	<u>807,104</u>
Total Liabilities and Fund Balance	<u>\$ 654,474</u>	<u>\$ 40,764</u>	<u>\$ 918,029</u>	<u>\$ 1,613,267</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, 2024

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Revenues				
Local Sources	\$ -	\$ 37,337	\$ 875,869	\$ 913,206
State Sources	1,478,355	-	-	1,478,355
Federal Sources	3,672,462	-	-	3,672,462
Other Revenue	10,250	-	-	10,250
On-Behalf Payments	2,230,609	-	-	2,230,609
Total Revenues	<u>7,391,676</u>	<u>37,337</u>	<u>875,869</u>	<u>8,304,882</u>
Expenditures				
Instruction	1,054,934	-	-	1,054,934
Academic Support	288,751	-	-	288,751
Student Services	1,004,651	-	-	1,004,651
Public Service	584,662	-	-	584,662
Auxiliary Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Institutional Support	-	39,000	1,325,205	1,364,205
Scholarships, Grants, and Waivers	2,228,069	-	-	2,228,069
On-Behalf Payments	2,230,609	-	-	2,230,609
Total Expenditures	<u>7,391,676</u>	<u>39,000</u>	<u>1,325,205</u>	<u>8,755,881</u>
Revenue Over (Under) Expenditures	-	(1,663)	(449,336)	(450,999)
Other Financing Sources (Uses)				
Operating Transfers (Net)	-	-	-	-
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	-	(1,663)	(449,336)	(450,999)
Fund Balance, July 1, 2023	<u>-</u>	<u>36,850</u>	<u>1,221,253</u>	<u>1,258,103</u>
Fund Balance, June 30, 2024	<u>\$ -</u>	<u>\$ 35,187</u>	<u>\$ 771,917</u>	<u>\$ 807,104</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Combining Balance Sheet
Fiduciary Funds
June 30, 2024

	Non-Expendable Trust		
	<u>Working Cash Fund</u>	<u>Trust and Agency Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 396,090	\$ 207,572	\$ 603,662
Investments	<u>5,477,780</u>	<u>-</u>	<u>5,477,780</u>
Total Assets	<u>\$ 5,873,870</u>	<u>\$ 207,572</u>	<u>\$ 6,081,442</u>
LIABILITIES			
Due to Student Groups	\$ -	\$ 207,572	\$ 207,572
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>\$ 207,572</u>	<u>\$ 6,081,442</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, 2024

	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	\$ 9,383,637	\$ 2,534,645	\$ 8,607,129	\$ 27,426	\$ 111,401	\$ 396,090	\$ 207,572	\$ 339,654	\$ 28,283	\$ 486,848	\$ -	\$ -	\$ 22,122,685
Investments	-	-	-	-	-	5,477,780	-	-	-	-	-	-	5,477,780
Receivables:													
Property Taxes	448,610	225,448	75,000	-	-	-	-	418,913	12,481	274,630	-	-	1,455,082
Replacement Taxes	118,740	50,888	-	-	-	-	-	-	-	-	-	-	169,628
Agency Tuition	182,467	-	-	-	-	-	-	-	-	-	-	-	182,467
Student Tuition and Fees, Net of Allowance	540,071	-	-	-	-	-	-	-	-	-	-	-	540,071
Governmental Grants and Contracts	-	-	-	-	543,073	-	-	-	-	-	-	-	543,073
Prepaid Expenses	67,794	-	-	-	-	-	-	-	-	156,551	-	-	224,345
Inventories	-	-	-	267,664	-	-	-	-	-	-	-	-	267,664
Property and Equipment at Cost, Net	-	-	-	3,319	-	-	-	-	-	-	23,973,699	-	23,977,018
Amount Available to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	445,053	445,053
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	-	-	-	-	5,934,018	5,934,018
Total Assets	\$ 10,741,319	\$ 2,810,981	\$ 8,682,129	\$ 298,409	\$ 654,474	\$ 5,873,870	\$ 207,572	\$ 758,567	\$ 40,764	\$ 918,029	\$ 23,973,699	\$ 6,379,071	\$ 61,338,884
LIABILITIES													
Accounts Payable	\$ 481,974	\$ -	\$ -	\$ 2,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 484,193
Accrued Liabilities	397,746	-	-	-	-	-	-	13,057	-	-	-	-	410,803
Unearned Revenue	684,910	111,553	45,569	47,525	654,474	-	-	300,457	5,577	146,112	-	-	1,996,177
Due to Student Groups	-	-	-	922	-	-	207,572	-	-	-	-	-	208,494
Lease Liabilities	-	-	-	-	-	-	-	-	-	-	573,038	-	573,038
Subscription Liabilities	-	-	-	-	-	-	-	-	-	-	724,221	-	724,221
Bond Premium	-	-	-	-	-	-	-	-	-	-	-	194,071	194,071
Bonds Payable	-	-	-	-	-	-	-	-	-	-	-	6,185,000	6,185,000
Total Liabilities	1,564,630	111,553	45,569	50,666	654,474	-	207,572	313,514	5,577	146,112	1,297,259	6,379,071	10,775,997
COLLEGE EQUITY													
Investment in General Fixed Assets	-	-	-	-	-	-	-	-	-	-	22,676,440	-	22,676,440
Fund Balance:													
Reserved	-	-	8,636,560	-	-	5,873,870	-	445,053	35,187	771,917	-	-	15,762,587
Unreserved, Designated	744,084	-	-	-	-	-	-	-	-	-	-	-	744,084
Unreserved, Undesignated	8,432,605	2,699,428	-	-	-	-	-	-	-	-	-	-	11,132,033
Retained Earnings	-	-	-	247,743	-	-	-	-	-	-	-	-	247,743
Total College Equity	9,176,689	2,699,428	8,636,560	247,743	-	5,873,870	-	445,053	35,187	771,917	22,676,440	-	50,562,887
Total Liabilities and College Equity	\$ 10,741,319	\$ 2,810,981	\$ 8,682,129	\$ 298,409	\$ 654,474	\$ 5,873,870	\$ 207,572	\$ 758,567	\$ 40,764	\$ 918,029	\$ 23,973,699	\$ 6,379,071	\$ 61,338,884

