

**SOUTHEASTERN ILLINOIS COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

Independent Auditor's Report	1 - 3
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 <i>Government Auditing Standards</i>	4 - 5

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis.	6 - 14
---	--------

BASIC FINANCIAL STATEMENTS

Statement of Net Position	15
Statement of Revenues, Expenses, and Changes in Net Position	16
Statement of Cash Flows	17
Notes to Financial Statements	18 - 62

REQUIRED SUPPLEMENTARY INFORMATION

State Universities Retirement System of Illinois (SURS) Trend Data - <i>Unaudited</i> . .	63
Notes to Required Pension Supplementary Information - <i>Unaudited</i>	64
Other Post-employment Benefit System of Illinois Trend Data and Schedule of Contributions - <i>Unaudited</i>	65
Notes to Required OPEB Supplementary Information - <i>Unaudited</i>	66

SUPPLEMENTAL INFORMATION

FINANCIAL STATEMENTS

Combined Balance Sheet - All Fund Types.	67
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	68

**TABLE OF CONTENTS
(CONTINUED)**

SUPPLEMENTAL INFORMATION (CONTINUED)

FINANCIAL STATEMENTS (CONCLUDED)

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	69
---	----

Statement of Revenues, Expenses, and Changes in Retained Earnings - Budget and Actual - Proprietary Fund Type	70
--	----

Statement of Cash Flows - Proprietary Fund Type	71
---	----

Governmental Fund Types

Combining Balance Sheet - General Fund	72
--	----

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	73
---	----

Combining Balance Sheet - All Special Revenue Funds	74
---	----

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Special Revenue Funds	75
--	----

OTHER

Schedule of Valuations and Tax Extensions - <i>Unaudited</i>	76
--	----

Schedule of Legal Debt Margin - <i>Unaudited</i>	77
--	----

UNIFORM FINANCIAL STATEMENT (UFS)

Uniform Financial Statement:	
All Funds Summary	78 - 79
Summary of Fixed Assets and Debt	80
Operating Funds Revenues and Expenditures	81 - 82
Restricted Purposes Fund Revenues and Expenditures	83
Current Funds Expenditures by Activity	84

**TABLE OF CONTENTS
(CONTINUED)**

SUPPLEMENTAL INFORMATION (CONCLUDED)

CERTIFICATION OF CHARGEBACK REIMBURSEMENT

Certification of Chargeback Reimbursement- <i>Unaudited</i>	85
---	----

STATE COMPLIANCE SECTION

**ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS FINANCIAL COMPLIANCE SECTION**

Background Information on State Grant Activity.	86
---	----

**SCHEDULES OF ENROLLMENT DATA AND
RECONCILIATION OF SEMESTER CREDIT HOURS**

Independent Auditor's Report on the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed	87
Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	88
Reconciliation of Total Semester Credit Hours	89
Documentation of Residency Verification Steps	90 – 93

FEDERAL COMPLIANCE SECTION

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance	94 – 96
Schedule of Expenditures of Federal Awards	97
Notes to Schedule of Expenditures of Federal Awards	98
<i>Schedule of Findings and Questioned Costs</i>	
Section I - Auditor's Results	99
Section II - Financial Statement Findings	100
Section III - Federal Award Findings and Questioned Costs	101-102
Section IV - Corrective Action Plan	103
Section V - Summary of Prior Audit Findings	104



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Southeastern Illinois Community College District No. 533
Harrisburg, Illinois 62946

We have audited the accompanying financial statements of the business-type activities of Southeastern Illinois Community College District No. 533 and the discretely presented component unit, Southeastern Illinois College Foundation, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Southeastern Illinois College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. The financial statements of the Southeastern Illinois College Foundation were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Southeastern Illinois Community College District No. 533, as of June 30, 2021, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and State Universities Retirement System of Illinois Trend Data and Other Post-Employment Benefit System of Illinois Trend Data and Schedule of Contributions on pages 6-14 and 63-66 be presented to supplement the basic financial statements. Such information, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Southeastern Illinois Community College District No. 533's basic financial statements. The supplemental information on pages 67-75 and 78-84 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on pages 97-98 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental information, including the schedule of expenditures of federal awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information, except for the portion marked unaudited, 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 supplemental information and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplemental information presented on pages 76-77 and page 85 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, on our consideration of Southeastern Illinois Community College District No. 533's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Southeastern Illinois Community College District No. 533's internal control over financial reporting and compliance.

Kemper CPA Group LLP

Kemper CPA Group LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Harrisburg, Illinois
January 31, 2022



**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
Southeastern Illinois Community College District No. 533
Harrisburg, Illinois 62946

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Southeastern Illinois Community College District No. 533 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Southeastern Illinois Community College District No. 533's basic financial statements and have issued our report thereon dated January 31, 2022. The financial statements of the Southeastern Illinois College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Southeastern Illinois College Foundation.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southeastern Illinois Community College District No. 533'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 Southeastern Illinois Community College District No. 533's internal control. Accordingly, we do not express an opinion on the effectiveness of Southeastern Illinois Community College District No. 533'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southeastern Illinois Community College District No. 533's financial statements are free from 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kemper CPA Group LLP

Kemper CPA Group LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Harrisburg, Illinois
January 31, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SOUTHEASTERN ILLINOIS COLLEGE
COMMUNITY COLLEGE DISTRICT #533
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

This section of Southeastern Illinois College's Financial Statements represents management's discussion and analysis of the College's financial activity during the fiscal year ended June 30, 2021. 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 (pages 15-17) and the footnotes (pages 18-62). Responsibility for the completeness and fairness of this information rests with the College.

Using this Annual Report

These financial statements incorporate data from all the primary governmental and proprietary funds (see pages 15-17) and for financial reporting purposes we are considered a special purpose government engaged in only business-type activities. We focus on economic resources measurement and use the accrual basis of accounting just like a private sector business. The Statement of Net Position is to be considered the statement of financial position for the College showing all assets and liabilities. The Statement of Revenues, Expenses and Changes in Net Position present all transactions and events that affect net position using the economic resources measurement focus. These activities are supported by property taxes, state 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.

For detailed information pertaining to the Foundation (the College's discretely presented component unit), refer to Note 9 Discretely Presented Component Unit beginning on page 51 and the separately issued Foundation financial statements for the year ended June 30, 2021.

Financial Highlights

As of June 30, 2021, the College's end of the year total net position increased from \$17,290,719 to \$19,578,986, an increase of \$2,288,267. The increase to net position for the prior year was \$1,325,085. Revenues decreased over the prior year by \$170,181. Total expenditures decreased over the prior year by \$1,133,363.

Cash and cash equivalents, both restricted and unrestricted, on page 15 of the Statement of Net Position equal \$20,373,566. This was an increase of \$1,739,125 compared to the June 30, 2020 balance of \$18,634,441. The Statement of Cash Flows on page 17 identifies the source and use of cash throughout the year.

Fiscal year 2021 saw continued emergency funding as a result of the COVID pandemic from the passage of the federal government's Coronavirus Response and Relief Supplemental Act (CRRSA) and the American Rescue Plan Act (ARP). Under CRRSA funding, SIC was awarded almost \$1.5 million with \$230,274 of this distributed to students as emergency grants and \$1,259,552 to be used for institutional purposes that would help defray expenses specifically associated to the coronavirus. This included the recapture of lost revenue along with increased technology enhancements needed for the transition to distance education and remote learning. Under ARP funding, SIC was awarded over \$2.9 million with \$1,370,527 to be used for emergency student grants and \$1,550,308 for defraying institutional costs associated with the virus. The college will have until February 2022 to expend all funds.

Throughout the year many facility projects were completed. Three Protection Health and Safety (PHS) projects utilizing bond funds were carried over from the prior year and finished: Floor Replacement in Buildings A, B, and C; Interior Lighting Upgrades campus wide; and Walk-In Cooler & Freezer Replacement. Renovations in the amount of \$20,905 resulted in the new Esports gaming arena where the new SIC Falcons Faction of Gamers can practice and host tournaments. Several additions and enhancements to SIC's Hearn Outdoor Educational Complex were also made. The handgun range was renovated with minimal cost and now includes a covered structure. A new trap range was completed costing \$71,258 and allows SIC's shotgun team to practice and hold events on site. A disc golf course with a construction cost of \$23,348 was also completed and open for public use and SIC Foundation use for charitable events.

SIC is currently in the design phase of constructing a Vocational Building at the Carmi extension site. The facility will accommodate vocational training labs for welding, auto/diesel mechanics, construction and industrial trades, truck driving, and short term needs for industry. The total project will span two years and will include two phases. The first phase is estimated to cost \$2,500,000 and should be completed by fall of 2022. The second phase is expected to immediately follow completion of the first and will be a joint venture with the CDB. As the result of a generous donation from a successful local businessman, the facility will be named the Stanford D. Williams Career and Training Center in his honor.

Within the year SIC began three projects with shared funding by the Capital Development Board (CDB). Those projects include (1) Replace Boilers, Pumps and Condensing Units in Buildings A, B, and C. Total estimated cost of the project is \$937,800 with SIC's share equal to \$234,450 (2) Repair Exterior of Buildings Campus Wide which includes tuckpointing, repairs or replacements of windows, doors, skylights, flashings and gutters. Total estimated cost is \$794,995 with SIC's share equal to \$198,749 and (3) Construction of Carmi Vocational Building Phase II. Total estimated cost is \$2,241,333 with SIC's share equal to \$560,333.

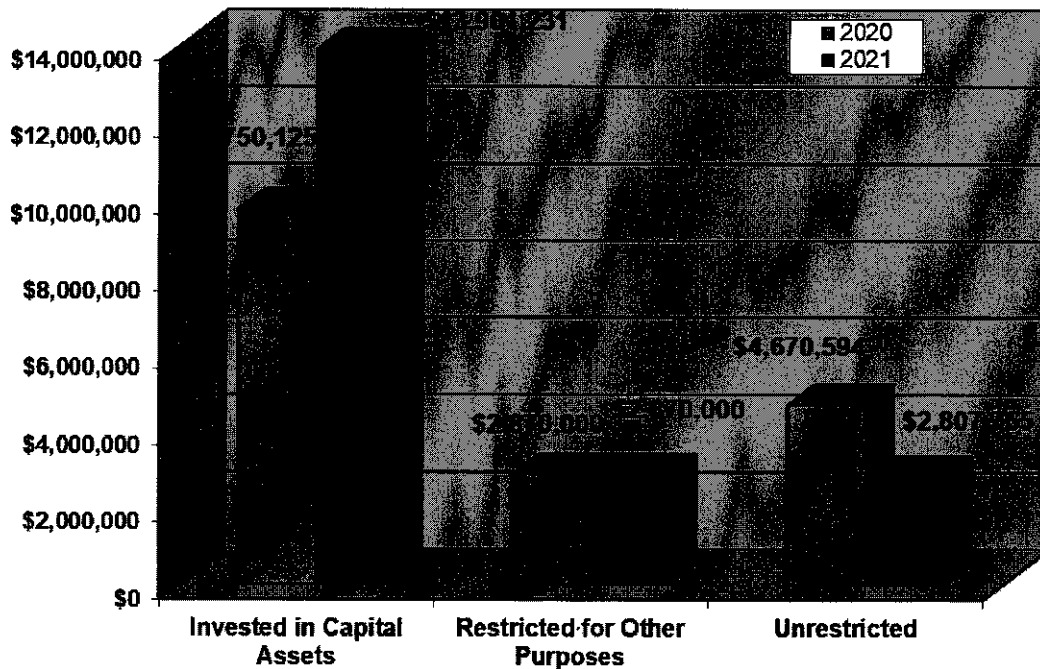
Financial Analysis of the College as a Whole

This schedule is prepared from the College's Statement of Net Position (page 15), which is presented on the accrual basis of accounting whereby assets are capitalized and depreciated.

Analysis of Net Position

Assets	2020	2021
Current		
Current Assets	\$25,564,413	\$26,942,970
Non-current Assets	\$18,330,550	\$17,910,652
Total Assets	\$43,894,963	\$44,853,622
Total Deferred Outflows	\$101,019	\$203,185
Liabilities		
Current Liabilities	\$3,065,330	\$3,065,107
Non-current Liabilities	\$16,677,851	\$15,145,297
Total Liabilities	\$19,743,181	\$18,210,404
Total Deferred Inflows	\$6,962,082	\$7,267,417
Net Position		
Invested in Capital Assets	\$9,750,125	\$13,901,231
Restricted for Other Purposes	\$2,870,000	\$2,870,000
Unrestricted	\$4,670,594	\$2,807,755
Total Net Position	\$17,290,719	\$19,578,986

Analysis of Net Position

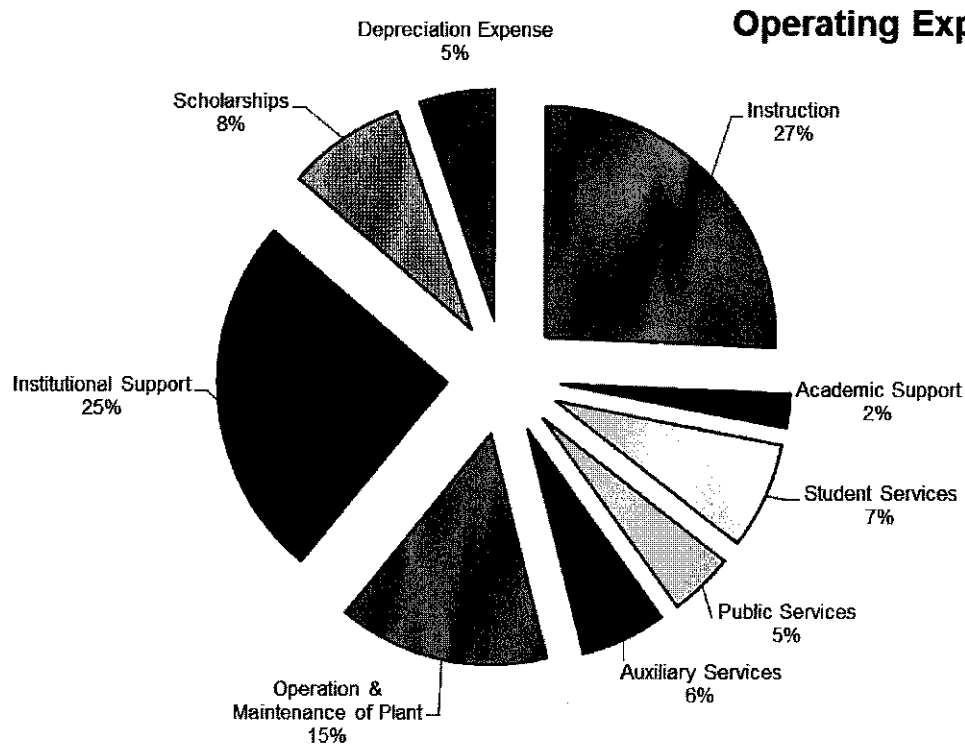


Operating expenses for the College shown on page 16 for the fiscal year ending June 30, 2021 were \$19,132,244 compared to \$17,626,326 incurred in the previous year.

