



Southwestern Illinois College  
Community College District #522

Annual Financial Report

For the Fiscal year Ended  
June 30, 2021



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

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ANNUAL FINANCIAL REPORT  
SOUTHWESTERN ILLINOIS COLLEGE  
COMMUNITY COLLEGE DISTRICT # 522  
Belleville, Illinois

For the Fiscal Year Ended 2021

Prepared by:  
Finance Office  
Melissa Roche, Chief Financial Officer

# Introductory Section

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March 29, 2022

**To the Members of the Board of Trustees and to the Citizens of Community College District No. 522:**

I am pleased to submit the Annual Financial Report for the fiscal years which ended June 30, 2021 and June 30, 2020 respectively. Southwestern Illinois College is a comprehensive community college operating in accordance with the provisions of the Illinois Public Community Act, is recognized by the Illinois Community College Board, and is an educational institution committed to providing the best learning opportunities at an economical value. We are a starting point for higher education, a bridge to developing career skills and a pathway to personal achievement.

Founded in 1946, SWIC was originally known as Belleville Junior College. The institution was opened to serve veterans of World War II. Today, SWIC proudly serves the largest veteran and active-duty military student population in the state among public institutions.

For the last 70 years SWIC has prided itself on fulfilling this motto by providing an affordable, high-quality education to its students. Serving nearly 13,000 students annually, our Triple-A success formula of Accountability, Affordability and Accessibility has allowed us to continue this commitment during these difficult economic times.

As previously mentioned, the Higher Learning Commission has extended our accreditation to 2025. SWIC has held this accreditation since 1961. Regional accreditation is critical to the institution's success. Being an accredited institution allows the college to apply for grants, provide Title IV financial aid and Veterans benefits. Each of these benefits is critical to our core mission of helping students learn.

In addition to devotion to our students, we are also committed to fiscal responsibility. We strive to achieve a balanced budget, closely examine spending and implement cost-saving efficiencies to maintain a standard of academic excellence and beneficial student and community services in an era of state-funding shortfalls.

We thank the Board of Trustees for its continued interest and support in planning and conducting the financial operations of District No. 522 in a highly responsible and accountable manner and with fiscal integrity. We also thank the staff of the Finance Office and our external auditors, CliftonLarsonAllen, LLP, for their contributions and assistance in preparing this report.

*Nick Mance*

President

### **Principal Officials as of June 30, 2021**

#### **Board of Trustees**

Name	Position	Term Expires
John S. Blomenkamp	Chair	2023
Nick Raftopoulos	Vice Chair	2023
Robert G. Morton	Trustee	2023
Steve Campo	Trustee	2023
Richard E. Roehrkas	Trustee	2023
Eugene Verdu	Trustee	2023
Sara Soehlke	Trustee	2023
Mya Gill	Student Trustee	2022

#### **Officers of the College**

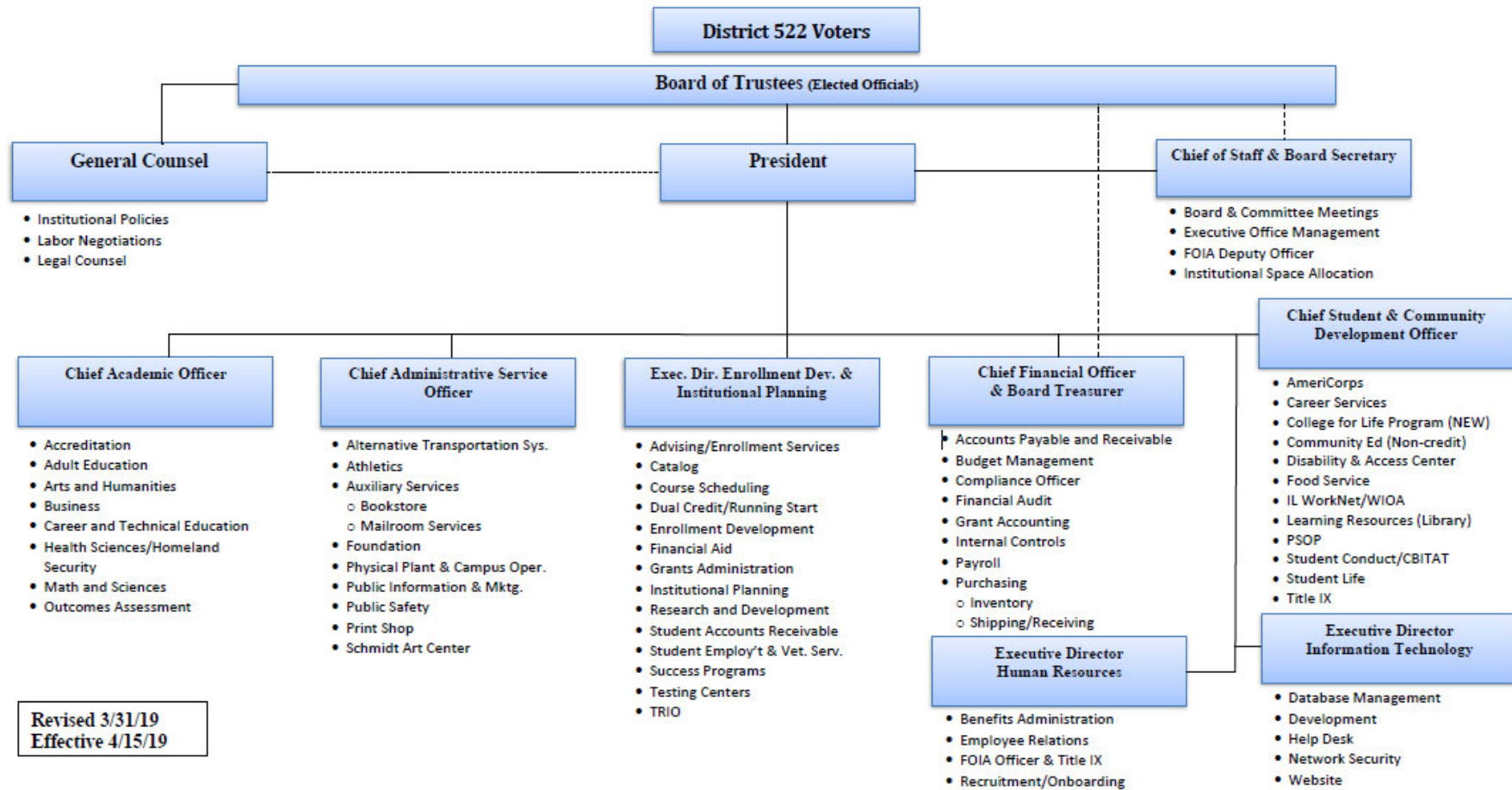
Nick Mance	President
Beverly Fiss	Board Secretary, Chief of Staff
Melissa Roche	Board Treasurer, Chief Financial Officer
Garrett Hoerner	Board Attorney
Bernie Ysursa	Chief Administrative Service Officer
Gina Segobiano	Chief Academic Officer
Anna Moyer	Chief Human Resources and Operations Officer
Danielle Chambers	Interim Chief Student and Community Development Officer
Robert Tebbe	Executive Director of Enrollment Development and Institutional Planning
Linda Andres	Executive Director of Information Technology