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, 2024

	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	\$ 2,135,238	\$ 1,020,825	\$ 249,413	\$ -	\$ -	\$ -	\$ 1,394,374	\$ 37,337	\$ 875,869	\$ 5,713,056
State Sources	4,118,808	401,317	-	-	1,478,355	-	-	-	-	5,998,480
Federal Sources	-	-	-	-	3,672,462	-	-	-	-	3,672,462
Tuition and Fees	5,175,970	-	-	-	-	-	-	-	-	5,175,970
Facilities	-	54,155	-	-	-	-	-	-	-	54,155
Investment Income	627,126	-	349,811	-	-	183,535	-	-	-	1,160,472
Other Revenue	302,517	30,243	16,890	516,707	10,250	-	-	-	-	876,607
On-Behalf Payments	-	-	-	-	2,230,609	-	-	-	-	2,230,609
Total Revenues	12,359,659	1,506,540	616,114	516,707	7,391,676	183,535	1,394,374	37,337	875,869	24,881,811
Expenditures										
Instruction	3,543,515	-	-	-	1,054,934	-	-	-	-	4,598,449
Academic Support	699,846	-	-	-	288,751	-	-	-	-	988,597
Student Services	1,116,035	-	-	-	1,004,651	-	-	-	-	2,120,686
Public Service	640,100	-	-	-	584,662	-	-	-	-	1,224,762
Auxiliary Services	-	-	-	1,465,671	-	-	-	-	-	1,465,671
Operation and Maintenance of Plant	-	1,475,352	1,024,524	-	-	-	-	-	-	2,499,876
Institutional Support	2,917,888	-	-	-	-	-	-	39,000	1,325,205	4,282,093
Scholarships, Grants, and Waivers	2,076,192	-	-	-	2,228,069	-	-	-	-	4,304,261
Principal	-	-	-	-	-	-	895,000	-	-	895,000
Interest	-	-	-	-	-	-	502,724	-	-	502,724
Depreciation	-	-	-	2,098	-	-	-	-	-	2,098
On-Behalf Payments	-	-	-	-	2,230,609	-	-	-	-	2,230,609
Total Expenditures	10,993,576	1,475,352	1,024,524	1,467,769	7,391,676	-	1,397,724	39,000	1,325,205	25,114,826
Revenue Over (Under) Expenditures	1,366,083	31,188	(408,410)	(951,062)	-	183,535	(3,350)	(1,663)	(449,336)	(233,015)
Other Financing Sources (Uses)										
Operating Transfers, Net	(683,323)	-	-	866,858	-	(183,535)	-	-	-	-
Total Other Financing Sources (Uses)	(683,323)	-	-	866,858	-	(183,535)	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	682,760	31,188	(408,410)	(84,204)	-	-	(3,350)	(1,663)	(449,336)	(233,015)
College Equity, Beginning 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
College Equity, End of Year	\$ 9,176,689	\$ 2,699,428	\$ 8,636,560	\$ 247,743	\$ -	\$ 5,873,870	\$ 445,053	\$ 35,187	\$ 771,917	\$ 27,886,447