Operating Expenses

	2020	2021
Operating Expenses:		
Instruction	3,527,399	3,381,525
Academic Support	404,501	314,341
Student Services	1,030,552	987,409
Public Services	884,342	601,940
Auxiliary Services	1,267,222	793,703
Operation & Maintenance of Plant	1,747,979	1,964,969
Institutional Support	3,208,636	3,362,867
Scholarships	1,896,726	1,103,692
On Behalf Payments	4,528,065	4,859,355
Depreciation Expense	636,822	708,521
Total Operating Expenses	19,132,244	18,078,322

The following is a graphic illustration of operating expenses excluding on behalf payments of pension and health insurance – see page 10 and note 6 beginning on page 35:



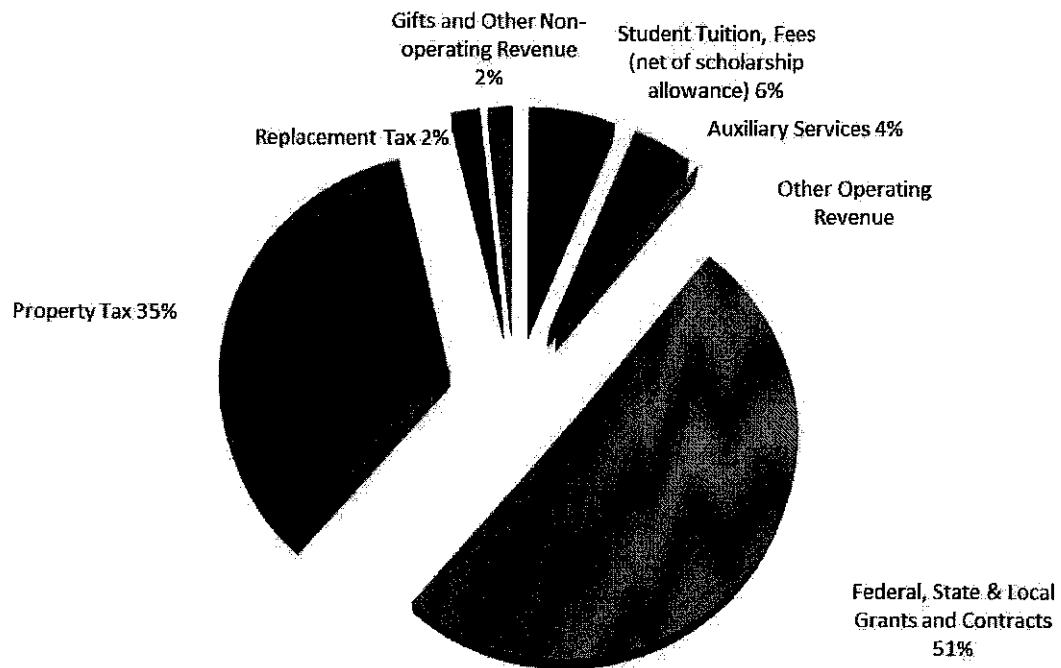
The operating revenues for the year on page 16 were \$1,690,635 compared to \$2,171,354 for FY 2020. Net Non-operating revenues (expenses) were \$18,078,322 compared to \$18,285,975 for FY 2020. On behalf payments of \$4,859,355 is our pensionable and retirement health insurance program contributions recognized as revenue and expense - see note 6 beginning on page 35.

Operating Results

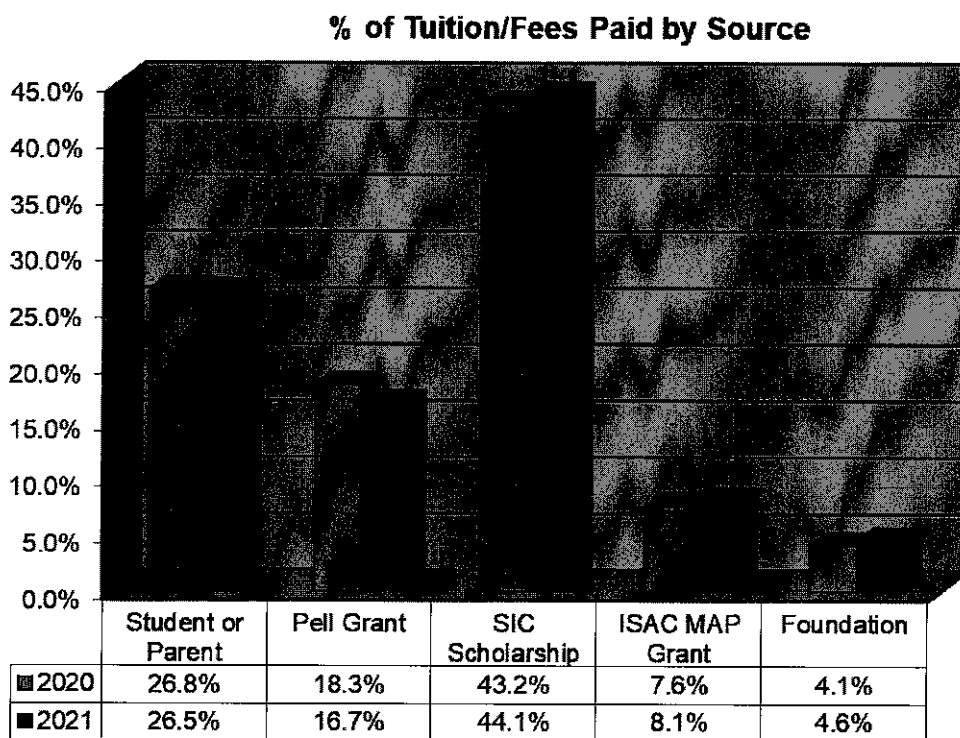
Revenues	2020	2021
Operating Revenues		
Student Tuition, Fees (net of scholarship allowance)	1,180,761	977,586
Auxiliary Services	964,463	697,763
On Behalf Payments		
Other Operating Revenue	26,130	15,286
Total Operating Revenues	2,171,354	1,690,635
Less Operating Expenses	19,132,244	18,078,322
Net Operating Income (Loss)	(16,960,890)	(16,387,687)
Non-operating Revenues		
Federal, State & Local Grants and Contracts	8,046,670	7,970,059
Property Tax	5,181,339	5,489,212
Replacement Tax	261,192	317,256
Interest Income (Expense), Net	(101,004)	(240,549)
Gifts and Other Non-operating Revenue	369,713	280,621
On Behalf Payments	4,528,065	4,859,355
Non-operating Revenues, Net	18,285,975	18,675,954
Increase (Decrease) in Net Assets	1,325,085	2,288,267
Net Assets, Beginning of Year	15,965,634	17,290,719
Net Assets, End of Year	17,290,719	19,578,986

The following is a graphic representation of the source of operating and non-operating revenues excluding on behalf revenue:

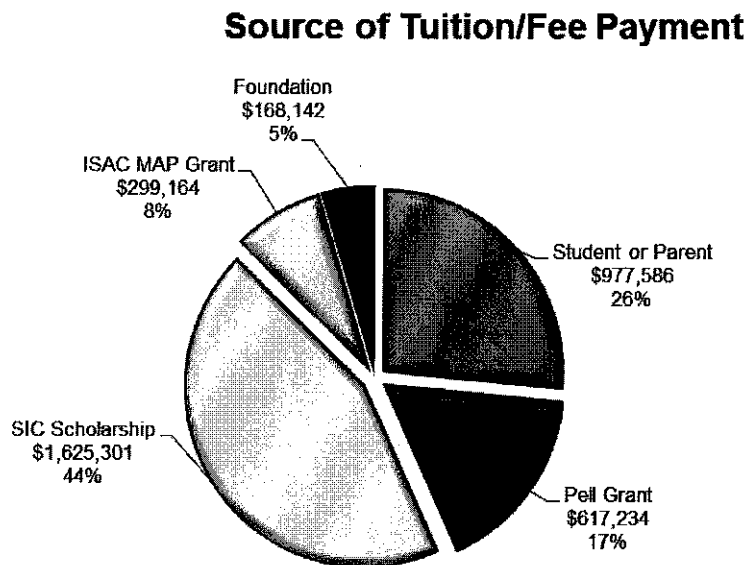
Total Revenues by Source



The following graph is a comparison of current and prior year of tuition and fee payments by the source of the payment:



Twenty-seven percent (27%) of total tuition and fees are paid by students. The remaining seventy-three percent (73%) is paid by student scholarships, Federal or State grants or the Southeastern Illinois College Foundation. The following is a graphic illustration of tuition and fee payment by source for FY2021:



Significant Transactions and Changes in Individual Funds

The operating funds balance, represented by the combination of the Education and the Operations and Maintenance Funds experienced a \$703,257 increase in FY2021. The fund balance increase is up from the FY2020 increase of \$335,747. Total operating revenue declined by \$1,099,330. Revenue from local government increased while state and federal government, as well as tuition and fee revenue decreased. Total operating expenditures decreased by \$1,324,931. All areas had decreased expenses except for Operation & Maintenance of Plant. Individually, the Education Fund balance increased \$738,841 and the Operation and Maintenance Fund decreased \$35,584.

The Liability, Protection and Settlement Fund balance increased \$607,192 in FY2021. The fund ends with a new reserve balance of \$1,731,933 for future liabilities and preventative risk management. Local property taxes are the source of revenues for this fund and are limited due to minimal growth of property value in the district. Due to potential volatility of the number and/or expense of claims possibly made against the district, this balance provides a reasonable surplus for unforeseen liabilities as well as for risk management initiatives to reduce the likelihood of such expenditures.

The Working Cash Fund balance remained the same at \$3,550,030. There presently is no repayment liability within FY2022.

The Capital Projects Fund balance is \$537,353 decreasing by \$84,958. This finalized the following FY2020 carryover Protection Health, and Safety projects completed within the year: Floor Replacement in Buildings A, B, and C; Interior Lighting Upgrades campus wide; and Walk-In Cooler & Freezer Replacement. Remaining PHS funds should be expended upon completion of additional projects in FY2022.

The Auxiliary Fund balance increased by \$43,772 in FY2021 to a fund balance of \$1,350,822. Income earned by the college bookstore remains positive contributing \$24,701 to the fund balance remaining consistent with the prior year increase of \$26,075. The child study center ended the year on a positive note with a gain of \$81,909. This was due to additional revenue received from the Child Care Restoration Grant. The grant, part of the COVID federal funding package, was designed to support early childhood infrastructure by helping cover expenses during the pandemic.

The Restricted Purposes fund decreased by \$79,156 in FY2021. Expenses associated with the operations of the Small Business Development Center decreased the fund balance by \$33,184. The remaining decrease was attributed to the operations of the Hise Museum which will be offset by funds from SIC Foundation's Hise Museum Endowment Fund.

Beginning in FY 2012 the Southeastern Illinois College Foundation was considered a component unit of Southeastern Illinois College as defined on page 18 and 19 of the notes to the financial statements. The Foundation's financial information is discretely presented on pages 15 and 16. The Total Net Position of the foundation at the end of FY2021 was \$5,650,638 compared to FY2020 of \$4,673,418, an increase of \$977,220. See Note 9 starting on page 51 for further details.

BASIC FINANCIAL STATEMENTS

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**STATEMENT OF NET POSITION
JUNE 30, 2021**

	Southeastern Illinois College	Component Unit Southeastern Illinois College Foundation
ASSETS		
Current Assets		
Cash and cash equivalents - unrestricted	\$ 14,131,019	\$ 624,258
Restricted cash and cash equivalents	6,242,547	-
Receivables -		
Tuition and fees, net of allowance for doubtful accounts of \$239,725	169,958	-
Outside agencies	535,079	-
Fees, Child Study Center, net of allowance for doubtful accounts of \$46,786	13,836	-
Property taxes	5,575,854	-
Other	82,060	1,477
Inventories	175,313	-
Prepaid expenses	17,304	-
Unconditional promises to give, restricted for scholarships	-	21,226
Total Current Assets	<u>26,942,970</u>	<u>646,961</u>
Non-Current Assets		
Long-term investments	-	4,926,057
Property held for investment	-	69,500
Leased assets, net	85,174	-
Capital assets, net	<u>17,825,478</u>	<u>8,120</u>
Total Non-Current Assets	<u>17,910,652</u>	<u>5,003,677</u>
TOTAL ASSETS	<u>44,853,622</u>	<u>5,650,638</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred other post employment benefits	156,630	-
Federal, trust, or grant pension contributions	<u>46,555</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>203,185</u>	<u>-</u>
LIABILITIES		
Current Liabilities		
Accounts payable	661,418	-
Accrued expenses	846,270	-
Due to student groups	122,928	-
Lease purchase payable	49,491	-
Bonds payable - current portion	<u>1,385,000</u>	<u>-</u>
Total Current Liabilities	<u>3,065,107</u>	<u>-</u>
Non-Current Liabilities		
Lease purchase payable	130,320	-
Bonds payable	9,585,837	-
Other post employment benefits	<u>5,429,140</u>	<u>-</u>
Total Non-Current Liabilities	<u>15,145,297</u>	<u>-</u>
TOTAL LIABILITIES	<u>18,210,404</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred other post employment benefits	1,483,934	-
Deferred Heritage Festival booth rental fees	7,175	-
Deferred property taxes	5,529,826	-
Deferred tuition	<u>246,482</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,267,417</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	13,901,231	-
Restricted for:		
Expendable - debt service	239,836	-
Expendable - restricted bonds payable	2,630,164	-
With donor restrictions	-	4,857,148
Without donor restrictions	-	793,490
Unrestricted	<u>2,807,755</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 19,578,986</u>	<u>\$ 5,650,638</u>

The accompanying notes are an integral part of these financial statements.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

	Southeastern Illinois College	Component Unit Southeastern Illinois College Foundation
REVENUES		
Operating Revenues:		
Student tuition and fees, net of scholarship allowances of \$2,709,841	\$ 977,586	\$ -
Donations	-	490,058
Auxiliary enterprises revenue:		
Bookstore	373,263	-
Food service	103,101	-
Child study center fees	85,650	-
Other	135,749	-
Other	15,286	-
Total operating revenues	<u>1,690,635</u>	<u>490,058</u>
EXPENSES		
Operating Expenses:		
Instruction	3,381,525	-
Academic support	314,341	-
Student services	987,409	313,133
Public services	601,940	-
Auxiliary services	793,703	-
Operation and maintenance of plant	1,964,969	-
Institutional support	3,362,867	-
Scholarships	1,103,692	-
Depreciation	708,521	-
On behalf payments	4,859,355	-
Total operating expenses	<u>18,078,322</u>	<u>313,133</u>
Operating income (loss)	<u>(16,387,687)</u>	<u>176,925</u>
NON-OPERATING REVENUES (EXPENSES)		
Property taxes	5,489,212	-
Replacement tax	317,256	-
State grants and contracts	5,004,886	-
Federal grants and contracts	2,965,173	-
Interest income	109,583	-
Interest expense	(350,132)	-
Gifts and other non-operating revenue	280,621	-
On behalf payments	4,859,355	-
Unrealized capital gains (losses)	-	800,295
Total non-operating revenues (expenses), net	<u>18,675,954</u>	<u>800,295</u>
Increase (decrease) in net position	2,288,267	977,220
Net Position - beginning of year	<u>17,290,719</u>	<u>4,673,418</u>
Net Position - end of year	<u>\$ 19,578,986</u>	<u>\$ 5,650,638</u>