#### **Department Issuing Report**

##### **Finance Office**



# Southwestern Illinois College



Revised 3/31/19  
Effective 4/15/19

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## **Financial Section**



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Southwestern Illinois College  
Community College District #522  
Belleville, Illinois

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of Southwestern Illinois College, Community College District #522 (the District), and its discretely presented component unit as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the entity'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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on the basic financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the District's component unit were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 policies 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.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Southwestern Illinois College, Community College District #522, and its discretely presented component unit as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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 on pages 4 through 14, the Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of Contributions on page 62, and the Schedule of the District's Proportionate Share of the Net OPEB Liability and the Schedule of District's Contributions on page 64 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 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Changes in Assets and Liabilities – Fiduciary Fund on page 66, the Uniform Financial Statements on pages 67 through 73, the Certificate of Chargeback Reimbursement on page 74, the Combining Schedules on pages 75 through 79, and the Internal Service Fund financial statements on pages 80 through 82, and the Consolidated Year-End Financial Report on page 95 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

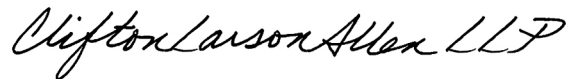
The Schedule of Changes in Assets and Liabilities – Fiduciary Fund, Uniform Financial Statements, the Certificate of Chargeback Reimbursement, the Combining Schedules, the Internal Service Fund financial statements, and the Consolidated Year-End Financial Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Board of Trustees  
Southwestern Illinois College  
Community College District #522

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022, on our consideration of the District'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Belleville, Illinois  
April 22, 2022

## **Management's Discussion and Analysis**

## **Management's Discussion and Analysis**

This section of Southwestern Illinois College, Community College District #522's (District), Annual Financial Report presents management's discussion and analysis of the District's financial activity during the fiscal years ended June 30, 2021 and 2020. Since this management's discussion and analysis is designed to focus on current activities, resulting changes and currently known facts, please read it in conjunction with the transmittal letter (pages iii-v), the District's basic financial statements (pages 15-22) and the footnotes (pages 23-62). Responsibility for the completeness and fairness of this information rests with the District.

### **Using This Annual Report**

The financial statement focuses on the District as a whole. The District's basic financial statements (pages 15-22) are designed to emulate corporate presentation models whereby all District activities are consolidated into one total. The focus of the Statement of Net Position is designed to reflect the District's financial position at a certain time. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets. The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of District activities, which are supported mainly by property taxes, student tuition and fees, and by other governmental revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to students and the public.

### **Financial Highlights**

Assets and deferred outflows exceeded liabilities and deferred inflows (net position) by \$123.7 million as of June 30, 2021. Of this amount, \$53.6 million is the net investment in capital assets, \$17.7 million is restricted, and \$52.4 million is unrestricted and available to meet current and future obligations of the District.

Operating revenue includes activities that have the characteristics of exchange transactions, such as student tuition and fees (net of scholarship discounts and allowances) and sales and services of auxiliary enterprises. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts, and federal appropriations and (4) gifts and contributions. Operating expenses are those expenses for the purpose of providing education and operational activities of the District. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenditures. The District's operating expenses are funded primarily through nonoperating revenue. Nonoperating revenue, net of nonoperating expenses, for the year ended June 30, 2021, was \$109.6 million. State grants and contracts represented 14% of the total, local property taxes 30%, and federal grants and contracts 22%. Student tuition and fees comprised approximately 85% of the total operating revenues.

Total operating expenses for the year ended June 30, 2021, were \$73.5 million, excluding SURS and OPEB on-behalf payments. Instruction, academic support, student services and operation and maintenance of plant represented 65% of total operating expenses, while institutional, auxiliary enterprises, and public service expenses were 31%. Depreciation and amortization, which was \$4.4 million, represented 4% of total operating expenses when including SURS and OPEB related benefits per program.



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

	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
Current assets	\$ 186.4	\$ 153.2	\$ 33.2	\$ 137.5	\$ 15.7
Non-current assets					
Capital assets, net of depreciation	56.6	59.1	(2.5)	62.6	(3.5)
Deferred outflows	1.1	1.4	(0.3)	1.6	(0.2)
<b>Total assets</b>	<b>244.1</b>	<b>213.7</b>	<b>30.4</b>	<b>201.7</b>	<b>12.0</b>
Current liabilities	18.7	17.0	1.7	18.1	(1.1)
Non-current liabilities	40.5	36.0	4.5	41.6	(5.6)
Deferred inflows	61.2	57.8	3.4	54.9	2.9
<b>Total liabilities and Deferred inflows</b>	<b>120.4</b>	<b>110.8</b>	<b>9.6</b>	<b>114.6</b>	<b>(3.8)</b>
<b>Net position</b>					
Investment in capital assets	53.6	54.0	(0.4)	55.5	(1.5)
Unrestricted	52.4	34.6	17.8	20.3	14.3
Restricted	17.7	14.3	3.4	11.3	3.0
<b>Total net position</b>	<b>\$ 123.7</b>	<b>\$ 102.9</b>	<b>\$ 20.8</b>	<b>\$ 87.1</b>	<b>\$ 15.8</b>
Total revenue	\$ 124.8	\$ 115.5	\$ 9.3	\$ 112.1	\$ 3.4
Total expenses	\$ 103.9	\$ 99.8	\$ 4.1	\$ 101.9	\$ (2.1)

This schedule is prepared from the District's statement of net position (page 15) which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

As of June 30, 2021, the District's net position was \$123.7 million, of which 43% represents investment in capital assets, 14% represents resources that are available for the operation and support of the educational program, but are restricted as to their use by outside agencies and the remaining 43% represents unrestricted resources. The District's current assets totaled \$186.4 million, of which 61% represents cash and cash equivalents and 27% represents property taxes receivable. Total liabilities and deferred inflows of resources were \$120.4 million, of which 51% were deferred inflows of property taxes and OPEB related deferred outflows, 15% was current liabilities, and 34% was noncurrent liabilities.

**Fiscal Year 2021 Compared to 2020**

Total assets were \$244.1 million in the current year, an increase of \$30.4 million over the prior year. An increase in the Cash and Cash Equivalents of \$24.5 million and an increase in government receivable of \$6.6 million was offset by the normal depreciation of property, building and equipment, net of \$2.5 million.

Total liabilities and deferred inflows increased \$9.6 million in comparison with the prior year. The main increase was due to the issuance of bonds in the current fiscal year. Similarly, accounts payable for the District increased \$1.0 million in the current fiscal year.