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, 2024

College Equity	\$ 50,562,887
Reconciling Items:	
Reclassification of Long Term Debt	(6,379,071)
Accrual of Interest on Long-Term Debt	(45,234)
Recognition of Other Postemployment Benefit Liability	(2,383,482)
Recognition of Summer Tuition Revenues and Scholarship Expenses	309,016
Deferred Outflows of Resources - Other Postemployment Benefits	238,744
Deferred Inflows of Resources - Other Postemployment Benefits	(3,448,961)
Deferred Outflows of Resources - Retirement Plan Contributions	<u>82,938</u>
Net Position	<u>\$ 38,936,837</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, 2024

Change in College Equity	\$ (233,015)
Reconciling Items:	
General Obligation Debt Retired	895,000
Record Depreciation and Amortization on the Capital Assets	(1,491,287)
Record Contributed Capital for Capital Assets	154,365
Remove Capital Expenditures Related to Capital Assets	1,610,118
Remove Bond Premium Amortization	43,941
Change in Recognition of Summer Tuition Revenues and Scholarship Expenses	23,117
Change in Deferred Outflows - Other Postemployment Benefits	(24,194)
Change in Deferred Inflows - Other Postemployment Benefits	1,035,611
Change in Net Other Postemployment Benefits Liability	(32,750)
Accrual of Interest on Long-Term Debt and Subscription Liabilities	134,401
Change in Deferred Outflows - Retirement Plan Contributions	<u>(6,512)</u>
Change in Net Position	<u>\$ 2,108,795</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Assessed Valuations, Tax Rates, Extensions, and Collections
June 30, 2024

	<u>2022 Levy</u>	<u>2021 Levy</u>	<u>2020 Levy</u>	<u>2019 Levy</u>
District Valuations	\$ 719,421,866	\$ 683,320,904	\$ 660,122,102	\$ 648,899,847
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	0.10500	0.10411	0.10859	0.10813
Social Security	0.01714	0.01749	0.01881	0.01971
Audit	0.00500	0.00500	0.00500	0.00500
Health and Safety	0.03508	0.03670	0.03849	0.03931
Bond and Interest	0.19611	0.23586	0.26485	0.27654
TOTAL	<u>0.65833</u>	<u>0.69916</u>	<u>0.73574</u>	<u>0.74869</u>
Tax Extensions				
Education	\$ 1,438,844	\$ 1,366,642	\$ 1,320,244	\$ 1,297,800
Building	719,422	683,321	660,122	648,900
Liability Insurance	755,393	711,392	716,827	701,655
Social Security	123,309	119,520	124,169	127,898
Audit	35,971	34,166	33,006	32,445
Health and Safety	252,373	250,806	254,081	255,083
Bond and Interest	1,410,858	1,611,674	1,748,360	1,794,468
	<u>\$ 4,736,170</u>	<u>\$ 4,777,521</u>	<u>\$ 4,856,809</u>	<u>\$ 4,858,249</u>
Collections				
Education	\$ 1,419,083	\$ 1,317,684	\$ 1,258,605	\$ 1,307,153
Building	710,058	652,832	632,164	650,594
Liability Insurance	739,074	676,140	672,162	706,712
Social Security	123,309	119,520	124,169	127,899
Audit	35,878	32,811	31,730	32,611
Health and Safety	249,413	240,173	240,575	256,612
Bond and Interest	1,394,326	1,543,302	1,655,504	1,805,362
	<u>\$ 4,671,141</u>	<u>\$ 4,582,462</u>	<u>\$ 4,614,909</u>	<u>\$ 4,886,943</u>
Percent of Extension Collected	<u>98.63%</u>	<u>95.92%</u>	<u>95.02%</u>	<u>100.59%</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Legal Debt Margin
June 30, 2024

Assessed Valuations - 2023 Levy***	<u><u>\$ 792,198,302</u></u>
Debt Limit, 2.875 Percent of Assessed Valuation (50 ILCS 405/1)	\$ 22,775,701
Indebtedness:	
General Obligation Community College Bonds	<u>6,185,000</u>
Legal Debt Margin	<u><u>\$ 16,590,701</u></u>