The accompanying notes are an integral part of these financial statements.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Tuition and fees	\$ 1,048,153
Payments to and benefits for employees	(6,781,362)
Payments to suppliers	(5,579,551)
Auxiliary enterprise charges	714,524
Sales and services	15,286
Net cash used by operating activities	<u>(10,582,950)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Property taxes	5,481,314
Replacement taxes	317,256
Grants and contracts	8,426,569
Gifts and other non-operating revenue	207,298
Net cash provided by noncapital financing activities	<u>14,432,437</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal paid on lease purchase	(47,382)
Interest paid on lease purchase	(9,406)
Principal paid on bonds	(1,375,000)
Interest paid on bonds	(499,534)
Purchase of capital assets	(288,623)
Net cash used by capital and related financing activities	<u>(2,219,945)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	109,583
Net cash provided by investing activities	<u>109,583</u>
Net increase in cash and cash equivalents	1,739,125
Cash and cash equivalents - beginning of year	<u>18,634,441</u>
Cash and cash equivalents - end of year	<u><u>\$ 20,373,566</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	\$ (16,387,687)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation expense	708,521
On behalf revenues	4,859,355
Increase in tuition and fees receivable	29,550
Decrease in Child Study Center fees receivable	10,951
Decrease in inventories	39,271
Increase in prepaid expense	5,083
Increase in federal, trust, or grant pension contributions	18,088
Decrease in deferred post employment benefits	(45,166)
Decrease in accounts payable	147,549
Increase in accrued expenses, excluding accrued interest payable	(21,537)
Increase in amounts due to student groups	6,246
Decrease in deferred Heritage Festival booth rental fees	5,810
Decrease in deferred tuition	41,016
Net cash used by operating activities	<u><u>\$ (10,582,950)</u></u>
Cash and cash equivalents - unrestricted	\$ 14,131,019
Cash and cash equivalents - restricted	6,242,547
Total cash and cash equivalents	<u><u>\$ 20,373,566</u></u>

The accompanying notes are an integral part of these financial statements.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies

Southeastern Illinois Community College District No. 533 (the College) is organized under the Illinois Public Community College Act with partial funding by the Illinois Community College Board. The College's district encompasses parts of eight counties in Southeastern Illinois. The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The College reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

A. Reporting Entity

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

In defining the financial reporting entity, the College has considered whether there are any potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units," and GASB Statement No. 61, "Financial Reporting Entity". The primary criterion for including a potential component unit within the reporting entity is the financial accountability that the elected officials of the primary government have for the component unit, as well as the presence of a financial benefit or burden relationship between the primary government and the component unit.

The criteria used in assessing financial accountability consist of (1) the primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government; and (2) the primary government may be financially accountable if the organization is fiscally dependent.

Fiscal dependency is determined if a component unit possesses one or more of the following characteristics: (1) it is unable to determine its budget without having the primary government approve or modify the budget; (2) it is unable to levy taxes or set rates or charges without approval by the primary government; or (3) it is unable to issue debt without approval of the primary government.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Concluded)

A financial benefit or burden relationship exists between the primary government and the component unit if any one of the following conditions exist: (1) the primary government is legally entitled to or can otherwise access the organization's resources; (2) the primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (3) the primary government is obligated in some manner for the debt of the organization.

Where no financial accountability exists, a legally separate, tax-exempt organization is reported as a component unit if all three of the following criteria are met: (1) the economic resources received or held by the organization are for the direct benefit of the primary government or its constituents; (2) the primary government is entitled to or has the ability to otherwise access a majority of the organization's economic resources; and (3) the economic resources received or held by the organization are significant to the primary government.

Using these criteria, the Southeastern Illinois College Foundation ("Foundation") has been determined to be a legally separate, tax-exempt component unit of the College. The Foundation was organized and operates exclusively for educational and charitable purposes designed to promote the welfare of the College. The board of the Foundation consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources, or income thereof, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. Complete financial statements for the Foundation can be obtained from the Foundation office.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 property taxes is recognized in the period for which the levy is intended to finance. 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.

The accounting and reporting policies of the College conform to generally accepted accounting principles applicable to government units and Illinois community colleges. The GASB is the accepted standard setting body for establishing accounting and financial reporting principles. These authoritative pronouncements are consistent with the accounting practices prescribed or permitted by the Illinois Community College Board (ICCB), as set forth in the ICCB Fiscal Management Manual. The following is a summary of the more significant policies.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Classification of Revenues

Operating revenue includes activities that have the characteristics of exchange transactions such as (1) student tuition and fees and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) certain federal, state, and local grants and contracts and federal appropriations, and (4) gifts and contributions.

D. Budgets

Although the College adopts an expanded operational budget, the budget legally required by the Illinois Community College Board contains only a statement of the 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.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

F. Cash and Cash Equivalents

Cash includes deposits held at banks and small amounts of cash on hand and petty cash funds. Illinois Funds Money Market Fund is considered to be cash equivalent due to their liquidity or short-term nature.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. Receivable from Outside Agencies

The receivable from outside agencies is made up of amounts due from various governmental agencies. The amounts from the governmental agencies are considered to be 100% collectible.

H. Tuition Received in Advance

Summer and fall tuition received in advance includes tuition and fees collected during the fiscal year which relate to the period after June 30, 2021 and are reported as unearned revenue at June 30, 2021.

I. Inventories

Inventories consisting of textbooks, college apparel, food, and miscellaneous school supplies are stated at the lower of average cost or net realizable value.

J. Capital Assets

Capital assets include property, plant equipment, and infrastructure assets, such as roads and sidewalks. 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Type of Property and Equipment</u>	<u>Estimated Useful Life</u>
Land improvements	20 Years
Buildings	50 Years
Equipment	5-15 Years

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element 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 only has one item that qualifies for reporting in this category. It is the federal, trust, or grant pension contributions paid during the current fiscal year. See Note 6 to the financial statements for additional details.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College has only one type of item, unavailable revenue, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. The College reports unavailable revenue of four types: unearned tuition and student fees; Heritage Festival booth rental fees; grants, and tax levies collected in the current fiscal year but applicable to periods occurring after year end; and the unamortized portion of the net difference between projected and actual earnings on OPEB investments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Amortization of Bond Issuance Premium/Discount

The College amortizes bond issuance premiums and discounts by the effective interest method over the period the related bond issue is outstanding. The bond premium/discount is amortized by using the same interest rate as the related bond issue, and the current period amortization is shown as a decrease (for a premium) or increase (for a discount) to current period interest expense.

M. Net Position

Net investment in capital assets – This represents the College's total investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Net Position (Concluded)

Restricted net position – expendable – This includes assets/resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties, reduced by any liabilities and deferred inflows of resources related to those assets. Sources of restricted revenue include 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. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted net position – This represents assets/resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the Board of Trustees to meet current expenses for any lawful purpose.

N. Insurance Coverage

Significant losses are covered by commercial insurance for all major programs: property, liability, and workman's compensation. During the year ended June 30, 2021, there were no significant reductions in coverage. Also, there have been no settlement amounts exceeding insurance coverage in the past three years.

O. Account Groups

The College maintains a General Long-Term Debt Account Group and General Fixed Asset Account Group to track the balances of debt to be paid from the debt service fund and fixed assets acquired by governmental funds, respectively. As these are not funds, they have been excluded from the Combined Balance Sheet - All Fund Types, but their balances are included in the Statement of Net Position.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

P. Pensions

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 the State Universities Retirement System (SURS or the System) and additions to/deductions 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 the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) 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. Participating employers are considered employer contributing entities.

Q. Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Concluded)

R. Federal Financial Assistance Programs

The College participates in federally funded PELL Grants, FSEOG Grants, and Federal Work-Study Programs. Federal programs are audited in accordance with the Title 2 *U.S Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Federal Awarding Agency Regulatory Implementation of Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audit of States, Local Governments and Non-Profit Organizations*, and the *Compliance Supplement*.

S. Fund Balance Policy

The College maintains a fund balance policy to assure sufficient fiscal resources are available in the event of occurrences that could adversely affect the College's cash flow, responsibilities, and services. The general operating fund balance should be at a minimum 30% of the annual operating budget expenditures or the average of the previous three operating budget expenditures. All other funds, restricted or unrestricted, will be maintained in compliance with federal, state, and local laws and/or policies.

T. Property Taxes

Property tax revenues are reported in accordance with the National Council on Governmental Accounting (NCGA) Interpretation No. 3, Revenue Recognition – Property Taxes, GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, and GASB Interpretation No. 5, Property Tax Revenue Recognition in Governmental Funds. Consequently, under the accrual basis of accounting, property tax revenue is recognized in the period for which the taxes are levied. Property tax receivables are reported when the College has an enforceable legal claim to the taxes, which is considered to be the lien date.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

U. Component Unit

The Foundation is required to report information regarding its financial position and activities based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give as applicable, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of donated noncash assets are recorded at their fair values in the period received.

Expenses are reported as decreases in net assets without donor restrictions. Gain and losses on investments and other assets or liabilities are reported as increases or decreases in the appropriate net position class as determined by donor stipulation and in accordance with the law.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Concluded)

W. Date of Management's Review

The College has evaluated subsequent events through January 31, 2022, the date which the financial statements were available to be issued.

X. Effect of COVID-19 Pandemic

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy. We believe the ultimate financial impact of the COVID-19 pandemic on Southeastern Illinois Community College District No. 533 is likely to be determined by factors which are uncertain, unpredictable and outside of the control of the College. The situation surrounding COVID-19 remains fluid and, if disruptions do arise, they could materially adversely affect future revenues.

Y. Implementation of GASB 84

Effective July 1, 2020, the College implemented the provisions of GASB Statement No. 84, Fiduciary Activities. This statement changes the definitions of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. The statement defines types of fiduciary funds, eliminates agency funds and replaces them with custodial funds. Under this guidance, the College considered the criteria regarding administrative and direct financial involvement and concluded activity funds, are not fiduciary activities and should instead be reported in the Educational fund. Implementation of this guidance resulted in reclassification of \$122,928 cash from the Agency Fund, increasing cash and restricted fund balance of the Educational fund.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2: Cash and Cash Equivalents

The College maintains and operates a majority of its cash balances in a common checking account, as separate bank accounts are not required to be maintained for all College funds. The College's accounting records are maintained to show the portion of the common bank account attributable to each participating fund. At various times throughout the year, expenditures will exceed the cash available within a particular fund, therefore the College follows the practice of making temporary interfund loans.

As of June 30, 2021, the carrying balance of the College's cash deposits was \$20,373,566, which includes \$146,538 of cash on hand, and the bank balance was \$19,552,987, all of which was secured by federal depository insurance or collateralized with securities held by the pledging financial institution in the College's name.

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. As of June 30, 2021, \$15,452,730 of the College's bank balance was exposed to custodial credit risk.

The Illinois Funds Money Market Fund is a money market fund created in 1975 by the Illinois General Assembly. Its primary purpose is to provide custodians of public funds with an alternative investment vehicle which enable them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds.

The monies invested by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements.

The time deposits are collateralized 101% over FDIC's \$250,000 insurance with U.S. Treasury obligations and marked to market on a daily basis to maintain sufficiency. The repurchase agreements are collateralized at 100% with U.S. Treasury obligations and the collateral is checked daily to determine sufficiency.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2: Cash and Cash Equivalents (Concluded)

The individual participants maintain separate investment accounts representing a proportionate share of the pool of assets and its respective collateral; therefore no collateral is identified with each individual participant's account. Given the nature of the Illinois Funds Money Market Fund, the carrying value approximates market value.

NOTE 3: Changes in Capital Assets

The following is a schedule of the College's investment in capital assets. The investment in capital assets is determined by reducing historical cost by accumulated depreciation. Depreciation expense for June 30, 2021 was \$708,521.

	Balance 07-01-20	Additions	Deletions	Transfers	Balance 06-30-21
Capital assets not being depreciated:					
Land	\$ 266,405	\$ -	\$ -	\$ -	\$ 266,405
Construction in progress	462,191	20,900	-	(478,587)	4,504
	<u>728,596</u>	<u>20,900</u>	<u>-</u>	<u>(478,587)</u>	<u>270,909</u>
Other capital assets:					
Land improvements	1,569,889	94,606	-	(15,990)	1,648,505
Leased assets	111,248	-	-	-	111,248
Buildings	23,662,681	96,172	-	494,577	24,253,430
Equipment	2,723,060	76,945	-	-	2,800,005
Total other capital assets at historical costs	<u>28,066,878</u>	<u>267,723</u>	<u>-</u>	<u>478,587</u>	<u>28,813,188</u>
Total capital assets at historical cost	<u>28,795,474</u>	<u>288,623</u>	<u>-</u>	<u>-</u>	<u>29,084,097</u>
Less accumulated depreciation:					
Land improvements	1,075,049	24,032	-	-	1,099,081
Leased assets	12,168	13,906	-	-	26,074
Buildings	7,477,929	473,385	-	-	7,951,314
Equipment	1,899,778	197,198	-	-	2,096,976
	<u>10,464,924</u>	<u>708,521</u>	<u>-</u>	<u>-</u>	<u>11,173,445</u>
Capital Assets, Net	<u>\$ 18,330,550</u>	<u>\$ (419,898)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,910,652</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4: Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the College for the year ended June 30, 2021:

Bond payable at July 1, 2020	\$ 12,360,186
Bonds retired	(1,375,000)
Bond premium amortization	(14,349)
Bond payable at June 30, 2021	<u>\$ 10,970,837</u>
Lease purchases payable at July 1, 2020	\$ 227,192
Lease principal paid	(47,381)
Lease purchases payable at June 30, 2021	<u>\$ 179,811</u>

The following is a description of the bond issues and the debt service requirement to maturity:

February 19, 2016 - General Obligation Bonds, Series 2016B

Purpose: Invested in capital assets

Maturity Date – December 1, 2022

Total Issue \$1,630,000

Interest Rate 2.45%

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	475,000	17,701	492,701
2023	485,000	5,941	490,941
	<u>\$ 960,000</u>	<u>\$ 23,642</u>	<u>\$ 983,642</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4: Changes in Long-Term Debt (Continued)

June 1, 2017 – Alternate Revenue Bonds, Series 2017A

Purpose: Expendable - unrestricted

Maturity Date – December 1, 2026

Total Issue \$4,500,000

Interest Rate 3.875% - 4.25%

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	-	183,150	183,150
2023	-	183,150	183,150
2024	625,000	171,041	796,041
2025	1,535,000	129,191	1,664,191
2026	1,640,000	64,600	1,704,600
2027	700,000	14,875	714,875
	<u>\$ 4,500,000</u>	<u>\$ 746,007</u>	<u>\$ 5,246,007</u>

May 14, 2019 – General Obligation Bonds, Series 2019

Maturity Date – December 1, 2027

Purpose: Remodeling and upgrades to physical facilities

Total Issue \$2,870,000

Interest Rate 2.875% - 3.25%

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	-	89,356	89,356
2023	-	89,356	89,356
2024	-	89,356	89,356
2025	-	89,356	89,356
2026	-	89,356	89,356
2027-2028	2,870,000	103,990	2,973,990
	<u>\$ 2,870,000</u>	<u>\$ 550,770</u>	<u>\$ 3,420,770</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4: Changes in Long-Term Debt (Continued)

September 3, 2019 – General Obligation Bonds, Series 2019A
Purpose: Expendable - unrestricted
Maturity Date – December 1, 2023
Total Issue \$3,473,000
Interest Rate 1.880%

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	910,000	39,630	949,630
2023	930,000	22,334	952,334
2024	723,000	6,796	729,796
	<u>\$ 2,563,000</u>	<u>\$ 68,760</u>	<u>\$ 2,631,760</u>

SAN – Backup System lease purchase agreement with Peoples National Bank
Dated August 5, 2019
Maturity Date – July 31, 2023
Lease amount - \$110,296
Lease term – 4 annual payments
Interest at 3.980%

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	27,059	3,355	30,414
2023	28,136	2,278	30,414
2024	29,089	1,325	30,414
	<u>\$ 84,284</u>	<u>\$ 6,958</u>	<u>\$ 91,242</u>

Tri State Business Copiers lease purchase agreement with Peoples National Bank
Dated August 5, 2019
Maturity Date – July 31, 2024
Lease amount - \$116,896
Lease term – 5 annual payments
Interest at 4.270%

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	22,432	4,073	26,505
2023	23,389	3,116	26,505
2024	24,388	2,117	26,505
2025	25,318	1,318	26,636
	<u>\$ 95,527</u>	<u>\$ 10,624</u>	<u>\$ 106,151</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4: Changes in Long-Term Debt (Concluded)

At June 30, 2021, the College's future cash flow requirements for retirement of bond principal and interest obligations and other long-term debt obligations by fiscal year were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,434,491	\$ 337,265	\$ 1,771,756
2023	1,466,525	306,175	1,772,700
2024	1,401,477	270,635	1,672,112
2025	1,560,318	219,865	1,780,183
2026	1,640,000	153,956	1,793,956
2027 – 2028	3,570,000	118,865	3,688,865
	<u>\$ 11,072,811</u>	<u>\$ 1,406,761</u>	<u>\$ 12,479,572</u>

Included in long-term debt payable, but not included in the above schedule of future cash flow requirements, is \$77,837 of unamortized bond issuance premium.