The net OPEB liability for the District decreased \$3.4 million which was offset by an increase in deferred inflow of resources for the OPEB liability of \$2.7 million.

**Fiscal Year 2020 Compared to 2019**

Total assets were \$213.7 million in the current year, an increase of \$12.0 million over the prior year. An increase in the Cash and Cash Equivalents of \$8.9 million and an increase in the property tax receivables of \$6 million was offset due to the normal depreciation of property, building and equipment, net of \$3.5 million.

Total liabilities and deferred inflows decreased \$3.7 million in comparison with the prior year. The main decrease was due to the regular payment of the Districts Bonds.

**Net Position**

	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
Net position					
Net invested in capital assets, net of related debt	\$ 53.6	\$ 54.0	\$ (0.4)	\$ 55.5	\$ (1.5)
Unrestricted	52.4	34.6	17.8	20.3	14.3
Restricted	17.7	14.3	3.4	11.3	3.0
Total	<u>\$ 123.7</u>	<u>\$ 102.9</u>	<u>\$ 20.8</u>	<u>\$ 87.1</u>	<u>\$ 15.8</u>

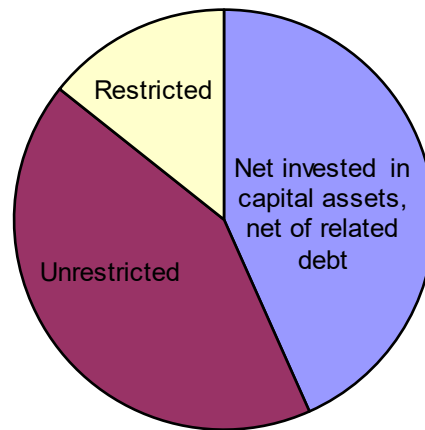
**Fiscal Year 2021 Compared to 2020**

The decrease in net invested in capital assets is due primarily to normal depreciation of capital assets. The unrestricted net position increased \$17.8 million in comparison with the prior year. The increase of unrestricted funds was again due to consistent revenue streams including Higher Education Emergency Relief Funds in which the District was able to claim lost revenue. In addition, the District continues to closely monitor expenses.

**Fiscal Year 2020 Compared to 2019**

The decrease in net invested in capital assets is due primarily to normal depreciation of capital assets. The unrestricted net position increased of \$14.3 million in comparison with the prior year. The increase of unrestricted funds was again due to consistent revenue streams and the close monitoring of expenses.

The following is a graph illustration of net position:



**Operating Results for the Years Ended  
June 30,  
(in millions)**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>	<u>2019</u>	<u>Increase (Decrease) 2020-2019</u>
Operating revenue					
Tuition and fees	\$ 12.8	\$ 13.3	\$ (0.5)	\$ 14.6	\$ (1.3)
Other	<u>2.2</u>	<u>2.7</u>	<u>(0.5)</u>	<u>2.7</u>	<u>-</u>
Total operating revenue	<u>15.0</u>	<u>16.0</u>	<u>(1.0)</u>	<u>17.3</u>	<u>(1.3)</u>
Less operating expenses	<u>103.8</u>	<u>99.4</u>	<u>4.4</u>	<u>101.3</u>	<u>(1.9)</u>
Operating (loss)	<u>(88.8)</u>	<u>(83.4)</u>	<u>(5.4)</u>	<u>(84.0)</u>	<u>0.6</u>
Non-operating revenue (expense)					
Property taxes	33.5	32.8	0.7	31.9	0.9
Federal grants and contracts	24.0	14.3	9.7	14.2	0.1
State grants and contracts	15.0	14.7	0.3	13.3	1.4
Other	37.3	37.8	(0.5)	35.4	2.4
Interest expense	<u>(0.2)</u>	<u>(0.4)</u>	<u>0.2</u>	<u>(0.6)</u>	<u>0.2</u>
	<u>109.6</u>	<u>99.2</u>	<u>10.4</u>	<u>94.2</u>	<u>5.0</u>
Income (loss) before contributions	20.8	15.8	5.0	10.2	5.6
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	20.8	15.8	5.0	10.2	5.6
Net position, beginning of year	102.9	87.1	15.8	76.9	10.2
Change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of year, as restated	102.9	87.1	15.8	76.9	10.2
Net position, end of year	<u>\$ 123.7</u>	<u>\$ 102.9</u>	<u>\$ 20.8</u>	<u>\$ 87.1</u>	<u>\$ 15.8</u>

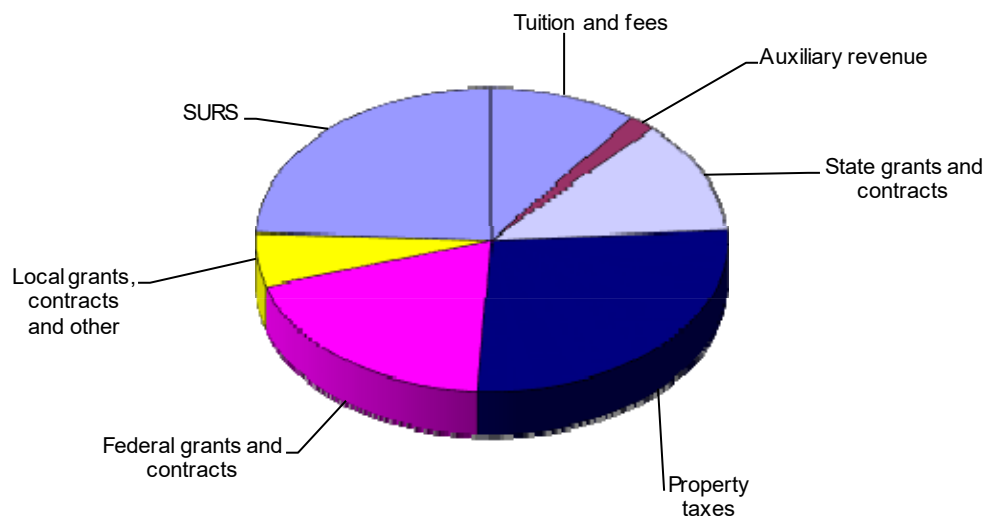
**Fiscal Year 2021 Compared to 2020**

Nonoperating revenue increased in comparison with the prior year due to the increase in Federal grants and contracts that were allocated as part of the Higher Education Emergency Relief Funds. The overall net position increased again due to the close monitoring of expenses and cost savings strategies.

**Fiscal Year 2020 Compared to 2019**

Nonoperating revenue increased in comparison with the prior year due to the change in allocations for state grants and on behalf payments made by the state. The overall net position increased again due to the close monitoring of expenses and cost savings strategies.