*** - 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, 2024
 (Unaudited)

School Quarter	Student Enrollment	Full-Time Equivalency
	<u> </u>	<u> </u>
Summer 2023	497	144
Fall 2023	1,149	617
Spring 2024	<u>1,140</u>	<u>721</u>
Semester Average (Exclusive of Summer School)	<u><u>1,145</u></u>	<u><u>669</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, 2024

	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, 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
Revenues:										
Local Tax Revenue	1,434,156	720,362	249,413	1,394,374	-	-	-	37,337	875,869	4,711,511
All Other Local Revenue	701,082	300,463	-	-	-	-	-	-	-	1,001,545
Chargeback Revenue	-	-	-	-	-	-	-	-	-	-
ICCB Grants	4,118,808	401,317	-	-	-	1,071,803	-	-	-	5,591,928
All Other State Revenue (Including SURS On-Behalf)	-	-	-	-	-	2,637,161	-	-	-	2,637,161
Federal Revenue	-	-	-	-	-	3,672,462	-	-	-	3,672,462
Student Tuition and Fees	5,175,970	-	-	-	-	-	-	-	-	5,175,970
All Other Revenue	929,643	84,398	366,701	-	516,707	10,250	183,535	-	-	2,091,234
Total Revenues	12,359,659	1,506,540	616,114	1,394,374	516,707	7,391,676	183,535	37,337	875,869	24,881,811
Expenditures:										
Instruction	3,445,630	-	-	-	-	1,768,015	-	-	-	5,213,645
Academic Support	797,731	-	-	-	-	684,041	-	-	-	1,481,772
Student Services	1,116,035	-	-	-	-	1,325,255	-	-	-	2,441,290
Public Service/Continuing Education	640,100	-	-	-	-	744,345	-	-	-	1,384,445
Organized Research	-	-	-	-	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	1,467,769	76,325	-	-	-	1,544,094
Operations and Maintenance	-	1,475,352	1,024,524	-	-	59,449	-	-	-	2,559,325
Institutional Support	2,917,888	-	-	1,397,724	-	501,499	-	39,000	1,325,205	6,181,316
Scholarships, Grants, and Waivers	2,076,192	-	-	-	-	2,232,747	-	-	-	4,308,939
Total Expenditures	10,993,576	1,475,352	1,024,524	1,397,724	1,467,769	7,391,676	-	39,000	1,325,205	25,114,826
Net Transfers	(683,323)	-	-	-	866,858	-	(183,535)	-	-	-
Fund Balance, June 30, 2024	\$ 9,176,689	\$ 2,699,428	\$ 8,636,560	\$ 445,053	\$ 247,743	\$ -	\$ 5,873,870	\$ 35,187	\$ 771,917	\$ 27,886,447

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Summary of Fixed Assets and Debt
Uniform Financial Statement No. 2
For the Year Ended June 30, 2024

	Capital Assets / Long Term Debt			
	July 1, 2023	Additions	Deletions	June 30, 2024
Fixed Assets:				
Land	\$ 89,166	\$ -	\$ -	\$ 89,166
Land Improvements	826,113	-	-	826,113
Buildings, Additions, and Improvements	33,086,589	97,860	-	33,184,449
Equipment	6,209,087	879,708	(19,083)	7,069,712
Other Fixed Assets	193,620	853,169	-	1,046,789
Accumulated Depreciation and Amortization	(16,764,909)	(1,493,385)	19,083	(18,239,211)
Net Fixed Assets	<u>\$ 23,639,666</u>	<u>\$ 337,352</u>	<u>\$ -</u>	<u>\$ 23,977,018</u>
Fixed Debt:				
Bonds	\$ 7,080,000	\$ -	\$ (895,000)	\$ 6,185,000
Bond Premium	238,012	-	(43,941)	194,071
Net Other Postemployment Benefit Liability	2,350,732	32,750	-	2,383,482
Lease Liabilities	538,522	168,939	(134,423)	573,038
Subscription Liabilities	643,570	295,424	(214,773)	724,221
Total Fixed Liabilities	<u>\$ 10,850,836</u>	<u>\$ 497,113</u>	<u>\$ (1,288,137)</u>	<u>\$ 10,059,812</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, 2024