NOTE 5: Property Taxes

The 2019 property tax extension has been deferred to comply with Government Accounting Standards Board Statement No. 33 since it was levied to finance activities of the 2019/2020 academic year. In accordance with these guidelines, property tax revenue is to be recognized in the period the levy is intended to finance.

The College must file its tax levy ordinance by the last Tuesday in December of each year. The College's property tax is levied each year on all taxable real property located within the District. These taxes attach an enforceable lien on real property as of January 1 and are payable in two installments; due dates vary by county. The College receives significant property tax receipts from July through November.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5: Property Taxes (Concluded)

The following are the tax rates permitted and the actual rates levied per \$100 of assessed valuation.

	Maximum Rate	Actual Rate	
		2020 Levy Payable 2021	2019 Levy Payable 2020
Education	.28000	0.27765	0.28000
Operations and Maintenance	.10000	0.10000	0.10000
Tort Immunity	Unlimited	0.22853	0.23140
Audit	.00500	0.00500	0.00500
Social Security	Unlimited	0.01365	0.01171
Bond and Interest	Unlimited	0.28117	0.37529
		<u>0.90600</u>	<u>1.00340</u>

NOTE 6: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The Southeastern Illinois Community College District No. 533 contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State's financial reporting entity and is included in the State's Comprehensive Annual Financial Report (CAFR) 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.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6: Defined Benefit Pension Plan (Continued)

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in wither the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2020 can be found in the SURS CAFR's Notes to the Financial Statements.

Contributions

The State is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2020 and fiscal year 2021, respectively, was 13.02% and 12.70% of employee payroll. The normal cost is equal to the value of 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% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6: Defined Benefit Pension Plan (Continued)

Contributions (Concluded)

Participating employers make 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% 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).

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability

The new pension liability (NPL) was measured as of June 30, 2020. At June 30, 2020, SURS reported a NPL of \$30,619,504,321.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the NPL to be recognized for Southeastern Illinois Community College District No. 533 is \$0. The proportionate share of the State’s NPL associated with the Southeastern Illinois Community College District No. 533 is \$44,129,485 or 0.1441%. The Southeastern Illinois Community College District No. 533’s proportionate share changed by .0017% from .1424% since the last measurement date on June 30, 2019. This amount is not recognized in Southeastern Illinois Community College District No. 533’s financial statements. The NPL and total pension liability as of June 30, 2020, was determined based on the June 30, 2019, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2020.

Pension Expense

At June 30, 2020 SURS reported a collective net pension expense of \$3,364,411,021.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6: Defined Benefit Pension Plan (Continued)

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension is recognized as nonoperating revenue with matching operating expense (compensation and benefits). The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2020. As a result, Southeastern Illinois Community College District No. 533 recognized on-behalf revenue and pension expense of \$4,848,861 for the fiscal year ended June 30, 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to 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	\$ 170,987,483	\$ -
Changes in assumption	473,019,629	-
Net differences between projected and actual earnings on pension plan investments		-
	474,659,178	
Total	\$ 1,118,666,290	\$ -

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6: Defined Benefit Pension Plan (Continued)

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

Year Ending June 30	Net Deferred Outflows of Resources
2020	\$ 435,271,667
2021	346,428,171
2022	183,483,935
2023	153,482,517
2024	-
Thereafter	-
Total	\$ 1,118,666,290

Employer Deferral of Fiscal Year 2021 Pension Expense

Employer paid \$39,573 in federal, trust or grant contributions for the fiscal year ended June 30, 2021. These contributions were made subsequent to the pension liability measurement date of June 30, 2020, and are recognized as deferred outflows of resources as of June 30, 2021.

Assumptions and Other Inputs

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period June 30, 2014, through June 30, 2017. The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.25 to 12.25 percent, including inflation
Investment rate of return	6.75 percent beginning with the actuarial valuation as of June 30, 2018

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6: Defined Benefit Pension Plan (Continued)

Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Concluded)

Mortality rates were based on the RP-2014 White Collar, gender distinct tables with projected generational mortality and a separate morality assumption for disabled participants.

The long-term expected rate of return on 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 the arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	44.0%	6.67%
Stabilized Growth		
Credit Fixed Income	14.0%	2.39%
Core Real Assets	5.0%	4.14%
Options Strategies	6.0%	4.44%
Non-Traditional Growth		
Private Equity	8.0%	9.66%
Non-Core Real Assets	3.0%	8.70%
Inflation Sensitive		
U.S. TIPS	6.0%	0.13%
Principal Protection		
Core Fixed Income	8.0%	(0.45%)
Crisis Risk Offset		
Systemic Trend Following	2.1%	2.16%
Alternative Risk Premia	1.8%	1.60%
Long Duration	2.1%	0.86%
Total	100%	4.84%
Inflation		2.25%
Expected Arithmetic Return		7.09%

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6: Defined Benefit Pension Plan (Concluded)

Assumptions and Other Inputs (Concluded)

Discount Rate

A single discount rate of 6.49% 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 6.75% and a municipal bond rate of 2.45% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

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

Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.59%, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Single Discount Rate	1% Increase
5.49%	Assumption	7.49%
	6.49%	
\$36,893,469,884	\$30,619,504,321	\$25,441,837,592

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

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7: Post-Employment Benefits

Plan Description

In addition, Southeastern Illinois Community College District No. 533 contributes to the Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program "CIP") that was established under the State Employees Group Insurance Act of 1971, as amended, 5 ILCS 375/6.9(f), which became effective July 1, 1999. The CCHISF is a cost-sharing, multiple-employer defined benefit OPEB Trust Fund, which has a special funding situation as described in 40 ILCS 15/1.4. A non-employer (the State) is required by statute to contribute a defined percentage of participant payroll directly to the OPEB plan, which is administered through the trust.

CCHISF has no component units and is not a component unit of any other entity. However, because CCHISF is not legally separate from the State of Illinois, the financials statements of the CCHISF are included in the financial statements of the State of Illinois as a pension (and other employee benefit) trust fund. This fund 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 health benefits to retirees, as established under the plan and associated administrative cost.

Benefits Provided

Through the trust the State provides health, dental, vision, and life insurance benefits for retirees and their dependents. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and their dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed care health plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employees' Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retire on or after January 1, 1998, the annuitant's contribution is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7: Post-Employment Benefits (Continued)

Benefits Provided (Concluded)

Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

The State pays for a portion of the employer costs for the benefits provided. The total cost of the State's portion of the health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expenditure by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and the dependents.

A summary of post-employment benefit provision, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department of Central Management Services, may be obtained by writing to the Department of Central Management Services, Stratton Office Building, 401 South Spring Street, Springfield, IL 62706.

Contributions

The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from the district.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7: Post-Employment Benefits (Continued)

Contributions (Concluded)

Administrative costs are paid by the CCHISF. At June 30, 2021, the College's policy was not to subsidize health insurance premiums of their retirees.

Employers participating in a cost-sharing OPEB plan, and any non-employer contributing entities that meet the definition of a special funding situation, are required to recognize their proportionate share of the collective OPEBs amounts for the OPEB benefits provided to members through the CCHISF plan. During fiscal year 2020, the College recognized OPEB contributions of \$26,204.

Actuarial Assumptions

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

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2020 based on premium increases. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate due to the repeal of the Excise Tax.

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

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7: Post-Employment Benefits (Continued)

Actuarial Assumptions (Concluded)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2014.

Projected benefit payments are required to be discounted to their actuarial present values 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 bonds 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 the CIP fund is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.13% as of June 30, 2019, and 2.45% as of June 30, 2020.

The decrease in the single discount rate from 3.13% to 2.45% caused the College's total OPEB liability to decrease by approximately \$83,845 from 2019 to 2020.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of the future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of the benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

During the plan year ending June 30, 2020, the collective trust earned \$25,000 in interest and due to the significant benefit payable, the market value of assets at June 30, 2020 of the collective trust is a negative \$88.0 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumptions was set to zero.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7: Post-Employment Benefits (Continued)

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the discount rate assumption

The following presents the College's proportionate share of the collective net OPEB liability as of June 30, 2020, as well as what the College's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
Employer's proportionate share of the collective net OPEB liability	\$ 5,988,965	\$ 5,429,140	\$ 4,624,164

Sensitivity of the employer's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates assumption

The following table shows the College's net OPEB liability as of June 30, 2020, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key current trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037, for non-Medicare coverage.

	1% Decrease ^a	Healthcare Cost Trend Rates	1% Increase ^b
Employer's proportionate share of the collective net OPEB liability	\$ 4,355,225	\$ 5,429,140	\$ 6,451,124

^a One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate rate of 3.25% in 2037 for non-Medicare coverage.

^b One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037, for non-Medicare coverage.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7: Post-Employment Benefits (Continued)

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to OPEB*

The collective net OPEB liability was measured as of June 30, 2020. At June 30, 2020, the CCHISF reported a net OPEB liability of \$1,822,736,538.

At June 30, 2021, the College reported a liability for its proportionate share of the net OPEB liability that is reflected as a reduction for State OPEB support provided to the College. The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the collective net OPEB liability was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of the College, actuarially determined. At June 30, 2020, the College's proportion was \$5,429,140 (.297852%), which was a increase of .005934% from its proportion measured as of June 30, 2019 of \$5,512,985 (.291918%). The State's support and total are for disclosure purposes only. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follow:

Employer's proportionate share of the net OPEB liability	\$ 5,429,140
State's proportionate share of the net OPEB liability associated with the employer	<u>5,429,140</u>
Total	<u>\$ 10,858,280</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7: Post-Employment Benefits (Continued)

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to OPEB (Concluded)*

For the year ending June 30, 2021, the College recognized OPEB expense and revenue of \$10,494 for support provided on-behalf by the State. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 156,630	\$ 303,858
Changes of assumptions	-	867,921
Net difference between projected and actual earnings on OPEB plan investments	-	230
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	311,926
Total Deferred Amounts Related to OPEB	<u>\$ 156,630</u>	<u>\$ 1,483,935</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the College's OPEB expense as follows:

Year Ending June 30,	Net Deferred Inflows of Resources
2022	\$ 535,435
2023	398,457
2024	192,725
2025	177,593
2026	23,095
Total	<u>\$ 1,327,305</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7: Post-Employment Benefits (Concluded)

Request for information

CCHISF has no component units and is not a component unit of any other entity. However, because CCGISF is not legally separate from the State of Illinois, the financials statements of the CCHISF are included in the financial statement of the State of Illinois as a pension (and other employee benefit) trust fund. The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's office, Division of Financial Reporting, 325 West Adams Street, Springfield, Illinois, 62704-1871.

NOTE 8: Commitments

Federal & State Grants

The College has received a number of Federal and State grants for specific purposes which are subject to review and audit by grantor agencies. Such audits may result in requests for reimbursement to granting agencies for expenditures disallowed under the terms of the grants. Based on prior experience, College management believes that such disallowances, if any, will not be material.

Construction in Progress

The College has completed the following projects: trap shooting range, PHS flooring replacement project, PHS energy conservation interior lighting phase 2, ADA athletic toilet/shower facilities, PHS weatherization, PHS loading dock, and PHS walk-in cooler/freezer replacement. These items, totaling \$478,587 were removed from construction in progress and added to buildings throughout the fiscal year.

As of June 30, 2021, the balance of \$4,504 in construction in progress consisted of the following projects: Veterans Memorial, electronic sign at Carmi, the Hise Research Center, and Carmi Rebuild Illinois project.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8: Commitments (Concluded)

Phone Lease

Effective August 1, 2018, the College extended their lease with CTS Technology Solutions, Inc. The new lease is for five years at \$2,073 per month for equipment and maintenance. Lease expense for the year ended June 30, 2021 was \$24,876.

<u>Fiscal Year</u>	<u>Lease Payment Due</u>
2022	24,876
2023	2,073
Total	<u>\$ 26,949</u>

Vacation & Sick Pay

As of June 30, 2021, employees had earned but not taken annual vacation and sick pay, which at salary rates in effect at the end of the year, totaled approximately \$43,779. The College has appropriately reported this liability in their accrued expenses.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit

Summary of Significant Accounting Policies

Nature of Organization

The Southeastern Illinois College Foundation is a not-for-profit charitable organization. The Foundation is dedicated to serving the needs of Southeastern Illinois College and its students.

Basis of Accounting

The financial statements of Southeastern Illinois College Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU 2016-14, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Cash

Cash consists of checking and savings accounts, and cash balances maintained by investment brokers.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit (Continued)

Summary of Significant Accounting Policies (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The following is a brief description of each program:

Scholarships – Payout of scholarships administered by the Southeastern Illinois College Foundation.

College Support – The category includes the awarding of annual stipends and donations from Southeastern Illinois College Foundation to Southeastern Illinois College.

Fundraising – Expenses incurred in executing large fundraising events including the Rodney J. Brenner Memorial Buddy Bass Tournament and Junior Falcon Productions.

Management and General – This administrative category includes: personnel expenses, money management fees, awards and plaques, and board and committee meetings.

The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include personnel services, which are allocated based on management's estimate of time and effort. Directly identifiable expenses are charged to the appropriate program. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Southeastern Illinois College Foundation.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit (Continued)

Summary of Significant Accounting Policies (Continued)

Fund Accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose.

Revenue Recognition

The Foundation recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities and changes in net assets. Conditional contributions or promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts on multi-year pledges is recorded as additional contribution revenue as either with or without donor restrictions based on any donor-imposed restrictions, if any, on the related contributions.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit (Continued)

Summary of Significant Accounting Policies (Continued)

Investments

Investments, primarily consisting of equity securities and mutual funds, are stated at fair value. Investments in equity securities and mutual funds with readily determinable values are valued based on quoted market prices in active markets in which the securities are traded. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the consolidated statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

Investment Expenses

Expenses related to investment revenues, including custodial fees and investment advisory fees, amounted to \$34,280 and have been included in management and general expenses in the accompanying statement of activities.