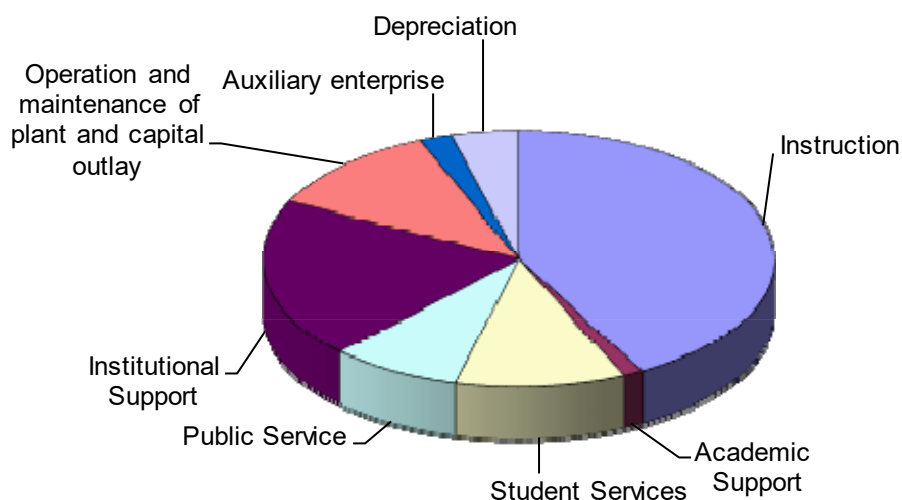
The following is a graphic illustration of revenues by source:



**Operating Expenses by Program**  
**For the Years Ended June 30,**  
**(in millions)**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>	<u>2019</u>	<u>Increase (Decrease) 2020-2019</u>
Operating expenses by program					
Instruction	\$ 43.5	\$ 43.7	\$ (0.2)	\$ 47.2	\$ (3.5)
Academic support	1.3	1.5	(0.2)	1.6	(0.1)
Student services	11.2	9.8	1.4	6.3	3.5
Public service	8.6	8.8	(0.2)	8.3	0.5
Institutional support	20.9	18.3	2.6	21.1	(2.8)
Operation and maintenance of plant	11.8	10.8	1.0	9.9	0.9
Auxiliary enterprise	2.1	2.0	0.1	1.8	0.2
Depreciation	4.4	4.5	(0.1)	5.1	(0.6)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 103.8</u>	<u>\$ 99.4</u>	<u>\$ 4.4</u>	<u>\$ 101.3</u>	<u>\$ (1.9)</u>

The following is a graphic illustration of operating expenses by program:

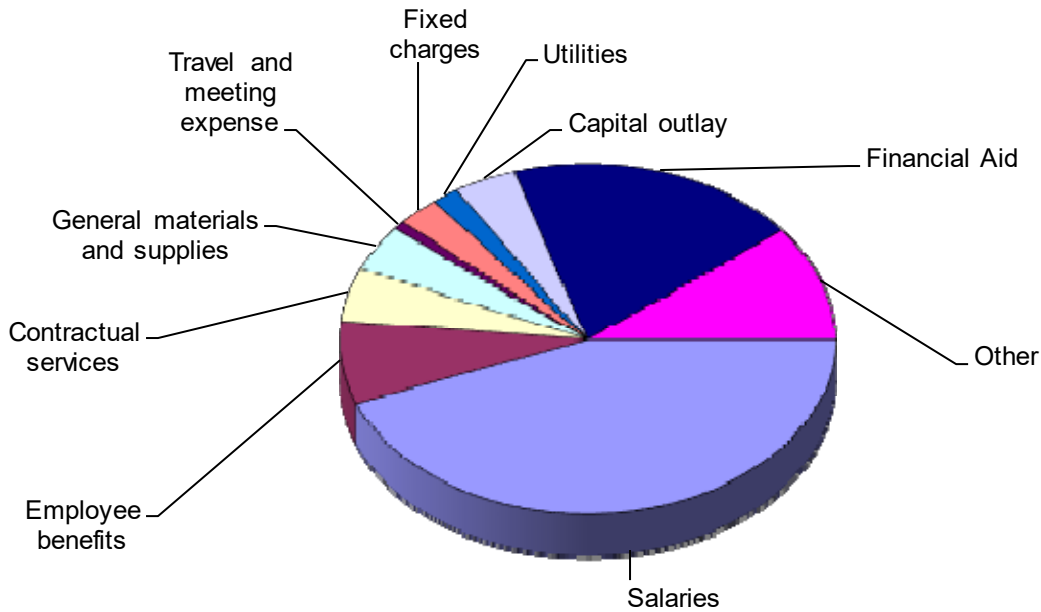


While operating expenses by program provide an important piece of financial information for managing and reporting purposes, operating expenses by object are also a valuable financial management tool. The following schedule is a summary of operating expenses by object for the Current Unrestricted and the Restricted Funds.

**Operating Expenses by Object**  
**Current Unrestricted and Restricted Funds (Modified Accrual)**  
**For the Years Ended June 30,**  
**(in millions)**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>	<u>2019</u>	<u>Increase (Decrease) 2020-2019</u>
Operating expenses by object					
Salaries	\$ 39.9	\$ 40.1	\$ (0.2)	\$ 41.4	\$ (1.3)
Employee benefits	6.8	6.8	-	7.0	(0.2)
Contractual services	4.5	3.7	0.8	4.3	(0.6)
General materials and supplies	3.8	2.4	1.4	3.0	(0.6)
Travel and meeting expense	0.7	1.2	(0.5)	1.3	(0.1)
Fixed charges	2.5	2.3	0.2	2.6	(0.3)
Utilities	1.6	1.4	0.2	1.7	(0.3)
Capital outlay	3.7	1.6	2.1	1.5	0.1
Financial aid	17.3	18.5	(1.2)	20.2	(1.7)
Other	9.6	1.8	7.8	2.9	(1.1)
<b>Total</b>	<b>\$ 90.4</b>	<b>\$ 79.8</b>	<b>\$ 10.6</b>	<b>\$ 85.9</b>	<b>\$ (6.1)</b>

The following is a graphic illustration of operating expenses by object (modified accrual):



Note: Current and Restricted funds include Education, Operations and Maintenance, Auxiliary Enterprises, Restricted Purposes, Audit and Liability, Protection and Settlement.

**Fiscal Year 2021 Compared to 2020**

The expenses in the Current Unrestricted and Restricted funds increased \$10.6 million. In the current year, the increase primarily related to additional expenditures associated with the Higher Education Emergency Relief funds.

**Fiscal Year 2020 Compared to 2019**

The expenses in the Current Unrestricted and Restricted funds decreased \$6.1 million. In the current year, a reduction in salaries due to attrition as well as a decrease in financial aid awards consistent with the decrease in enrollment contributed to the decrease in expenses.