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Revenues by Source:			
<i>Local Government Revenue</i>			
Local Taxes	\$ 1,434,156	\$ 720,362	\$ 2,154,518
Corporate Personal Property Replacement Tax	701,082	300,463	1,001,545
Chargeback Revenue	-	-	-
Total Local Government	<u>2,135,238</u>	<u>1,020,825</u>	<u>3,156,063</u>
<i>State Government</i>			
ICCB Base Operating Grant	951,158	401,317	1,352,475
ICCB Equalization Grant	3,053,310	-	3,053,310
ICCB Career & Technical Education	114,340	-	114,340
Total State Government	<u>4,118,808</u>	<u>401,317</u>	<u>4,520,125</u>
<i>Federal Government</i>			
Department of Education	-	-	-
Total Federal Government	<u>-</u>	<u>-</u>	<u>-</u>
<i>Student Tuition and Fees</i>			
Tuition	4,422,701	-	4,422,701
Fees	753,269	-	753,269
Total Student Tuition and Fees	<u>5,175,970</u>	<u>-</u>	<u>5,175,970</u>
<i>Other Sources</i>			
Sales and Service Fees	7,201	-	7,201
Facilities Revenue	-	54,155	54,155
Investment Revenue	627,126	-	627,126
Other	295,316	30,243	325,559
Total Other Sources	<u>929,643</u>	<u>84,398</u>	<u>1,014,041</u>
Total Operating Revenues	<u>12,359,659</u>	<u>1,506,540</u>	<u>13,866,199</u>
<i>Less: Non-Operating Items</i>			
Tuition Chargeback Revenue	-	-	-
Adjusted Operating Revenue	<u>\$ 12,359,659</u>	<u>\$ 1,506,540</u>	<u>\$ 13,866,199</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, 2024

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating Expenditures by Program:			
Instruction	\$ 3,445,630	\$ -	\$ 3,445,630
Academic Support	797,731	-	797,731
Student Services	1,116,035	-	1,116,035
Public Service/Continuing Education	640,100	-	640,100
Operations and Maintenance	-	1,475,352	1,475,352
Institutional Support	2,917,888	-	2,917,888
Scholarships, Grants, and Waivers	2,076,192	-	2,076,192
Transfers	683,323	-	683,323
Total Operating Expenditures by Program	11,676,899	1,475,352	13,152,251
Less: Non-Operating Items			
Transfers	(683,323)	-	(683,323)
Tuition Chargeback	-	-	-
Adjusted Operating Expenditures by Program	\$ 10,993,576	\$ 1,475,352	\$ 12,468,928
Operating Expenditures by Object:			
Salaries	\$ 6,415,192	\$ 210,262	\$ 6,625,454
Employee Benefits	722,068	19,444	741,512
Contractual Services	591,943	491,756	1,083,699
General Materials and Supplies	619,644	113,591	733,235
<i>Library Materials *</i>	35,901	-	35,901
Conference and Meeting Expenses	149,963	-	149,963
Fixed Charges	154,125	61,860	215,985
Utilities	53,632	578,439	632,071
Capital Outlay	99,742	-	99,742
Other	2,187,267	-	2,187,267
Transfers	683,323	-	683,323
Total Operating Expenditures by Object	11,676,899	1,475,352	13,152,251
Less: Non-Operating Items			
Transfers	(683,323)	-	(683,323)
Adjusted Operating Expenditures by Object	\$ 10,993,576	\$ 1,475,352	\$ 12,468,928

* Per ICCB reporting requirements, this line is presented as a memo only figure 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, 2024

	<u>Restricted Purposes Fund</u>
Revenue by Source:	
<i>State Government</i>	
ICCB - Adult Education	\$ 171,801
ICCB - Other	900,002
Illinois State Board of Education	82,170
SURS - On Behalf	2,230,609
Other State Government	324,382
Total State Government	<u>3,708,964</u>
 <i>Federal Government</i>	
Department of Education	2,954,164
ICCB - Adult Education	91,286
ICCB - Carl Perkins	227,075
ICCB - Other Grants	-
Department of Agriculture	141,081
Department of Health and Human Services	29,535
Department of Labor	97,697
Department of Treasury	120,962
Department of Commerce and Economic Opportunity	10,662
Total Federal Government	<u>3,672,462</u>
 <i>Other</i>	
Other	10,250
Total Other	<u>10,250</u>
 Total Restricted Purposes Fund Revenues	 <u><u>\$ 7,391,676</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, 2024