Donated Assets

Donated marketable securities, property and equipment, and other noncash donations are recorded as contributions at their fair values at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. It is the Foundation's policy to imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are not restricted as to their use by the donor. Accordingly, those donations are recorded as increases in net assets with donor restrictions. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions each year for the amount of depreciation expense relating to the donated property and equipment.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit (Continued)

Summary of Significant Accounting Policies (Continued)

Donated Assets (Concluded)

Southeastern Illinois College provides office space and the necessary administrative services to the Foundation at no charge. The rental value of the office space is recorded at fair rental value equivalent to similar facility space. Other amounts have been recorded based on the actual cost to the College for the services.

In-kind Donations

The Foundation's offices are located on the campus of Southeastern Illinois College. No rent is paid by the Foundation for the use of the office space. The fair value of the annual rental is estimated to be \$1,214 and is included in contributions and expenses in the statement of activities.

Property and Equipment

It is the Foundation's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Property and equipment are depreciated using the straight-line method. Buildings are depreciated over estimated useful lives of 40 years, land improvements over 15 years, and equipment over 7 years.

Income Tax Status

The Foundation has been granted exempt status under Code Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for federal income tax has been made in the accompanying financial statements. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Foundation qualifies for the fifty percent (50%) charitable contributions deduction for individual donors. The Foundation's federal Exempt Organization Business Income tax Returns (Form 990) for 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit (Continued)

Summary of Significant Accounting Policies (Continued)

Endowment Funds

Financial accounting standards provide guidance on reporting on net asset classifications of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). Accounting standards also require additional disclosures about an organization's endowment funds (both donor-restricted and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of Illinois enacted UPMIFA effective June 30, 2009, the provisions of which apply to endowment funds existing on or established after that date. The Board of Trustees has determined that the majority of the Foundation's net assets with donor restrictions meet the definition of endowment funds under UPMIFA. Based on the Foundation's interpretation of UPMIFA, the Foundation has reviewed all of its endowment funds and classified them as appropriate under UPMIFA.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and a board-designated endowment.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit (Continued)

Summary of Significant Accounting Policies (Concluded)

Net Assets (Concluded)

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Date of Management's Review

Southeastern Illinois College Foundation has evaluated subsequent events through January 31, 2022, the date which the financial statements were available to be issued. Management believes no such events require any additional disclosures.

Effect of COVID-19 Pandemic

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy. We believe the ultimate financial impact of the COVID-19 pandemic on Southeastern Illinois College Foundation is likely to be determined by factors which are uncertain, unpredictable and outside of the control of the Foundation. The situation surrounding COVID-19 remains fluid and, if disruptions do arise, they could materially adversely affect future revenues.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit (Continued)

Accounts Receivable

The Foundation had outstanding accounts receivable of \$1,477 at June 30, 2021. The entire amount was comprised of scholarship donations receivable.

Unconditional Promises to Give

The Foundation has four promises to give. All promises were made for the purpose of paying scholarships. These four promises to give are restricted for scholarships to be awarded to deserving students who meet certain criteria established by the donors.

As of June 30, 2021, the Foundations has promises to give totaling \$21,226. All of these promises to give are due during fiscal year 2022 and are unconditional. Management believes that they are fully collectible. Accordingly, no allowance for uncollectible promises to give has been recorded as of June 30, 2021.

Property Held for Investment

The Foundation holds property for investment purposes. Property purchased by the Foundation is valued at historical cost as of the date of acquisition. Property donated to the Foundation is valued at fair value as of the date of donation. Property held for investment purposes consists of the following at June 30, 2021:

Undeveloped real estate	\$ 69,500
Total property held for investment	<u>\$ 69,500</u>

Investments in Securities

The Foundation invests in equity mutual funds, equity securities, and fixed income securities. Fair values for investments are determined by reference to quoted market prices for similar investments, yield curves, and other relevant information. There were no changes in valuation techniques in the year ended June 30, 2021. The Foundation recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the year ended June 30, 2021.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit (Continued)

Investments in Securities (Concluded)

Fair value measurements for investments reported at fair value on a recurring basis at June 30, 2021 were determined based on:

Investments	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Identical Assets (Level 2)	Quoted Prices in Active Markets for Identical Assets (Level 3)
Mutual funds	\$ 2,160,833	\$ -	\$ -
Stocks, options, & ETFs	2,144,164	-	-
Preferred/fixed rate cap sec	294,988	-	-
Unit investment trusts	-	-	71,100
Fixed income securities	-	254,972	-
	<u>\$ 4,599,985</u>	<u>\$ 254,972</u>	<u>\$ 71,100</u>

Donor-Designated Endowment Funds

The Foundation's endowment consists of funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions. Funds designated by the Board of Trustees to function as endowments are voluntary and may be reversed by the governing board at any time. Accordingly, they are reported as part of the without donor restrictions class of net assets.

Absent explicit donor stipulations to the contrary, the Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit (Continued)

Donor-Designated Endowment Funds (Concluded)

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

Endowment Fund Type	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted	\$ -	\$ 4,947,400	\$ 4,947,400
Board-designated	172,554	-	172,554
	<u>\$ 172,554</u>	<u>\$ 4,947,400</u>	<u>\$ 5,119,954</u>

Changes in endowment net assets as of June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, July 1, 2019	\$ (255,176)	\$ 4,544,582	\$ 4,289,406
Contributions	1,995	40,998	42,993
Investment income	25,773	115,673	141,446
Realized gain (loss)	59,135	43,057	102,192
Unrealized gain (loss)	443,452	356,843	800,295
Amounts appropriated for expenditures	<u>(102,625)</u>	<u>(153,753)</u>	<u>(256,378)</u>
Endowment net assets, June 30, 2020	<u>\$ 172,554</u>	<u>\$ 4,947,400</u>	<u>\$ 5,119,954</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit (Continued)

Liquidity and Availability

The Southeastern Illinois College Foundation's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash held at Banterra Bank	\$ 430,330
Cash held in Money Market	193,928
Cash and Cash Equivalents	<u>\$ 624,258</u>

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the Foundation's Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the fee that may be accessed for management purposes of 1% per annum. Donor-restricted endowment funds are not available for general expenditures. Currently, the Foundation has \$172,644 of board designated funds.

As part of the Foundation's liquidity management plan, cash in excess of the Foundation's daily requirements are invested in short-term investments, CDs, and money market funds as determined by the Foundation's Board.

At June 30, 2021, the carrying amount of the Foundation's deposits at financial institutions was \$430,330. The bank balance was \$480,278.

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. As of June 30, 2021, \$230,278 of the Foundation's bank balance of \$480,278 was exposed to custodial credit risk.

Property and Equipment

The following is a summary of property and equipment as of June 30, 2021:

Equipment	\$ 24,022
Less accumulated depreciation	<u>(15,902)</u>
	<u>\$ 8,120</u>

Depreciation expense, for the year ended June 30, 2021, was \$532.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9: Discretely Presented Component Unit (Concluded)

Net Assets

The following net assets were available for the following purposes as of June 30, 2021: \$4,857,148 of net assets with donor restrictions were available for scholarships for Southeastern Illinois College students and to support Southeastern Illinois College.

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
RETIREMENT SYSTEM OF ILLINOIS TREND DATA
FOR THE YEAR ENDED JUNE 30, 2021**

* Note: The System implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

Fiscal Year 2021 Total RSP Contributions: \$ 55,585

**SOUTHEASTERN ILLINOIS COLLEGE
HARRISBURG, ILLINOIS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

Changes of Benefit Terms.

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2020.

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, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- Salary increase: Decrease in the overall assumed salary increase rates, ranging from 3.25 percent to 12.25 percent based on years of service, with underlying wage inflation of 2.25 percent.
- Investment Return: Decrease in the investment return assumption to 6.75 percent. This reflects maintaining an assumed real rate of return of 4.50 percent and decreasing the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest: Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75 percent (effective July 2, 2019).
- Normal Retirement Rates: A slight increase in the retirement rate at 50. No change to the rates for ages 60-61, 67-74, and 80+, but a slight decrease in rates at all other ages. A rate of 50 percent if the member has 40 or more years of service and is younger than age 80.
- Early Retirement Rates: Decrease in rates for all Tier I early retirement eligibility ages (55-59).
- Turnover Rates: Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.
- Mortality Rates: Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.
- Disability Rates: Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
OTHER POST-EMPLOYMENT BENEFIT SYSTEM OF ILLINOIS TREND DATA - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2021**

	2020	2019	2018	2017	2016
Employer's Proportion (percentage) of Collective Net OPEB	28.836009%	0.291918%	0.292056%	0.306650%	0.332270%
Employer's Proportion (amount) of Collective Net OPEB Liability	\$ 5,429,140	\$ 5,512,985	\$ 5,505,996	\$ 5,592,175	\$ 6,047,163
Non-Employer Proportion (amount) of Collective Net OPEB	5,429,140	5,512,985	5,505,996	5,518,517	6,300,629
TOTAL	\$ 10,858,280	\$ 11,025,970	\$ 11,011,992	\$ 11,110,692	\$ 12,347,792
Employer's Covered-Employee Payroll	\$ 311,598	\$ 260,586	\$ 288,973	\$ 306,464	\$ 350,764
Employer's Proportionate Share (amount) of the Collective Net OPEB Liability as a Percentage of the Employer's Covered Payroll	1742.35%	2115.61%	1905.37%	1824.74%	1724.00%
Plan's Fiduciary Net Position as a Percent of Total OPEB Liability	-21.37%	-21.70%	-21.67%	-21.86%	-32.27%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
SCHEDULE OF STATE CONTRIBUTIONS - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2021**

	2020	2019	2018	2017	2016
Statutorily Required Contribution **	\$ 27,393	\$ 26,204	\$ 25,504	\$ 26,604	\$ 30,114
Contributions in Relation to the Employer's Covered-Employee Payroll	8.79%	10.06%	8.83%	8.68%	8.59%
Annual Contribution Deficiency (Excess) **	N/A	N/A	N/A	N/A	N/A

** Statutorily Required Contributions = Actual Contributions

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION - STATE UNIVERSITIES
NOTES TO REQUIRED OPEB SUPPLEMENTARY INFORMATION - *UNAUDITED*
FOR THE YEAR ENDED JUNE 30, 2021**

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Sponsor's Fiscal year End	June 30, 2021

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on pay-as-you-go basis. Contribution rates are defined by statute. For fiscal years ended June 30, 2019, contribution rates are 0.50% of pay for active members, 0.50% of pay for community colleges, and 0.50% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year cost plus a margin for incurred but not paid plan cost.
Asset Valuation Method	Market value
Investment	0%, net of OPEB plan investment expenses, including inflation for all plan years.
Inflation	2.25%
Salary Increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increases includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018 actuarial valuation of
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2019 based on premium increases. For fiscal years on and after 2020, trends start at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.39% is added to non-Medicare cost on and after 2021 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

SUPPLEMENTAL INFORMATION

Financial Statements

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

COMBINED BALANCE SHEET - ALL FUND TYPES
JUNE 30, 2021

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE	TOTALS (MEMO-RANDOM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	
ASSETS						
Cash and cash equivalents - unrestricted	\$ 12,988,428	\$ -	\$ -	\$ -	\$ 1,142,591	\$ 14,131,019
Cash and cash equivalents - restricted	122,928	5,330,009	252,257	537,353	-	6,242,547
Receivables -						
Tuition and fees, net of allowance for doubtful accounts of \$239,725	169,958	-	-	-	-	169,958
Outside agencies	131,044	339,507	-	-	64,528	535,079
Fees, Child Study Center, net of allowance for doubtful accounts of \$46,786	-	-	-	-	13,836	13,836
Southeastern Illinois College Foundation	78,570	-	-	-	3,490	82,060
Property taxes	2,313,678	1,514,976	1,747,200	-	-	5,575,854
Inventories	-	-	-	-	175,313	175,313
Prepaid expenses	5,703	11,601	-	-	-	17,304
Leased asset (net)	85,174	-	-	-	-	85,174
Property, plant, and equipment (net)	-	-	-	-	100,377	100,377
TOTAL ASSETS	\$ 15,895,483	\$ 7,196,093	\$ 1,999,457	\$ 537,353	\$ 1,500,135	\$ 27,128,521
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 605,223	\$ 122,428	\$ -	\$ -	\$ 26,001	\$ 753,652
Accrued expenses	730,136	14,819	27,274	-	20,671	792,900
Due to student groups	122,928	-	-	-	-	122,928
Lease purchase payable	84,345	-	-	-	95,466	179,811
Total Liabilities	1,542,632	137,247	27,274	-	142,138	1,849,291
Deferred Inflows of Resources						
Deferred grants	-	46,397	-	-	-	46,397
Deferred Heritage Festival booth rental fees	-	-	-	-	7,175	7,175
Deferred property taxes	2,295,135	1,502,344	1,732,347	-	-	5,529,826
Deferred tuition	383,071	-	-	-	-	383,071
Total Deferred Inflows of Resources	2,678,206	1,548,741	1,732,347	-	7,175	5,966,469
Fund Balances						
Net investment in capital assets	-	-	-	-	100,377	100,377
Retained earnings unreserved	-	-	-	-	1,250,445	1,250,445
Fund balances -						
Restricted	122,928	5,510,105	239,836	537,353	-	6,410,222
Unrestricted	11,551,717	-	-	-	-	11,551,717
Total Fund Balances	11,674,645	5,510,105	239,836	537,353	1,350,822	19,312,761
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 15,895,483	\$ 7,196,093	\$ 1,999,457	\$ 537,353	\$ 1,500,135	\$ 27,128,521

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2021**

	GOVERNMENTAL FUND TYPES				TOTALS (MEMO- RANDOM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	
Revenues					
Local governments	\$ 2,511,797	\$ 1,505,730	\$ 1,788,941	\$ -	\$ 5,806,468
State governments	4,157,486	535,317	-	-	4,692,803
Federal governments	1,990	2,963,183	-	-	2,965,173
Student tuition and fees	3,687,927	-	-	-	3,687,927
Other sources	209,977	25,243	211	132	235,563
Total Direct Revenues	10,569,177	5,029,473	1,789,152	132	17,387,934
On behalf payments - Community College Health Insurance Program	-	10,494	-	-	10,494
On behalf payments - State Universities Retirement System	-	4,848,861	-	-	4,848,861
Total Revenues	10,569,177	9,888,828	1,789,152	132	22,247,289
Expenditures					
Instruction	2,962,781	480,448	-	-	3,443,229
Academic support	314,320	-	-	-	314,320
Student services	668,600	328,956	-	-	997,556
Public services	3,096	592,835	-	-	595,931
Auxiliary services	26,624	-	-	-	26,624
Operation and maintenance of plant	1,725,741	315,688	-	-	2,041,429
Institutional support	2,363,892	1,159,528	1,732,398	91,257	5,347,075
Scholarships	1,357,228	1,659,258	-	-	3,016,486
Total Direct Expenditures	9,422,282	4,536,713	1,732,398	91,257	15,782,650
On behalf payments - Community College Health Insurance Program	-	10,494	-	-	10,494
On behalf payments - State Universities Retirement System	-	4,848,861	-	-	4,848,861
Total Expenditures	9,422,282	9,396,068	1,732,398	91,257	20,642,005
Revenues over (under) expenditures	1,146,895	492,760	56,754	(91,125)	1,605,284
Other Financing Sources (Uses)					
Transfers in	381,893	81,708	-	6,167	469,768
Transfers out	(825,531)	(46,094)	-	-	(871,625)
Total Other Financing Sources (Uses)	(443,638)	35,614	-	6,167	(401,857)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	703,257	528,374	56,754	(84,958)	1,203,427
Fund Balance - July 1, 2020	10,971,388	4,981,731	183,082	622,311	16,758,512
Fund Balance - June 30, 2021	\$ 11,674,645	\$ 5,510,105	\$ 239,836	\$ 537,353	\$ 17,961,939