**Capital Assets**  
**For the Years Ended June 30,**  
**(in millions)**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>	<u>2019</u>	<u>Increase (Decrease) 2020-2019</u>
Capital Assets					
Land	\$ 6.5	\$ 6.5	\$ -	\$ 6.5	\$ -
Construction in progress	0.8	0.8	-	0.7	0.1
Buildings	53.5	53.5	-	53.5	-
Building improvements	47.5	47.5	-	47.5	-
Land improvements	16.8	16.8	-	16.8	-
Equipment	<u>20.9</u>	<u>19.1</u>	<u>1.8</u>	<u>19.1</u>	<u>-</u>
Total	146.0	144.2	1.8	144.1	0.1
Less Accumulated Depreciation	<u>(89.4)</u>	<u>(85.1)</u>	<u>(4.3)</u>	<u>(81.5)</u>	<u>(3.6)</u>
Net Capital Assets	<u>\$ 56.6</u>	<u>\$ 59.1</u>	<u>\$ (2.5)</u>	<u>\$ 62.6</u>	<u>\$ (3.5)</u>

Additional information regarding Capital Assets can be found in Note 5 of the Financial Statements.

**Fiscal Year 2021 Compared to 2020**

The slight decrease in capital assets is due to the lack of capital asset purchases and regular depreciation expense.

**Fiscal Year 2020 Compared to 2019**

The slight decrease in capital assets is due to the lack of capital asset purchases and regular depreciation expense.

**Long-Term Debt**  
**For the Years Ended June 30,**  
**(in millions)**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>	<u>2019</u>	<u>Increase (Decrease) 2020-2019</u>
Long-term debt					
Bonds and capital lease payable	<u>\$ 17.7</u>	<u>\$ 9.5</u>	<u>\$ 8.2</u>	<u>\$ 13.5</u>	<u>\$ (4.0)</u>

Additional information regarding Long-Term Debt can be found in Note 6 of the Financial Statements.

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# **Basic Financial Statements**

**Southwestern Illinois College  
Community College District #522**

**Statements of Net Position  
June 30**

	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	112,628,445	\$ 88,099,084
Restricted cash	499,661	487,949
Receivables:		
Property taxes	50,496,868	49,852,994
Government claims	10,663,491	4,039,356
Student tuition and fees, net of allowance of \$5,845,667 in 2021 and \$3,849,000 in 2020	10,006,004	9,027,881
Other	1,515,398	1,173,768
<b>Total receivables</b>	<u>72,681,761</u>	<u>64,093,999</u>
Prepaid items	581,490	497,839
<b>Total current assets</b>	<u>186,391,357</u>	<u>153,178,871</u>
<b>Noncurrent Assets</b>		
Land	6,515,480	6,515,480
Construction-in-progress	797,019	763,732
Depreciable property, buildings and equipment, net	49,247,140	51,835,045
<b>Total noncurrent assets</b>	<u>56,559,639</u>	<u>59,114,257</u>
<b>Deferred Outflows of Resources</b>		
Deferred Outflows related to OPEB liability	713,794	\$ 959,205
Subsequent year's pension expense related to federal, trust, or grant contributions in the current year	360,563	417,699
<b>Total Assets and Deferred Outflows of Resources</b>	<u>244,025,353</u>	<u>\$ 213,670,032</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	3,090,298	\$ 2,132,915
Accrued expenses	1,351,685	1,301,751
Unearned revenues:		
Student tuition and fees	5,715,004	5,128,643
Other	1,733,686	2,025,528
Compensated absences, current	2,242,757	1,985,118
Bonds, capital lease and note payable, current	4,544,019	4,399,108
<b>Total current liabilities</b>	<u>18,677,449</u>	<u>16,973,063</u>
<b>Noncurrent Liabilities</b>		
Bonds, capital lease and note payable due in more than one year	13,122,472	5,118,230
Net OPEB liability	27,369,252	30,738,920
Compensated absences due in more than one year	-	185,826
<b>Total noncurrent liabilities</b>	<u>40,491,724</u>	<u>36,042,976</u>
<b>Deferred Inflows of Resources</b>		
Subsequent year's property taxes	51,064,237	50,313,288
Deferred Inflow for OPEB liability	10,137,871	7,480,068
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>120,371,281</u>	<u>110,809,395</u>
<b>Net Position</b>		
Net investment in capital assets	53,633,931	53,958,420
Restricted for:		
Capital projects	15,038,922	11,829,042
Restricted current funds	581,490	497,839
Restricted loan funds	374,960	476,306
Grants	1,667,358	1,450,688
Unrestricted	52,357,411	34,648,342
<b>Total net position</b>	<u>123,654,072</u>	<u>\$ 102,860,637</u>

See Notes to Financial Statements.

**Southwestern Illinois College  
Community College District #522**

**Statements of Revenues, Expenses, and Changes in Net Position**

**Years Ended June 30, 2021**

	2021	2020
<b>Revenues:</b>		
Operating revenues		
Student tuition and fees, net of scholarship allowances of \$8,924,878 and \$10,802,181 respectively	\$ 12,760,237	\$ 13,262,506
Auxiliary enterprise revenue	134,901	190,287
Facilities revenue	125,129	135,575
Other operating revenue	<u>1,907,190</u>	<u>2,314,207</u>
<b>Total operating revenues</b>	<u>14,927,457</u>	<u>15,902,575</u>
<b>Expenses:</b>		
Operating expenses		
Instruction	43,514,077	43,703,798
Academic support	1,339,363	1,508,734
Student services	11,226,318	9,785,702
Public service	8,566,800	8,794,454
Institutional support	20,800,728	18,308,994
Operation and maintenance of plant and capital outlay	11,834,294	10,762,220
Auxiliary enterprise	2,085,414	2,012,046
Depreciation and amortization	<u>4,359,955</u>	<u>4,480,007</u>
<b>Total operating expenses</b>	<u>103,726,949</u>	<u>99,355,955</u>
Operating (loss)	<u>(88,799,492)</u>	<u>(83,453,380)</u>
Nonoperating revenues (expenses):		
Property taxes	33,506,685	32,817,226
Local grants and contracts	6,949,100	5,992,604
State grants and contracts	14,966,021	14,742,717
Federal grants and contracts	24,054,209	14,283,255
Investment income	65,536	1,028,306
Interest expense	(235,167)	(462,991)
Contributions provided by state	<u>30,286,542</u>	<u>30,773,082</u>
<b>Total nonoperating revenues</b>	<u>109,592,926</u>	<u>99,174,199</u>
Change in net position	20,793,434	15,720,819
<b>Net position</b>		
Net position - beginning of year	102,860,638	87,139,819
Change in Accounting Principle		
Net position - beginning of year, as restated	<u>102,860,638</u>	<u>87,139,819</u>
Net position - end of year	<u>\$ 123,654,072</u>	<u>\$ 102,860,638</u>