	Restricted Purposes Fund
Expenditures by Program:	
Instruction	\$ 1,965,588
Academic Support	471,468
Student Services	1,325,255
Public Service/Continuing Education	759,345
Auxiliary Services	76,325
Operations and Maintenance	59,449
Institutional Support	501,499
Scholarships, Grants, and Waivers	2,232,747
Total Restricted Purposes Fund Expenditures by Program	\$ 7,391,676
Expenditures by Object:	
Salaries	\$ 875,461
Employee Benefits (Including SURS On-Behalf)	2,415,613
Contractual Services	471,821
General Materials and Supplies	557,763
Travel and Conference/Meeting Expenses	99,381
Utilities	-
Capital Outlay	465,992
Other	2,505,645
<i>Scholarships, Grants, and Waivers *</i>	2,232,747
Total Restricted Purposes Fund Expenditures by Object	\$ 7,391,676

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

* 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, 2024

Instruction:	
Instructional Programs	<u>\$ 5,213,645</u>
Academic Support:	
Library Center	99,381
Academic Computing Support	167,930
Academic Administration and Planning	530,420
Other	684,041
Total Academic Support	<u>1,481,772</u>
Student Services Support:	
Admissions and Records	125,495
Counseling and Career Services	507,136
Financial Aid Administration	229,104
Other	1,579,555
Total Student Services Support	<u>2,441,290</u>
Public Service/Continuing Education:	
Community Services	1,209,762
Other	174,683
Total Public Service/Continuing Education	<u>1,384,445</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, 2024

Auxiliary Services	1,544,094
Operations and Maintenance of Plant:	
Maintenance	377,372
Custodial Services	416,085
Grounds	102,922
Campus Security	534
Transportation	-
Utilities	578,439
Administration	-
Other	59,449
Total Operations and Maintenance of Plant	1,534,801
Institutional Support:	
Executive Management	907,022
Fiscal Operations	592,750
Community Relations	166,861
Board of Trustees	21,891
General Institutional	1,803,533
Institutional Research	226,106
Administrative Data Processing	563,930
Other	1,899,223
Total Institutional Support	6,181,316
Scholarships, Grants, and Waivers	4,308,939
Total Current Funds Expenditures	\$ 24,090,302

* 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
 Fiscal Year 2025 Certification of Per Capita Cost
 For the Year Ended June 30, 2024

All Fiscal Year 2024 Non-Capital Audited Operating Expenditures
 from the Following Funds:

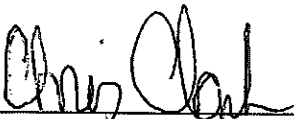
Education Fund	\$	10,893,834
Operations and Maintenance Fund		1,475,352
Bond and Interest Fund		-
Restricted Purposes Fund		4,695,075
Audit Fund		39,000
Liability, Protection and Settlement Fund		1,204,037
Auxiliary Enterprise Fund (Subsidy Fund)		866,858
Total Non-Capital Expenditures		19,174,156

Depreciation on Capital Outlay Expenditures from Sources

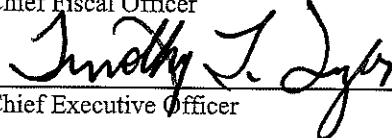
Other than State and Federal Funds		859,560
Total Costs Included		20,033,716

Total Certified Semester Credit Hours for Fiscal Year 2024		27,427
--	--	--------

Per Capita Cost		\$ 730.44
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Approved: 
 Chief Fiscal Officer

Date: 11-15-24

Approved: 
 Chief Executive Officer

Date: 11/18/24



CERTIFIED PUBLIC ACCOUNTANTS



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

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, 2024, 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, 2024, 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.

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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic grant program financial statements taken as a whole. The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grants (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.

MH CPA PLLC

Champaign, Illinois
November 20, 2024

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
State Adult Education Restricted Funds
(State Basic and Performance)
Balance Sheet
June 30, 2024

ASSETS

	State Basic	Performance	Total
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 81

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, 2024

	State Basic	Performance	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues			
ICCB Grant	\$ 99,946	\$ 71,855	\$ 171,801
	<u> </u>	<u> </u>	<u> </u>
Expenditures			
Personnel Services	77,672	27,619	105,291
Fringe Benefits	7,349	5,773	13,122
Travel	-	10,238	10,238
Equipment	-	-	-
Supplies	14,925	27,795	42,720
Contractual Services	-	430	430
Consultant	-	-	-
Occupancy	-	-	-
Telecommunications	-	-	-
Training and Education	-	-	-
Miscellaneous	-	-	-
General Administrative	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	99,946	71,855	171,801
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenue Over Expenditures	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Fund Balance, July 01, 2023	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Fund Balance, June 30, 2024	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>