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ALL BUDGETED GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL FUND			SPECIAL REVENUE FUNDS			DEBT SERVICE			CAPITAL PROJECTS		
	BUDGET	ACTUAL		BUDGET	ACTUAL		BUDGET	ACTUAL		BUDGET	ACTUAL	
Revenues												
Local governments	\$ 2,276,800	\$ 2,511,797	\$	\$ 1,477,500	\$ 1,505,730	\$	\$ 1,875,643	\$ 1,788,941	\$	-	\$	-
State governments	4,314,355	4,157,486		585,908	535,317		-	-		-	-	-
Federal governments	3,000	1,990		1,429,836	2,963,183		-	-		-	-	-
Student tuition and fees	4,003,600	3,687,927		-	-		-	-		-	-	-
Other sources	213,692	209,977		79,362	25,243		500	211		2,000	132	132
Total Direct Revenues	10,813,447	10,569,177		3,572,606	5,023,473		1,876,143	1,789,152		2,000	132	132
On behalf payments - Comm College Health Insurance Program	-	-		-	10,494		-	-		-	-	-
On behalf payments - State Universities Retirement System	-	-		-	4,848,861		-	-		-	-	-
Total Revenues	10,813,447	10,569,177		3,572,606	9,888,828		1,876,143	1,789,152		2,000	132	132
Expenditures												
Instruction	3,399,529	2,962,781		536,280	480,448		-	-		-	-	-
Academic support	360,534	314,320		-	-		-	-		-	-	-
Student services	688,612	668,600		443,262	328,956		-	-		-	-	-
Public services	6,100	3,096		771,514	592,835		-	-		-	-	-
Auxiliary services	38,649	26,624		-	-		-	-		-	-	-
Operation and maintenance of plant	1,842,750	1,725,741		342,230	315,688		-	-		-	-	-
Institutional support	3,718,035	2,363,892		1,024,563	1,159,528		966,643	1,732,398		564,878	91,257	91,257
Capital outlay	-	-		-	-		-	-		-	-	-
Scholarships	1,513,000	1,357,228		2,179,442	1,659,258		-	-		-	-	-
Total Direct Expenditures	11,572,209	9,422,282		5,297,291	4,536,713		966,643	1,732,398		564,878	91,257	91,257
On behalf payments - Comm College Health Insurance Program	-	-		-	10,494		-	-		-	-	-
On behalf payments - State Universities Retirement System	-	-		-	4,848,861		-	-		-	-	-
Total Expenditures	11,572,209	9,422,282		5,297,291	9,396,068		966,643	1,732,398		564,878	91,257	91,257
Revenues over (under) Expenditures	(758,762)	1,146,895		(1,724,685)	492,760		909,500	56,754		(562,878)	(91,125)	(91,125)
Other Financing Sources (Uses)												
Transfers in	393,977	381,893		38,000	81,708		-	-		7,000	6,167	6,167
Transfers out	(833,534)	(825,531)		(63,252)	(46,094)		-	-		-	-	-
Total Other Financing Sources (Uses)	(439,557)	(443,638)		(25,252)	35,614		-	-		7,000	6,167	6,167
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (1,198,319)	703,257	\$	\$ (1,749,937)	528,374	\$	909,500	56,754	\$	(555,878)	(84,958)	(84,958)
Fund Balance - July 1, 2020		10,971,388			4,981,731			183,082			622,311	622,311
Fund Balance - June 30, 2021		\$ 11,674,645			\$ 5,510,105			\$ 239,836			\$ 537,353	\$ 537,353

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2021**

	PROPRIETARY FUND TYPE	
	ENTERPRISE	
	AUXILIARY FUND	
	BUDGET	ACTUAL
Operating Revenues		
Auxiliary Fund	\$ 807,750	\$ 636,387
Other	(89,029)	74,295
Total Operating Revenues	<u>718,721</u>	<u>710,682</u>
Operating Expenses		
Auxiliary Fund		
Salaries	439,356	227,288
Contractual services	50,500	45,634
Supplies and materials	490,399	432,545
Conference and meeting expense	96,560	27,378
Fixed charges	47,050	49,849
Other	1,050	56,936
Scholarships	206,500	230,422
Total Operating Expenses	<u>1,331,415</u>	<u>1,070,052</u>
Operating Income (Loss)	<u>(612,694)</u>	<u>(359,370)</u>
Non-operating Revenues (Expenses)	<u>10,000</u>	<u>1,285</u>
Income (Loss) Before Operating Transfers	(602,694)	(358,085)
Operating Transfers In (Out)	<u>457,534</u>	<u>401,857</u>
Net Income (Loss)	<u>\$ (145,160)</u>	43,772
Retained Earnings - July 1, 2020		<u>1,307,050</u>
Retained Earnings - June 30, 2021		<u>\$ 1,350,822</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2021**

	PROPRIETARY FUND TYPE ENTERPRISE AUXILIARY FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Auxiliary enterprise charges	\$ 670,985
Grants and contracts	12,919
Payments to suppliers	(546,982)
Payments to employees	(220,380)
Payments for scholarships	(230,422)
Net Cash Used by Operating Activities	<u>(313,880)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Interfund transfers in	401,857
Net Cash Provided by Noncapital Financing Activities	<u>401,857</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal paid on lease purchase	(21,430)
Net Cash Used by Capital and Related Financing Activities	<u>(21,430)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on cash deposits	1,285
Net Cash Provided by Investing Activities	<u>1,285</u>
Net Increase in Cash and Cash Equivalents	67,832
Cash and Cash Equivalents - July 1, 2020	<u>1,079,759</u>
Cash and Cash Equivalents - June 30, 2021	<u><u>\$ 1,147,591</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (359,370)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation expense	26,712
Increase in accounts receivable	(32,588)
Decrease in inventory	39,271
Decrease in accounts payable	(623)
Increase in accrued expenses	6,908
Increase in Heritage Festival booth rentals	5,810
Net Cash Used by Operating Activities	<u><u>\$ (313,880)</u></u>

SUPPLEMENTAL INFORMATION

Financial Statements

Governmental Fund Types

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2021**

	EDUCATION FUND	OPERATIONS AND MAINTENANCE FUND	TOTALS
Assets and Deferred Outflows of Resources			
Assets			
Cash and Cash Equivalents - Unrestricted	\$ 10,401,134	\$ 2,587,294	\$ 12,988,428
Cash and Cash Equivalents - Restricted	122,928	-	122,928
Receivables -			
Tuition and fees, net of allowance for doubtful accounts of \$275,168	169,958	-	169,958
Outside agencies	95,245	35,799	131,044
Southeastern Illinois College Foundation	78,570	-	78,570
Property taxes	1,701,149	612,529	2,313,678
Leased assets, net	85,174	-	85,174
Prepaid expenses	5,703	-	5,703
Total Assets	<u>\$ 12,659,861</u>	<u>\$ 3,235,622</u>	<u>\$ 15,895,483</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 290,824	\$ 314,399	\$ 605,223
Accrued expenses	712,172	17,964	730,136
Due to student groups	122,928	-	122,928
Lease payable	84,345	-	84,345
Total Liabilities	<u>1,210,269</u>	<u>332,363</u>	<u>1,542,632</u>
Deferred Inflows of Resources			
Deferred property taxes	1,687,486	607,649	2,295,135
Deferred tuition	383,071	-	383,071
Total Deferred Inflows of Resources	<u>2,070,557</u>	<u>607,649</u>	<u>2,678,206</u>
Fund Balances			
Unrestricted	9,256,107	2,295,610	11,551,717
Restricted	122,928	-	122,928
Total Fund Balances	<u>9,379,035</u>	<u>2,295,610</u>	<u>11,674,645</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,659,861</u>	<u>\$ 3,235,622</u>	<u>\$ 15,895,483</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	EDUCATION FUND	OPERATIONS AND MAINTENANCE FUND	TOTALS
Revenues			
Local governments	\$ 1,775,658	\$ 736,139	\$ 2,511,797
State governments	3,577,158	580,328	4,157,486
Federal governments	1,990	-	1,990
Student tuition and fees	3,687,927	-	3,687,927
Other sources	169,564	40,413	209,977
Total Revenues	9,212,297	1,356,880	10,569,177
Expenditures			
Instruction	2,962,781	-	2,962,781
Academic support	314,320	-	314,320
Student services	668,600	-	668,600
Public services	3,096	-	3,096
Auxiliary services	26,624	-	26,624
Operation and maintenance of plant	-	1,725,741	1,725,741
Institutional support	2,333,673	30,219	2,363,892
Scholarships	1,357,228	-	1,357,228
Total Expenditures	7,666,322	1,755,960	9,422,282
Revenues over (under) Expenditures	1,545,975	(399,080)	1,146,895
Other Financing Sources (Uses)			
Transfers in	18,397	363,496	381,893
Transfers out	(825,531)	-	(825,531)
Total Other Financing Sources (Uses)	(807,134)	363,496	(443,638)
Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	738,841	(35,584)	703,257
Fund Balance - July 1, 2020	8,640,194	2,331,194	10,971,388
Fund Balance - June 30, 2021	\$ 9,379,035	\$ 2,295,610	\$ 11,674,645

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2021

	AUDIT FUND	LIABILITY, PROTECTION, AND SETTLE- MENT FUND	RESTRICTED PURPOSES FUND	WORKING CASH FUND	TOTALS
Assets					
Cash and Cash Equivalents - Restricted	\$ 1,301	\$ 1,728,678	\$ 50,000	\$ 3,550,030	\$ 5,330,009
Receivables -					
Outside agencies	-	-	339,507	-	339,507
Property taxes	30,625	1,484,351	-	-	1,514,976
Prepaid expenses	-	11,601	-	-	11,601
Total Assets	\$ 31,926	\$ 3,224,630	\$ 389,507	\$ 3,550,030	\$ 7,196,093
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 20,676	\$ 101,752	\$ -	\$ 122,428
Accrued expenses	-	58	14,761	-	14,819
Total Liabilities	-	20,734	116,513	-	137,247
Deferred Inflows of Resources					
Deferred property taxes	30,381	1,471,963	-	-	1,502,344
Deferred grants	-	-	46,397	-	46,397
Total Deferred Inflows of Resources	30,381	1,471,963	46,397	-	1,548,741
Fund Balances					
Restricted	1,545	1,731,933	226,597	3,550,030	5,510,105
Total Fund Balances	1,545	1,731,933	226,597	3,550,030	5,510,105
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,926	\$ 3,224,630	\$ 389,507	\$ 3,550,030	\$ 7,196,093

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	AUDIT FUND	LIABILITY, PROTECTION AND SETTLE- MENT FUND	RESTRICTED PURPOSES FUND	WORKING CASH FUND	TOTALS
Revenues					
Local governments	\$ 28,877	\$ 1,476,853	\$ -	\$ -	\$ 1,505,730
State governments	-	-	535,317	-	535,317
Federal governments	-	-	2,963,183	-	2,963,183
Other sources	-	1,594	19,350	4,299	25,243
Total Direct Revenues	28,877	1,478,447	3,517,850	4,299	5,029,473
On behalf payments - Community College Health Insurance Program	-	-	10,494	-	10,494
On behalf payments - State Universities Retirement System	-	-	4,848,861	-	4,848,861
Total On Behalf Payments	-	-	4,859,355	-	4,859,355
Total Revenues	28,877	1,478,447	8,377,205	4,299	9,888,828
Expenditures					
Instruction	-	-	480,448	-	480,448
Student services	-	-	328,956	-	328,956
Public services	-	-	592,835	-	592,835
Operation and maintenance of plant	-	315,688	-	-	315,688
Institutional support	45,539	555,567	558,422	-	1,159,528
Scholarships	-	-	1,659,258	-	1,659,258
Total Direct Expenditures	45,539	871,255	3,619,919	-	4,536,713
On behalf payments - Community College Health Insurance Program	-	-	10,494	-	10,494
On behalf payments - State Universities Retirement System	-	-	4,848,861	-	4,848,861
Total On Behalf Payments	-	-	4,859,355	-	4,859,355
Total Expenditures	45,539	871,255	8,479,274	-	9,396,068
Revenues over (under) Expenditures	(16,662)	607,192	(102,069)	4,299	492,760
Other Financing Sources (Uses)					
Transfers in	17,000	-	64,708	-	81,708
Transfers out	-	-	(41,795)	(4,299)	(46,094)
Total Other Financing Sources (Uses)	17,000	-	22,913	(4,299)	35,614
Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	338	607,192	(79,156)	-	528,374
Fund Balance - July 1, 2020	1,207	1,124,741	305,753	3,550,030	4,981,731
Fund Balance - June 30, 2021	\$ 1,545	\$ 1,731,933	\$ 226,597	\$ 3,550,030	\$ 5,510,105

SUPPLEMENTAL INFORMATION

Other

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**SCHEDULE OF VALUATIONS AND TAX EXTENSIONS - UNAUDITED
JUNE 30, 2021**

	2020 LEVY PAYABLE IN 2021		2019 LEVY PAYABLE IN 2020		2018 LEVY PAYABLE IN 2019	
	<u>RATE</u>	<u>EXTENSION</u>	<u>RATE</u>	<u>EXTENSION</u>	<u>RATE</u>	<u>EXTENSION</u>
Fund						
Education	0.28000	\$ 1,707,725	0.28000	\$ 1,675,424	0.28000	\$ 1,631,729
Operations and Maintenance	0.10000	609,902	0.10000	598,366	0.10000	582,760
Tort Immunity	0.22853	1,393,808	0.24576	1,470,544	0.23140	1,348,508
Audit	0.00500	30,495	0.00500	29,918	0.00500	29,138
Social Security	0.01365	83,252	0.00890	53,255	0.01171	68,241
Bond and Interest	0.28117	1,714,861	0.30226	1,808,620	0.37529	2,187,041
	<u>0.90835</u>	<u>\$ 5,540,043</u>	<u>0.94192</u>	<u>\$ 5,636,127</u>	<u>1.00340</u>	<u>\$ 5,847,417</u>
District Valuation		<u>\$ 609,901,670</u>		<u>\$ 598,365,702</u>		<u>\$ 582,760,396</u>

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2021**

Assessed Valuation - 2020 Levy	
Gallatin	\$ 71,726,112
Hamilton	8,662,979
Hardin	35,135,606
Johnson	14,912,065
Pope	60,098,917
Saline	266,664,075
White	155,466,838
Williamson	1,702,847
	<u>\$ 614,369,439</u>
Debt Limit, 2.875% of Assessed Valuation	\$ 17,663,121
Less: Total Indebtedness	<u>11,164,997</u>
Legal Debt Margin	<u>\$ 6,498,124</u>