**See Notes to Financial Statements.**

**Southwestern Illinois College  
Community College District #522**

**Statements of Cash Flows  
Years Ended June 30**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	12,076,633	\$ 12,578,245
Payments to employees	(46,631,604)	(47,103,986)
Payments to suppliers	(21,862,687)	(16,522,791)
Auxiliary enterprise charges	134,901	190,287
Other receipts	1,690,689	2,728,162
<b>Net cash used by operating activities</b>	<b>(54,592,068)</b>	<b>(48,130,083)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State, federal and local grants and contracts	40,096,145	34,671,197
Property taxes	32,862,811	26,831,108
<b>Net cash provided by noncapital financing activities</b>	<b>72,958,956</b>	<b>61,502,305</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchases of capital assets	(1,813,444)	(1,080,478)
Loss on disposal of capital assets	8,107	85,414
Proceeds on bond issuance	17,279,920	-
Proceeds from capital lease issuance	16,816	294,217
Principal paid on debt and leases	(9,023,795)	(4,267,984)
Interest paid on debt and leases	(358,955)	(506,920)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>6,108,649</b>	<b>(5,475,751)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on investments	65,536	1,028,306
<b>Net cash provided by investing activities</b>	<b>65,536</b>	<b>1,028,306</b>
Net increase (decrease) in cash	24,541,073	8,924,777
Cash at beginning of year	88,587,033	79,662,256
Cash at end of year	<u>113,128,106</u>	<u>\$ 88,587,033</u>
<b>Cash and cash equivalents</b>	<b>112,628,445</b>	<b>\$ 88,099,084</b>
<b>Restricted cash</b>	<b>499,661</b>	<b>487,949</b>
	<u>113,128,106</u>	<u>\$ 88,587,033</u>

**See Notes to Financial Statements.**

**Southwestern Illinois College  
Community College District #522**

**Statements of Cash Flows  
Years Ended June 30**

	2021	2020
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	(88,799,492)	\$ (83,453,380)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	4,359,955	4,480,007
Contribution paid by the State	30,286,542	30,773,082
Changes in assets and liabilities:		
(Increase) decrease in receivables	(1,319,753)	832,067
(Increase) decrease in prepaid items	(83,651)	52,551
Increase (decrease) in accounts payable	957,383	(162,629)
Increase (decrease) in accrued expenditures	(3,319,734)	(1,081,598)
Increase (decrease) in unearned revenue	294,519	(1,237,947)
Increase in compensated absences	71,813	(134,380)
Increase in Deferred Inflows of Resources	2,657,803	1,596,362
Decrease in Deferred Outflows of Resources	302,547	205,782
Total adjustments	34,207,424	35,323,297
Net cash used by operating activities	<u>(54,592,068)</u>	<u>\$ (48,130,083)</u>
Noncash, capital and related financing activities:		
Contribution paid by the State	<u>30,286,542</u>	<u>\$ 30,773,082</u>
Assets purchased under Capital Lease	<u>-</u>	<u>\$ -</u>

**See Notes to Financial Statements.**



**Southwestern Illinois College  
Community College District #522**

**Statements of Fiduciary Net Position  
June 30**

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 754,256	\$ 762,519
Miscellaneous receivables	6,729	6,729
Prepaid Items	-	-
<b>Total assets</b>	<u>\$ 760,985</u>	<u>\$ 769,248</u>
<b>Liabilities</b>		
Accounts payable	\$ 10,695	\$ 5,769
Deposits held in custody for others	750,290	763,479
<b>Total liabilities</b>	<u>\$ 760,985</u>	<u>\$ 769,248</u>

**See Notes to Financial Statements.**

**Southwestern Illinois College Foundation**

**Statements of Financial Position  
December 31,**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 511,819	\$ 332,411
Investments	9,913,434	8,960,340
Beneficial Interest in Perpetual Trust	77,144	74,139
Pledge Receivable	100	-
Property and Equipment, Net	5,313	7,077
Art Collections	<u>448,848</u>	<u>440,848</u>
Total Assets	<u>\$ 10,956,658</u>	<u>\$ 9,814,815</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,681	\$ 2,041
Total Liabilities	<u>1,681</u>	<u>2,041</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	1,453,882	1,421,068
With Donor Restrictions	<u>9,501,095</u>	<u>8,391,706</u>
Total Net Assets	<u>10,954,977</u>	<u>9,812,774</u>
Total Liabilities and Net Assets	<u>\$ 10,956,658</u>	<u>\$ 9,814,815</u>

**See Notes to the Financial Statements.**

# Southwestern Illinois College Foundation

## Statement of Activities

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Gifts and Grants	\$ 4,209	\$ 305,731	\$ 309,940
Art Class Program	-	150	150
Revenue from Fundraising Events	-	290	290
Less: Direct Cost of Fundraising Events	-	(1,155)	(1,155)
Net Fundraising Events	-	(865)	(865)
Investment Income (Loss), net of Fees	(21,578)	208,758	187,180
Gifts-in-Kind from Southwestern Illinois College	363,005	-	363,005
Net Realized Gains on Investments	14,565	247,136	261,701
Net Unrealized Gains on Investments	37,882	685,915	723,797
Miscellaneous Income	-	200	200
Net Assets Released from Restrictions	337,228	(337,228)	-
Total Support and Revenues	735,311	1,109,797	1,845,108
<b>EXPENSES</b>			
Program:			
Students Grants and Scholarships	300,055	-	300,055
Interest Distributions	-	349	349
Program Costs	36,813	59	36,872
Total Program Expenses	336,868	408	337,276
Support:			
Management and General Costs Paid by Southwestern Illinois College	363,005	-	363,005
Fundraising	860	-	860
Depreciation	1,764	-	1,764
Total Support Expenses	365,629	-	365,629
Total Expenses	702,497	408	702,905
<b>CHANGE IN NET ASSETS</b>	32,814	1,109,389	1,142,203
Net Assets - Beginning of Year	1,421,068	8,391,706	9,812,774
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,453,882</u>	<u>\$ 9,501,095</u>	<u>\$ 10,954,977</u>

See Notes to the Financial Statements.