See Accompanying Notes on Page 81

SHAWNEE COMMUNITY COLLEGE
 COMMUNITY COLLEGE DISTRICT #531
 ICCB Compliance Statement for the
 Adult Education and Family Literacy Grants
 Expenditure Amounts and Percentages for
 ICCB Grant Funds Only
 For the Year Ended June 30, 2024

	Audited Expenditure <u>(Dollars)</u>	Actual Expenditure <u>(Percentage)</u>
State Basic		
Instruction Generation (45 Percent Minimum Required)		<i>Requirement not applicable for 2024</i>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Notes to the ICCB Grant Financial Statements
June 30, 2024

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

Budgets and Budgetary Accounting

Each year the 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, 2024.

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, 2024 is fairly presented in accordance with the financial reporting provisions of the Illinois Community College Board (ICCB) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the guidelines of the ICCB's *Fiscal Management Manual*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the 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 20, 2024, 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.

MH CPA PLLC

Champaign, Illinois
November 20, 2024

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, 2024

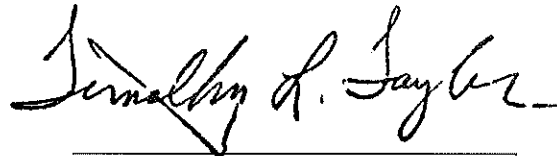
Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	1,703.0	-	6,892.0	110.0	7,144.0	77.0	15,739.0	187.0
Business Occupational	127.0	-	689.5	-	706.5	20.0	1,523.0	20.0
Technical Occupational	260.0	-	1,314.0	140.0	1,187.5	126.0	2,761.5	266.0
Health Occupational	534.5	80.5	1,225.5	170.5	1,322.5	193.0	3,082.5	444.0
Remedial Developmental	12.0	-	91.0	-	28.0	-	131.0	-
Adult Basic/Secondary Education	212.0	-	194.0	1,125.0	522.0	1,220.0	928.0	2,345.0
TOTAL CREDIT HOURS CERTIFIED	2,848.5	80.5	10,406.0	1,545.5	10,910.5	1,636.0	24,165.0	3,262.0

	Attending In-District	Attending Out-of-District on Chargeback	Total
Reimbursable Semester Credit Hours (All Terms)	25,854.5	-	25,854.5
Reimbursable Semester Credit Hours (All Terms)	Dual Credit 4,987.0	Dual Enrollment 5,528.0	

District 2022 Equalized Assessed Valuation \$ 719,421,866

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, 2024

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	15,739.0	15,739.0	-	187	187	-
Business Occupational	1,523.0	1,523.0	-	20	20	-
Technical Occupational	2,761.5	2,761.5	-	266	266	-
Health Occupational	3,082.5	3,082.5	-	444	444	-
Remedial Developmental Adult Basic / Secondary Education	131.0 928.0	131.0 928.0	- -	- 2,345	- 2,345	- -
Total Credit Hours Certified	<u>24,165.0</u>	<u>24,165.0</u>	<u>-</u>	<u>3,262</u>	<u>3,262</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	25,854.5	25,854.5	-
Out-of-District on Chargeback or Contractual Agreement	-	-	-
Total	<u>25,854.5</u>	<u>25,854.5</u>	<u>-</u>

Categories	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	4,987.0	4,987.0	-
Dual Enrollment	5,528.0	5,528.0	-
Total	<u>10,515.0</u>	<u>10,515.0</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, 2024

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, 2024

Unrestricted Grants

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

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

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, 2024

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, 2024

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, 2024

CSFA Number	Program Name	State Funding	Federal Funding	Other Funding	Total
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	\$ 171,801	\$ 91,286	\$ -	\$ 263,087
586-41-2359	Career and Technical Ed Improvement (CTEI)	82,170	-	-	82,170
684-05-2840	College Bridge Programs		120,962		120,962
684-05-2866	Early Childhood Access Consortium for Equity	-	157	-	157
684-01-1670	Innovative Bridge and Transition Grant - State	197,571	-	-	197,571
684-01-1434	LPN Grant - State CTE	245,121	-	-	245,121
601-00-3465	Mental Health Early Access on Campus - Competitive Grants for Illinois Public Universities	53,703			53,703
684-00-0465	Postsecondary Perkins Basic Grants - Federal CTE	-	227,075	-	227,075
420-35-0083	Small Business Development Centers	-	10,662	-	10,662
	Other Grant Programs and Activities	-	3,222,320	-	3,222,320
	All Other Costs Not Allocated	-	-	15,863,526	15,863,526
Total		<u>\$ 750,366</u>	<u>\$ 3,672,462</u>	<u>\$ 15,863,526</u>	<u>\$ 20,286,354</u>