UNIFORM FINANCIAL STATEMENT

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY
FOR THE YEAR ENDED JUNE 30, 2021

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund
Fund Balance July 1, 2020	\$ 8,640,194	\$ 2,331,194	\$ 622,311	\$ 183,082	\$ 1,307,050	\$ 305,753	\$ 3,550,030
Revenues:							
Local Tax Revenue	1,617,030	577,511	-	1,788,941	-	-	-
All Other Local Revenue	158,628	158,628	-	-	-	-	-
ICCB Grants	3,577,158	580,328	-	-	-	128,694	-
All Other State Revenue	-	-	-	-	61,454	424,465	-
Federal Revenue	1,990	-	-	-	12,919	2,945,341	-
Student Tuition and Fees	3,687,927	-	-	-	-	-	-
On-Behalf CIP	-	-	-	-	-	10,494	-
On-Behalf SURS	-	-	-	-	-	4,848,861	-
All Other Revenue	169,564	40,413	132	211	637,594	19,350	-
Total Revenues	\$ 9,212,297	\$ 1,356,880	\$ 132	\$ 1,789,152	\$ 711,967	\$ 8,377,205	\$ 4,299
Expenditures							
Instruction	\$ 2,962,781	\$ -	\$ -	\$ -	\$ 7,226	\$ 1,640,003	\$ -
Academic Support	314,320	-	-	-	21	-	-
Student Services	668,600	-	-	-	-	1,605,480	-
Public Service/Continuing Education	3,096	-	-	-	2,879	3,016,111	-
Organized Research	-	-	-	-	-	-	-
Auxiliary Services	26,624	-	-	-	829,504	-	-
Operations and Maintenance	-	1,725,741	-	-	-	-	-
Institutional Support	2,333,673	30,219	91,257	1,732,398	-	558,422	-
Scholarships, Grants, Waivers	1,357,228	-	-	-	230,422	1,659,258	-
Total Expenditures	7,666,322	1,755,960	91,257	1,732,398	1,070,052	8,479,274	-
Net Transfers	(807,134)	363,496	6,167	-	401,857	22,913	(4,299)
Fund Balance June 30, 2021	\$ 9,379,035	\$ 2,295,610	\$ 537,353	\$ 239,836	\$ 1,350,822	\$ 226,597	\$ 3,550,030

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY
FOR THE YEAR ENDED JUNE 30, 2021

	Audit Fund	Liability, Protection Settlement Fund	Building Bonds Proceeds Fund	PBC * Rental Fund	PBC * Operations and Maintenance Fund	Total
Fund Balance July 1, 2020	\$ 1,207	\$ 1,124,741	\$ -	\$ -	\$ -	\$ 18,065,562
Revenues:						
Local Tax Revenue	28,877	1,476,853	-	-	-	5,489,212
All Other Local Revenue	-	-	-	-	-	317,256
ICCB Grants	-	-	-	-	-	4,286,180
All Other State Revenue	-	-	-	-	-	485,919
Federal Revenue	-	-	-	-	-	2,960,250
Student Tuition and Fees	-	-	-	-	-	3,687,927
On-Behalf CIP	-	-	-	-	-	10,494
On-Behalf SURS	-	-	-	-	-	4,848,861
All Other Revenue	-	1,594	-	-	-	873,157
Total Revenues	\$ 28,877	\$ 1,478,447	\$ -	\$ -	\$ -	\$ 22,959,256
Expenditures						
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,610,010
Academic Support	-	-	-	-	-	314,341
Student Services	-	-	-	-	-	2,274,080
Public Service/Continuing Education	-	-	-	-	-	3,022,086
Organized Research	-	-	-	-	-	-
Auxiliary Services	-	-	-	-	-	856,128
Operations and Maintenance	-	315,688	-	-	-	2,041,429
Institutional Support	45,539	555,567	-	-	-	5,347,075
Scholarships, Grants, Waivers	-	-	-	-	-	3,246,908
Total Expenditures	45,539	871,255	-	-	-	21,712,057
Net Transfers	17,000	-	-	-	-	-
Fund Balance June 30, 2021	\$ 1,545	\$ 1,731,933	\$ -	\$ -	\$ -	\$ 19,312,761

* Public Building Commission

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**UNIFORM FINANCIAL STATEMENT #2
SUMMARY OF FIXED ASSETS AND DEBT
FOR THE YEAR ENDED JUNE 30, 2021**

	Fixed Asset/Debt Account Groups <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	Fixed Asset/Debt Account Groups <u>June 30, 2021</u>
Fixed Assets				
Land	\$ 266,405	\$ -	\$ -	\$ 266,405
Construction in Progress	462,183	20,900	478,587	4,496
Equipment & Furniture	2,550,600	71,945	-	2,622,545
Other Fixed Assets	25,225,819	685,355	15,991	25,895,183
Accumulated Depreciation	<u>(10,395,635)</u>	<u>(667,903)</u>	<u>-</u>	<u>(11,063,538)</u>
Net Fixed Assets	<u>\$18,109,372</u>	<u>\$ 110,297</u>	<u>\$ 494,578</u>	<u>\$17,725,091</u>
Fixed Debt				
Bonds Payable	\$12,268,000	\$ -	\$ (1,375,000)	\$10,893,000
Other Fixed Liabilities	<u>5,740,177</u>	<u>-</u>	<u>(131,226)</u>	<u>5,608,951</u>
Total Fixed Liabilities	<u>\$18,008,177</u>	<u>\$ -</u>	<u>\$ (1,506,226)</u>	<u>\$16,501,951</u>

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

UNIFORM FINANCIAL STATEMENT #3
OPERATING FUNDS REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021

	Education Fund	Operations and Maintenance Fund	PBC Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE				
Local Government Revenue:				
Local Taxes	\$ 1,617,030	\$ 577,511	\$ -	\$ 2,194,541
Chargeback Revenue	-	-	-	-
Other	-	-	-	-
CPPRT	158,628	158,628	-	317,256
TOTAL LOCAL GOVERNMENT	1,775,658	736,139	-	2,511,797
State Government:				
ICCB Base Operating Grant	1,066,120	-	-	1,066,120
ICCB Equalization Grant	2,321,314	580,328	-	2,901,642
ICCB Career & Technical Education	117,988	-	-	117,988
ICCB Performance Grant	-	-	-	-
Other ICCB Grants not listed above	71,736	-	-	71,736
Dept. of Corrections	-	-	-	-
Dept. of Veterans Affairs	-	-	-	-
Illinois Student Assistance Commission	-	-	-	-
Other State not listed above	-	-	-	-
TOTAL STATE GOVERNMENT	3,577,158	580,328	-	4,157,486
Federal Government:				
Dept. of Education	1,990	-	-	1,990
Dept. of Labor	-	-	-	-
Dept. of Health & Human Services	-	-	-	-
Other	-	-	-	-
TOTAL FEDERAL GOVERNMENT	1,990	-	-	1,990
Student Tuition and Fees				
Tuition	2,658,833	-	-	2,658,833
Fees	1,029,094	-	-	1,029,094
Other Student Assessments	-	-	-	-
TOTAL TUITION AND FEES	3,687,927	-	-	3,687,927
Other Sources				
Sales and Service Fees	15,286	1,660	-	16,946
Facilities Revenue	-	29,500	-	29,500
Investment Revenue	99,041	2,903	-	101,944
Non-Governmental Grants	-	-	-	-
Other	55,237	6,350	-	61,587
TOTAL OTHER REVENUE	169,564	40,413	-	209,977
TOTAL REVENUE	9,212,297	1,356,880	-	10,569,177
Less: Non-Operating Items *				
Tuition Chargeback Revenue	-	-	-	-
Instructional Service Contracts	-	-	-	-
ADJUSTED REVENUE	\$ 9,212,297	\$ 1,356,880	\$ -	\$10,569,177

* Enter as negative

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

UNIFORM FINANCIAL STATEMENT #3
OPERATING FUNDS REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021

	Education Fund	Operations and Maintenance Fund	PBC Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES				
BY PROGRAM				
Instruction	\$ 2,962,781	\$ -	\$ -	\$ 2,962,781
Academic Support	314,320	-	-	314,320
Student Services	668,600	-	-	668,600
Public Service/Continuing Education	3,096	-	-	3,096
Organized Research	-	-	-	-
Auxiliary Services	26,624	-	-	26,624
Operations and Maintenance	-	1,725,741	-	1,725,741
Institutional Support	2,333,673	30,219	-	2,363,892
Scholarships, Grants, Waivers	1,357,228	-	-	1,357,228
TOTAL EXPENDITURES	<u>7,666,322</u>	<u>1,755,960</u>	<u>-</u>	<u>9,422,282</u>
Less Non-Operating Items*				
Tuition Chargeback	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	(807,134)	363,496	-	(443,638)
ADJUSTED EXPENDITURES	<u>\$ 6,859,188</u>	<u>\$ 2,119,456</u>	<u>\$ -</u>	<u>\$ 8,978,644</u>
BY OBJECT				
Salaries	\$ 4,592,112	\$ 149,469	\$ -	\$ 4,741,581
Employee Benefits	571,124	-	-	571,124
Contractual Services	494,093	1,046,961	-	1,541,054
General Materials and Supplies	525,791	22,080	-	547,871
Library Materials**	-	-	-	-
Conference and Meeting Expenses	31,443	147	-	31,590
Fixed Charges	16,269	28,918	-	45,187
Utilities	-	417,050	-	417,050
Capital Outlay	23,710	90,198	-	113,908
Other	1,411,780	1,137	-	1,412,917
Student Grants & Scholarships**	-	-	-	-
TOTAL EXPENDITURES	<u>7,666,322</u>	<u>1,755,960</u>	<u>-</u>	<u>9,422,282</u>
Less Non-Operating Items*				
Tuition Chargeback	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	(807,134)	363,496	-	(443,638)
ADJUSTED EXPENDITURES	<u>\$ 6,859,188</u>	<u>\$ 2,119,456</u>	<u>\$ -</u>	<u>\$ 8,978,644</u>

* Enter as negative

** Non-add line.

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

UNIFORM FINANCIAL STATEMENT #4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021

	Restricted Purposes Fund
REVENUE BY SOURCE:	
TOTAL LOCAL GOVERNMENT	\$ -
State Government	
ICCB - Adult Education	-
ICCB - Other	128,694
Dept. of Corrections	-
Illinois Student Assistance Commission	-
On-Behalf CIP	10,494
On-Behalf SURS	4,848,861
Other	424,465
TOTAL STATE GOVERNMENT	5,412,514
Federal Government	
Dept. of Education	2,606,317
Dept. of Labor	58,500
Dept. of Health & Human Services	-
Other	280,524
TOTAL FEDERAL GOVERNMENT	2,945,341
Other Sources	
Tuition and Fees	-
Other	19,350
TOTAL OTHER SOURCES	19,350
TOTAL RESTRICTED PURPOSES FUND REVENUES	\$ 8,377,205
EXPENDITURES BY PROGRAM	
Instruction	\$ 1,640,003
Academic Support	-
Student Services	1,605,480
Public Service/Continuing Education	3,016,111
Organized Research	-
Auxiliary Services	-
Operations and Maintenance	-
Institutional Support	558,422
Scholarships, Grants and Waivers	1,659,258
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	\$ 8,479,274
EXPENDITURES BY OBJECT	
Salaries	\$ 808,154
Employee Benefits (Including SURS On-Behalf)	4,982,594
Contractual Services	208,472
Student Financial Aid	-
General Materials and Supplies	458,404
Library Materials*	-
Travel & Conference/Meeting Expenses	17,415
Fixed Charges	29,500
Utilities	28,194
Capital Outlay	23,190
Other	1,923,351
Scholarships, Grants, Waivers*	-
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	\$ 8,479,274

* Non-add line

**THEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO
HARRISBURG, ILLINOIS**

**UNIFORM FINANCIAL STATEMENT #5
CURRENT FUNDS * EXPENDITURES BY ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2021**

INSTRUCTION

Instructional Programs	\$ 2,787,974
Other	1,822,036
Total Instruction	<u>\$ 4,610,010</u>

ACADEMIC SUPPORT

Library Center	\$ 207,126
Instructional Materials Center	107,215
Educational Media Services	-
Academic Computing Support	-
Academic Administration and Planning	-
Other	-
Total Academic Support	<u>\$ 314,341</u>

STUDENT SERVICES SUPPORT

Admissions and Records	\$ 42,784
Counseling and Career Services	307,312
Financial Aid Administration	343,182
Other	1,580,802
Total Student Services Support	<u>\$ 2,274,080</u>

PUBLIC SERVICE/CONTINUING EDUCATION

Community Education	\$ 444,394
Customized Training (Instructional)	36,790
Community Services	-
Other	2,540,902
Total Public Service/Continuing Education	<u>\$ 3,022,086</u>

ORGANIZED RESEARCH

\$ -

AUXILIARY SERVICES

\$ 856,128

OPERATIONS AND MAINTENANCE OF PLANT

Maintenance	\$ 634,257
Custodial Services	392,617
Grounds	192,402
Campus Security	237,810
Transportation	12,313
Utilities	471,439
Administration	91,745
Other	8,846
Total Operations and Maintenance of Plant	<u>\$ 2,041,429</u>

INSTITUTIONAL SUPPORT

Executive Management	\$ 265,029
Fiscal Operations	266,684
Community Relations	261,714
Administrative Support Services	57,747
Board of Trustees	26,163
General Institutional	1,993,387
Institutional Research	73,337
Administrative Data Processing	537,917
Other	41,442
Total Institutional Support	<u>\$ 3,523,420</u>

SCHOLARSHIPS, STUDENTS GRANTS, & WAIVER

\$ 3,246,908

TOTAL CURRENT FUNDS EXPENDITURES

\$ 19,888,402

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

CERTIFICATION OF CHARGEBACK REIMBURSEMENTS

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**CERTIFICATION OF CHARGEBACK REIMBURSEMENTS
FOR FISCAL YEAR 2022**

All Fiscal Year 2021 Non-Capital Audited Operating
Expenditures from the Following Funds:

Education Fund	\$ 7,642,612
Operations and Maintenance Fund	1,574,505
Bond and Interest Fund	1,732,398
Restricted Purposes Fund	3,596,729
Audit Fund	45,539
Liability, Protection, and Settlement Fund	<u>871,255</u>
Total Non-Capital Audited Expenditures	15,463,038

Depreciation on Capital Outlay Expenditures (Equipment, Buildings, and Fixed Equipment Paid) from Sources other than State and Federal Funds	<u>587,780</u>
---	----------------

Total Costs Included	<u>16,050,818</u>
----------------------	-------------------

Total Certified Semester Credit Hours for FY 2021	<u>22,350.0</u>
---	-----------------

Per Capita Cost	<u>718.16</u>
-----------------	---------------

All FY 2021 State and Federal Operating Grants for Noncapital Expenditures	<u>3,303,929</u>
--	------------------

FY 2021 State and Federal Grants Per Semester Credit Hour	<u>147.83</u>
---	---------------

District's Average ICCB Grant Rate (Excluding Equalization Grants) for FY 2022	<u>41.29</u>
---	--------------

District's Student Tuition and Fee Rate Per Semester Credit Hour for FY 2022	<u>136.00</u>
--	---------------

Chargeback Reimbursement Per Semester Credit Hour	<u><u>\$ 393.04</u></u>
---	-------------------------

Lisa Hite 2-1-22
Chief Fiscal Officer Date

[Signature]
Chief Executive Officer Date

**ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS FINANCIAL COMPLIANCE SECTION**

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**BACKGROUND INFORMATION ON STATE GRANT ACTIVITY
JUNE 30, 2021**

Unrestricted Grants

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment.