# Southwestern Illinois College Foundation

## Statement of Activities

Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Gifts and Grants	\$ 3,537	\$ 321,975	\$ 325,512
Art Class Program	-	3,817	3,817
Revenue from Fundraising Events	220	69,101	69,321
Less: Direct Cost of Fundraising Events	-	(30,644)	(30,644)
Net Fundraising Events	220	38,457	38,677
Investment Income, net of Fees	(13,785)	240,505	226,720
Gifts-in-Kind from Southwestern Illinois College	306,930	-	306,930
Net Realized Gains (Losses) on Investments	4,477	69,044	73,521
Net Unrealized Gains (Losses) on Investments	67,853	1,139,943	1,207,796
Miscellaneous Income	-	400	400
Net Assets Released from Restrictions	410,825	(410,825)	-
Total Support and Revenues	780,057	1,403,316	2,183,373
<b>EXPENSES</b>			
Program:			
Students Grants and Scholarships	303,228	-	303,228
Interest Distributions	-	364	364
Program Costs	107,334	47	107,381
Total Program Expenses	410,562	411	410,973
Support:			
Management and General Costs Paid by Southwestern Illinois College	306,930	-	306,930
Fundraising	2,007	-	2,007
Depreciation	1,763	-	1,763
Total Support Expenses	310,700	-	310,700
Total Expenses	721,262	411	721,673
<b>CHANGE IN NET ASSETS</b>	58,795	1,402,905	1,461,700
Net Assets - Beginning of Year	1,362,273	6,988,801	8,351,074
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,421,068</u>	<u>\$ 8,391,706</u>	<u>\$ 9,812,774</u>

See Notes to the Financial Statements.

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 1. Organization and Significant Accounting Policies**

**Organization:**

Southwestern Illinois College (formerly Belleville Area College), Community College District #522 (District) is an Illinois community college. The District includes all or portions of eight counties in Southwestern Illinois. The District is governed by a Board of Trustees.

The financial statements are based on accounts prescribed or permitted by the Fiscal Management Manual of the Illinois Community College Board. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as set forth in Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The following is a summary of the more significant policies:

Financial reporting entity: The District is a unit of state and local government governed by a Board of Trustees (Board), which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The District has the statutory authority to adopt its own budget, to levy taxes, and to issue bonded debt within certain dollar limits without the approval of another government and has the right to sue and be sued.

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include (1) the Board of Trustees of the District appointing a voting majority of an organization's governing body, (2) the ability of the District to impose its will on any organization, or (3) the potential for the Organization to provide specific benefits to, or impose specific financial burdens on, the District. Based on these criteria, the District is considered a primary government. GASB has also set forth criteria to be considered in determining the nature and significance of a relationship within the primary government. These criteria include: 1) the economic resources received or held by an organization are entirely or almost entirely for the direct benefit of the District, 2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization, and 3) the economic resources received or held by an organization that the District is entitled to, or has the ability to otherwise access, are significant to the District.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component unit, the Southwestern Illinois College Foundation (the Foundation).

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 1. Organization and Significant Accounting Policies (Continued)**

The Foundation is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the District in support of its programs. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, which the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private nonprofit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are *Accounting for Contributions Received and Contributions Made*, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The Foundation's financial information has been discretely presented. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences, however significant note disclosures to the Foundation's financial statements have been incorporated into the District's notes (See Note 17) to the financial statements.

Financial statements for the Foundation can be obtained by calling the Foundation at (618) 235-2700, ext. 5215.

Basis of accounting: Basis of accounting refers to when revenues received and expenses disbursed are recognized in the accounts and how they are reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred. All significant intra-District transactions have been eliminated. Nonexchange transactions, in which the District 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. Revenues from grants, state appropriations, and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements in which the District must provide local resources to be used for a specified purpose and expenditure requirements in which the resources are provided to the District on a reimbursement basis.

The District has a fiduciary fund type which accounts for assets held by the District as an agent for the students, faculty, and other governmental units. These funds are custodial in nature and do not involve the measurement of the results of operations. These funds are considered agency funds.

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 1. Organization and Significant Accounting Policies (Continued)**

Net position: The District's net position is classified as follows:

Net investment in capital assets – This represents the District's total investment in capital assets, net of accumulated depreciation and outstanding debt incurred to acquire, construct, or improve those assets.

Restricted net position – This includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This includes 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 District and may be used at the discretion of the governing board to meet current expenses for any purpose.

Classification of revenues and expenses: Operating revenue includes activities that have the characteristics of exchange transactions, such as student tuition and fees and sales and services of auxiliary enterprise, net of scholarship discounts and allowances. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts, and federal appropriations and (4) gifts and contributions. Operating expenses are those expenses for the purpose of providing education and operational activities of the District. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenditures.

Deferred Outflows of Resources: The District reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its statements of net position. Implementation of GASB Nos. 68 and 71 in 2015 resulted in pension contributions paid by the District in advance of \$360,563 and \$417,699 being recorded as Deferred Outflow of Resources as of June 30, 2021 and 2020, respectively. Implementation of GASB 75 in 2018 resulted in disclosing deferred outflows related to the Other Postretirement Benefit Liability (OPEB) of \$713,794 and \$959,205 as of June 30, 2021 and 2020, respectively.

Deferred Inflows of Resources: The District's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The District will not recognize the related revenue until a future event occurs. In the current year financial statements, the District recorded property tax receivables related to revenue that will be recorded in the subsequent year. The second item disclosed is related to the implementation of GASB 75 in 2018. The District recorded deferred inflows related to the changes in the OPEB Liability of \$10,137,871 and \$7,480,068 as of June 30, 2021 and 2020, respectively.

Use of estimates in preparing financial statements: 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. Actual results could differ from those estimates.

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 1. Organization and Significant Accounting Policies (Continued)**

Federal Financial Assistance Programs: The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, Federal family education loans, Student Support Services and other educational programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Uniform Grant Guidance for States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

Cash and cash equivalents: For purposes of reporting cash flows, the District considers all highly liquid investments purchased with a maturity of three months or less, and Illinois Funds to be cash equivalents. Investments are stated at fair value.

Restricted cash: Consists of capital project cash accounts with funds restricted for a specific project and cash accounts used to pay for self-insured health claims.

Investments: Investments are reported at fair value in accordance with guidelines defined by GASB Statement No. 72. Bank deposits, money market accounts and certificates of deposit are recorded at cost. Investment income consists of interest earned on bank deposits and money market accounts. Investments in securities are reported at market value as determined by the major securities market.

Allowance for doubtful accounts: Management has reviewed the collectability of its ordinary receivables and has deemed that all are collectible. However, the District has set up an allowance for doubtful accounts relative to the student tuition receivable and for property taxes receivable.

Capital assets: Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, curbs, gutters, sidewalks, and similar items) are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest costs on construction in progress are capitalized when amounts are significant. During the fiscal year ended June 30, 2021 and 2020, the College did not capitalize interest.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Interest costs are capitalized on qualifying assets.

Capital assets are defined by the District as assets with estimated useful lives in excess of one year and initial individual costs in excess of \$5,000.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-45
Other structures and improvements	10-45
Equipment	5-10

The District does not capitalize or depreciate its art collections or collection of library books. These collections are unencumbered, held for public education, protected, and preserved. Any proceeds from sale of collections are insignificant.

Claims and judgments: Liability resulting from claims and judgments, if any, is recorded as the liability is incurred.



**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 1. Organization and Significant Accounting Policies (Continued)**

Summer school revenue and expenses: Summer session revenues and expenses are split between the two fiscal years, with appropriate amounts being recognized in the accounting period in which they are earned or incurred and become measurable.