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

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		\$ 141,081	\$ -
Department of Education				
<i>Direct</i>				
<i>Student Financial Aid Cluster</i>				
Pell Grant Program	84.063		* 2,203,377	-
Federal Work Study	84.033		* 16,547	-
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		* 8,145	-
Total Student Financial Aid Cluster			<u>2,228,069</u>	<u>-</u>
<i>Trio Cluster</i>				
Trio Student Support Services	84.042A		357,640	-
Trio Talent Search Program	84.044A		270,210	-
Total Trio Cluster			<u>627,850</u>	<u>-</u>
<i>Direct</i>				
Fund for the Improvement of Postsecondary Education	84.116Z	P116Z230157	98,245	-
<i>Passed through the Illinois Community College Board (ICCB)</i>				
Carl Perkins	84.048	CTE-531-24	227,075	-
Adult Education - Federal Basic	84.002	AE-53101-24	91,286	-
Total Passed through ICCB			<u>318,361</u>	<u>-</u>
Total Department of Education			<u>3,272,525</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	29,378	-
<i>Passed through the Illinois Community College Board (ICCB)</i>				
<i>CCDF Cluster</i>				
Early Childhood Education Pathways	93.575	ECE-53101-22	157	-
Total Department of Human and Health Services			<u>29,535</u>	<u>-</u>
Department of Labor				
<i>Passed through Parkland Community College</i>				
Strengthening Community Colleges	17.261	CC-38940-22-60-A-17	97,697	-
Department of Treasury				
<i>Passed through the Illinois Community College Board (ICCB)</i>				
College Bridge Grant	21.027	CB-53101-22	120,962	-
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	10,662	-
Total Expenditures of Federal Awards			<u>\$ 3,672,462</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, 2024

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, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the 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 \$38,423 for the year ended June 30, 2024.

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, 2024.

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, 2024

1. Summary of Auditor's Results

- (i) Type of audit report issued on the financial statements: Unmodified
- (ii) The auditor's report did not disclose a material weakness or report a significant deficiency in internal control over financial reporting, that is required to be reported in accordance with *Government Auditing Standards*.
- (iii) The auditor's report did not disclose instances of noncompliance material to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.
- (iv) The auditor's report did disclose a significant deficiency but did not disclose 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 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
- (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

U.S. Department of Education

2024-001

Student Financial Aid Cluster – Pell Grant Program

Assistance Listing # 84.063

Significant Deficiency in Internal Control over Compliance

Criteria: Eligibility: Disbursements are made in accordance with the Payment and Disbursement Schedule, adjusted as necessary for their Lifetime Eligibility Usage (LEU) status.

Condition – The internal controls established around disbursement amounts for students nearing their LEU were not effective.

Cause of Condition – If a student is nearing the LEU, the amount disbursed is reduced in order to not exceed the 600 percent lifetime threshold; however, the College’s process to calculate the amount disbursed was not correct.

Effect of the Condition – The calculation to reduce the amount of Pell disbursed did not factor in for current enrollment level of the student; thus, a student may end up getting more disbursed to them than they are eligible for if the current semester would not put them over the 600 percent threshold.

Questioned Costs – None noted

Context – Out of a population of 497 students who received student financial aid in the form of Pell grants, a sample of 40 students was selected for testing. Out of the 40 students tested, 1 student was close to the Lifetime Eligibility max; however, the amount to be disbursed was miscalculated resulting in the student receiving \$611 more Pell than was appropriate.

Repeat Finding - This finding does not repeat a previous finding.

Auditor’s Recommendation – The College should update its procedures and related calculations to factor in the current semester enrollment status when a student is close to the LEU max in order to ensure proper disbursement amounts.

View of Responsible Official – The College is updating its Pell disbursement calculation to consider current semester enrollment in order to disburse an amount that caps out the student’s LEU if the semester would not have put the student over the LEU max.

SHAWNEE COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #531
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

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, 2024, 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 20, 2024.

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.

MH CPA PLLC
Champaign, Illinois
November 20, 2024

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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001. Our opinion of each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the College's response the internal control over compliance findings in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

MH CPA PLLC

Champaign, Illinois
November 20, 2024