Small College Grants

Funds provided to colleges with full-time equivalent enrollments of less than 2,500 students. Intended to help small colleges pay for some of the “fixed costs” of operating a smaller institution.

Equalization Grants

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

**SCHEDULE OF ENROLLMENT DATA AND
RECONCILIATION OF SEMESTER CREDIT HOURS**



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

Board of Trustees
Southeastern Illinois Community College District No. 533
Harrisburg, Illinois 62946

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Southeastern Illinois Community College District No. 533 for the year ended June 30, 2021.

Management's Responsibility

The Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed is the responsibility of the College's management. Management's responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based upon our examination. Our examination was made in accordance with the guidelines of the Illinois Community College Board'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.

Opinion

In our opinion, the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed is fairly presented in accordance with the provisions of the aforementioned guidelines.

Kemper CPA Group LLP

Kemper CPA Group LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Harrisburg, Illinois
January 31, 2022

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

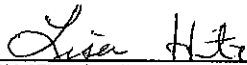
**SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
FOR THE YEAR ENDED JUNE 30, 2021**

Categories	Total Semester Credit Hours by Term (In-District and Out-of-District Reimbursable)							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	1,531.0	0.0	6,126.0	0.0	6,064.5	0.0	13,721.5	0.0
Business Occupational	28.0	0.0	779.0	3.0	957.5	2.0	1,764.5	5.0
Technical Occupational	53.0	0.0	1,265.5	0.0	1,406.5	0.0	2,725.0	0.0
Health Occupational	452.0	0.0	1,525.0	0.0	1,272.0	0.0	3,249.0	0.0
Remedial Developmental	182.0	0.0	357.0	0.0	346.0	0.0	885.0	0.0
Adult Basic Education/Adult Secondary Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	2,246.0	0.0	10,052.5	3.0	10,046.5	2.0	22,345.0	5.0

	Attending In-District	Attending Out-of-District on Chargeback or a Cooperative/Contractual Agreement	Total
Reimbursable Semester Credit Hours (All Terms)	20,988.5	841.5	21,830.0
	Dual Credit	Dual Enrollment	
Reimbursable Semester Credit Hours (All Terms)	2,120.0	3,292.0	
District Prior Year Equalized Assessed Valuation			\$ 598,365,702

Signatures:


Chief Executive Officer (CEO)


Chief Financial Officer (CFO)

SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2021

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB
Baccalaureate	13,721.5	13,721.5	0.0	0.0
Business Occupational	1,764.5	1,764.5	5.0	5.0
Technical Occupational	2,725.0	2,725.0	0.0	0.0
Health Occupational	3,249.0	3,249.0	0.0	0.0
Remedial Developmental	885.0	885.0	0.0	0.0
Adult Basic Education/Adult Secondary Education	0.0	0.0	0.0	0.0
TOTAL	22,345.0	22,345.0	5.0	5.0

RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND
COOPERATIVE/CONTRACTUAL AGREEMENT CREDIT HOURS

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)
In-District Residents	20,988.5	20,988.5
Out-of-District on Chargeback or Contractual Agreement	841.5	841.5
TOTAL	21,830.0	21,830.0

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2021**

In-District Student

Description: A student who has lived in Saline, Hardin, Pope, Gallatin or eligible portions of Johnson, White, Hamilton or Williamson counties for at least 30 days prior to the beginning of the semester. All students who attend or attended Norris City-Omaha-Enfield high school are also treated as in-district even though some of these students technically live in the Rend Lake College (RLC) district. This arrangement is allowed because of an official agreement between the Presidents of SIC and RLC.

Residency Code: In-district

Acceptable Documentation: Includes driver's license, voter registration card, property tax statement, in-district high school transcript with a graduation date that is within three years, 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 full-time at a business or industry located in the district.

Residency Code: Out-of-district

Acceptable Documentation: A signed letter from employer verifying that the student works full-time 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

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2021**

Out-of-District Student (Concluded)

Acceptable Documentation: Includes driver's license, voter registration card, property tax statement, high school transcript with a graduation date that is within three years, 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 SIC 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.

Tuition Charge: Current in-district tuition charge

Reciprocal Agreement Student

Description: A student who lives in the John A. Logan College, Rend Lake College, or Shawnee College district but attends SIC 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 four colleges, a chargeback request is not required.

Residency Code: Out-of-district

Acceptable Documentation: A letter of reciprocity from the home community college.

Tuition Charge: Current in-district tuition charge

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2021**

Out-of-State Student

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

Residency Code: Out-of-state

Acceptable documentation: Includes driver's license, voter registration card, property tax statement, high school transcript with a graduation date that is within three years, 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-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 International Advisor.

Tuition Charge: Current out-of-state tuition charge

International Athlete

Description: A student who lives outside of the United States but who attends SIC 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 Director of Counseling.

Tuition Charge: Current out-of-country tuition rate. Must provide proof of in-district residency 30 days prior to the start of the semester.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**DOCUMENTATION OF RESIDENCY VERIFICATION STEPS
JUNE 30, 2021**

Job Corps Student

Description: A student who is enrolled at the federal Job Corps facility in Golconda.

Residency Code: Out-of-district

Acceptable Documentation: None is required.

Tuition Charge: Current out-of-district tuition charge

Border County Agreements

Description: Students who live out-of-state in the Indiana and Kentucky zip codes noted on the Border County Agreement list.

Residency Code: Out-of-state

Acceptable Documentation: Includes driver's license, voter registration card, property tax statement, high school transcript with a graduation date that is within three years, 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

FEDERAL COMPLIANCE SECTION



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

Southeastern Illinois Community College District No. 533
Harrisburg, Illinois 62946

Report on Compliance for Each Major Federal Program

We have audited Southeastern Illinois Community College District No. 533's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southeastern Illinois Community College District No. 533's major federal programs for the year ended June 30, 2021. Southeastern Illinois Community College District No. 533's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Southeastern Illinois Community College District No. 533's major federal programs based on our audit of the types of compliance requirements referred to above. 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 for Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southeastern Illinois Community College District No. 533's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Southeastern Illinois Community College District No. 533's compliance.

Opinion on Each Major Federal Program

In our opinion, Southeastern Illinois Community College District No. 533, 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, 2021.

Other Matters

The results of our auditing procedures disclosed instances 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 items 2021-001 and 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

Southeastern Illinois Community College District No. 533's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Southeastern Illinois Community College District No. 533's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Southeastern Illinois Community College District No. 533 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southeastern Illinois Community College District No. 533's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southeastern Illinois Community College District No. 533's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be significant deficiencies.

Southeastern Illinois Community College District No. 533's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Southeastern Illinois Community College District No. 533's response was not subjected to the 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.

Kemper CPA Group LLP

Kemper CPA Group LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Harrisburg, Illinois
January 31, 2022

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Education			
Student Financial Assistance Cluster			
(M) Supplemental Educational Opportunity Grant	84.007	P007A201284	36,825
(M) Federal Work Study	84.033	P033A201284	\$ 53,195
(M) PELL Grants - Southeastern Illinois College	84.063	N/A	1,581,955
Total Student Financial Aid Cluster			1,671,975
 Title IV - Student Support			
TRIO Student Support Services	84.042	P042A150662-19	65,735
TRIO Student Support Services	84.042	P042A200401	267,598
Education Stabilization Fund Under the CARES Act			
Strengthening Institutions Program	84.425	P425M200115	98
Strengthening Institutions Program	84.425	P425M200115-20A	16,050
Emergency Financial Aid Grants to Students Under CARES Act	84.425	P425F201937	144,037
Emergency Institutional Relief Fund Under CARES Act	84.425	P425E202821	234,644
Governor's Emergency Education Relief	84.425	GEER-SOUTH	129,716
Passed Through Illinois Community College Board:			
V. E. Perkins - Postsecondary Grants	84.048	CTE-53319	4,212
V. E. Perkins - Postsecondary Grants	84.048	CTE-53321	112,691
Career and Technical Education - Basic Grants to States	84.048	LEAD-53319	17,842
Career and Technical Education - Basic Grants to States	84.048	LEAD-53321	39,653
Passed Through Rend Lake College:			
Federal Adult Education Basic	84.002	N/A	43,306
Total Department of Education Programs			<u>2,747,557</u>
 Department of Veterans Affairs Programs			
Post-9/11 Veterans Educational Assistance	64.027	N/A	35,658
Total Department of Veterans Affairs Programs			<u>35,658</u>
 Small Business Administration Programs			
Passed Through Illinois Department of Commerce and Economic Opportunity			
Rural Small Business Development Center	59.037	20-561180	3,143
Rural Small Business Development Center	59.037	21-561180	28,737
Total Small Business Administration Programs			<u>31,880</u>
 Department of Labor Programs			
Passed Through Southern I4 Workforce Investment Board, Inc.			
One-Stop Career Center	17.258	N/A	58,500
Total Department of Labor Programs			<u>58,500</u>
 Department of the Treasury Programs			
Passed Through Rend Lake College			
Coronavirus Relief Fund	21.019	N/A	12,125
Total Department of the Treasury Programs			<u>12,125</u>
 Delta Regional Authority Programs			
States' Economic Development Assistance Program	90.201	N/A	79,453
Total Delta Regional Authority Programs			<u>79,453</u>
 Total Expenditures of Federal Awards			<u>\$ 2,965,173</u>

(M) Denotes Major Program

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

**NOTES TO SCHEDULE EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021**

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Southeastern Illinois Community College District No. 533 under programs of the federal government for the year ended June 30, 2021. The information in the 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). Because the Schedule presents only a selected portion of the operations of Southeastern Illinois Community College District No. 533, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

NOTE 3: INDIRECT COST RATE

Southeastern Illinois Community College District No. 533 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - AUDITOR'S RESULTS

JUNE 30, 2021

- | | | |
|-----|--|------------|
| 1. | Type of report issued on the financial statements: | Unmodified |
| 2. | During the audit of the financial statements, were any material weaknesses in internal control over financial reporting disclosed? | No |
| 2a. | Were any significant deficiencies identified that are not considered material weaknesses? | No |
| 3. | Did the audit disclose any instances of noncompliance that would be required to be reported under Governmental Auditing Standards? | No |
| 4. | Were any material weaknesses in internal control over major programs disclosed? | No |
| 4a. | Were any significant deficiencies identified that are not considered material weaknesses? | Yes |
| 5. | Type of report issued on compliance for major programs: | Unmodified |
| 6. | Did the audit disclose any audit findings required to be reported in accordance with 2 CFR 200.516(a)? | Yes |
| 7. | Major programs are:
Department of Education
Federal Student Aid Cluster | |
| 8. | Dollar threshold to distinguish between Type A and Type B programs: | \$ 750,000 |
| 9. | Does the auditee qualify as a low-risk auditee? | No |

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION II - FINANCIAL STATEMENT FINDINGS

JUNE 30, 2021

NONE

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

JUNE 30, 2021

Finding No. 2021-001 - Lack of Internal Controls over the Verification Process

Federal Program Name: Federal Work Study, Supplemental Educational Opportunity Grant, and PELL Grants

CFDA No: 84.033, 84.007, and 84.063

Federal Agency: U.S. Department of Education

Criteria or specific requirement: The College is required to have internal control procedures to ensure that verification procedures are performed accurately.

Condition: During verification testing we found the following:

- One student's number was incorrectly reported on the ISIR
- Two student's showed the wrong amount of education credits used on the ISIR

Questioned costs: None

Context: Of the 25 students chosen for verification testing, three issues were noted.

Cause: Lack of oversight by College personnel.

Effect: The College was not in compliance with verification requirements as prescribed by the Title IV grant.

Auditor's Recommendation: We recommend that the College develop internal controls to ensure that verification is obtained and correct on each student and adheres to the requirements set forth by the Department of Education.

Management's Response: Michelle Metten, Financial Aid Director, agrees with finding and will take steps to implement corrective action.

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

JUNE 30, 2021

Finding No. 2021-002 - Lack of Internal Controls over Return of Title IV Funds

Federal Program Name: Federal Work Study, Supplemental Educational Opportunity Grant, and PELL Grants

CFDA No: 84.033, 84.007, and 84.063

Federal Agency: U.S. Department of Education

Criteria or specific requirement: The College is required to have internal control procedures to ensure that the calculation of federal aid to be returned or refunded is calculated accurately and returned or refunded within 45 days.

Condition: During the testing of students withdrawn from the College and the calculation of return of federal funds we found the following:

- Sixteen students' funds were not returned to the Department of Education within 45 days
- One students' funds were calculated using the incorrect Pell amount and charges; Additionally, these funds were not returned to the Department of Education until discovered by the auditors
- One student did not have a return of funds calculation performed nor were the students' funds returned to the Department of Education until discovered by the auditors
- In addition it was noted during testing that there were no return of funds calculations done for students who had completed 60% of the semester. This impacted 26 students.

Questioned costs: None

Context: Of 25 withdrawals and return of funds calculations tested, exceptions were noted in nine calculations and the College under returned \$1,765 to the Department of Education on those tested.

Cause: Lack of oversight by College personnel.

Effect: The College returned the incorrect amount of federal funds to the Department of Education and was not in compliance with the grant requirements.

Auditor's Recommendation: We recommend that the College develop internal controls to ensure the accuracy of the return of funds calculation.

Management's Response: Michelle Metten, Financial Aid Director, agrees with finding and will take steps to implement corrective action.

January 31, 2022

Kemper CPA Group LLP
713 S. Commercial Street
Harrisburg, IL

The findings from the January 31, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – STUDENT FINANCIAL AID CLUSTER

Significant Deficiencies:

2021-001: Lack of Internal Controls over Verification Process

Recommendation: We recommend that the College ensure a knowledgeable staff reviews all verifications to ensure completeness.

Action Taken: Southeastern Illinois College has contracted the services of CampusWorks, an independent contractor dedicated to assisting higher education, to evaluate and recommend steps that the College needs to take to remedy these issues. Additionally, Erica Griffin, Director of Business Services will be working with the Financial Aid Department to ensure that controls are being met.

2021-002: Lack of Internal Controls over Return of Title IV Funds

Recommendation: We recommend that the College ensure a knowledgeable staff reviews all R2T4 calculations to verify accuracy.

Action Taken: Southeastern Illinois College has contracted the services of CampusWorks, an independent contractor dedicated to assisting higher education, to evaluate and recommend steps that the College needs to take to remedy these issues. Additionally, Erica Griffin, Director of Business Services will be working with the Financial Aid Department to ensure that controls are being met.

Material Weakness: None

**SOUTHEASTERN ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 533
HARRISBURG, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION V - SUMMARY OF PRIOR AUDIT FINDINGS

JUNE 30, 2021

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
2020-001	Lack of Internal Control over Student Financial Aid	Repeated in current year.
2020-002	Lack of Internal Controls over Return of Title IV Funds	Repeated in current year.
2020-003	Lack of Controls over Enrollment Reporting	Not repeated in current year.