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 statements 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 District, and the amount that is paid by students and/or third parties making payments on the student's behalf.

On-Behalf payments for fringe benefits and salaries: The District recognizes as revenues and expenses contributions made by the State of Illinois to the State Universities Retirement System and the Illinois Community College Health Insurance Security Fund on behalf of the District's employees.

**Note 2. Cash and Cash Equivalents**

**A. Deposits**

At June 30, 2021, the District's deposits had the following balance.

Cash and Cash Equivalents	\$ 113,882,362
Less: Amounts reclassified as investments	<u>(98,287,565)</u>
Carrying amounts of deposits	<u><u>\$ 15,594,797</u></u>

At June 30, 2020, the District's deposits had the following balance.

Cash and Cash Equivalents	\$ 89,349,552
Less: Amounts reclassified as investments	<u>(71,572,767)</u>
Carrying amounts of deposits	<u><u>\$ 17,776,785</u></u>

**Summary of Cash**

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 112,628,445	\$ 88,099,085
Restricted Cash	499,661	487,949
Fiduciary cash and cash equivalents	<u>754,256</u>	<u>762,519</u>
	<u><u>\$ 113,882,362</u></u>	<u><u>\$ 89,349,553</u></u>

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 2. Cash and Cash Equivalents (Continued)**

**B. Investments**

	<u>Fair Market Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>	<u>Standard &amp; Poor's Rating</u>
Illinois Funds	\$ 54,034,737	\$ 54,034,737	\$ -	\$ -	AAAm
Illinois School District Liquid Asset Fund-Money Market	2,080,264	2,080,264	-	-	Not Rated
US Treasuries		-	-	-	Not Rated
Savings Deposit Accounts	42,172,564	42,172,564	-	-	Not Rated
Total	<u>\$ 98,287,565</u>	<u>\$ 98,287,565</u>	<u>\$ -</u>	<u>\$ -</u>	

At June 30, 2020, the District's investment balances were as follows:

	<u>Fair Market Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>	<u>Standard &amp; Poor's Rating</u>
Illinois Funds	\$ 39,656,074	\$ 39,656,074	\$ -	\$ -	AAAm
Illinois School District Liquid Asset Fund-Money Market	2,079,641	2,079,641	-	-	Not Rated
US Treasuries		-	-	-	Not Rated
Savings Deposit Accounts	29,837,053	29,837,053	-	-	Not Rated
Total	<u>\$ 71,572,767</u>	<u>\$ 71,572,767</u>	<u>\$ -</u>	<u>\$ -</u>	

**Credit Risk**

The Board of Trustees has authorized the District to invest funds in accordance with the Illinois Community College Act and the Investment of Public Funds Act. The District's investment policy is to apply the prudent person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to conform with legal requirements, seek reasonable income, preserve capital, maintain liquidity and, in general, avoid speculative investments.

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 2. Cash and Cash Equivalents (Continued)**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy allows that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement, and held at an independent, third party institution in the name of the District.

The District's collateralization policy is currently set at 105% of uninsured deposits. At June 30, 2021 and 2020, the District's deposits were not fully collateralized.

**Concentration of Credit Risk**

At June 30, 2021 and 2020, the District had greater than five percent of its overall portfolio invested in Illinois School District Liquid Asset Fund Plus Money Market. This is in accordance with the District's investment policy.

**Interest Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The State Treasurer maintains the Illinois Funds Money Market at cost and fair value through daily adjustment in the interest earnings. Based upon the Treasurer's Office Investment policy, the District's funds are pooled in a manner that provides the highest investment return using authorized instruments while meeting the daily cash flow demands and conforming to all pertinent statutes governing the investment of public funds.

The Illinois Funds invests in U.S. Treasury obligations, repurchase agreements collateralized at 102% by U.S. Treasury obligations, certificates of deposit issued by an Illinois financial institution, U.S. agency mortgage-backed securities, and U.S. Treasury only money-market funds rated 'AAAm' by Standard & Poor's. Other investments include commercial paper rated in one of the two highest rating categories by Standard & Poor's with a maximum final maturity of 270 days, and no asset-backed securities. The final maturity on all securities is limited to one year.

All funds deposited in the pool are classified as investments even though some could be withdrawn on a day's notice. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provision of the Illinois Public Investment Act, 30 ILCS 235.

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 3. Restricted Net Position – Restricted Current Funds**

At June 30, 2021, the restricted for current funds net position amount consists of \$374,960 for debt service, \$1,667,358 for grant programs, and \$581,489 for prepaid items. At June 30, 2020, the restricted for current funds net position amount consists of \$476,306 for debt service, \$1,450,688 for grant programs, and \$497,839 for prepaid items.

**Note 4. Property Taxes**

Property taxes are levied each year on all taxable real property in the District. The property tax calendar is specified by the Board of Trustees. Property taxes are certified on or before the last Tuesday in December and attach as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in the following calendar year and are collected by the county collectors in the District who, in turn, remit to the District its respective share. Collection dates vary according to the schedules of the individual counties with disbursements to the District normally made within thirty days of collection.

Property taxes receivable represents the prior year's levy and an estimate of the current year's levy applicable to the portion of the current fiscal year. An allowance, if necessary, is provided for uncollectible property taxes. Property taxes that are not intended for current year operations are shown as a deferred inflow of resources. The amounts accrued from year to year will vary based upon the tax collections of the respective counties.

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

	Maximum Rate	Levy Year	
		2021	2020
Education	0.1320	0.1313	0.1315
Equity	0.1309	0.1302	0.1304
Building	0.0280	0.0279	0.0279
Tort immunity	-	0.0483	0.0503
Audit	0.0050	0.0008	0.0009
Bond and interest	-	0.0636	0.0622
Protection, health, safety	0.0500	0.0429	0.0447
Social security	-	0.0079	0.0082
		<u>0.4529</u>	<u>0.4561</u>

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 5. Changes in Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2021, is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 6,515,480	\$ -	\$ -	\$ 6,515,480
Construction in progress	763,732	33,287	-	797,019
Total capital assets not being depreciated	<u>7,279,212</u>	<u>33,287</u>	<u>-</u>	<u>7,312,499</u>
Capital assets being depreciated:				
Buildings	53,524,255	-	-	53,524,255
Building Improvements	47,531,004	-	-	47,531,004
Land improvements	16,819,233	-	-	16,819,233
Equipment	<u>19,064,243</u>	<u>1,780,157</u>	<u>(22,935)</u>	<u>20,821,465</u>
Total capital assets being depreciated	<u>136,938,735</u>	<u>1,780,157</u>	<u>(22,935)</u>	<u>138,695,957</u>
Less accumulated depreciation for:				
Buildings	17,749,250	1,168,213	-	18,917,463
Building Improvements	44,105,393	1,176,857	-	45,282,250
Land improvements	8,848,850	774,097	-	9,622,947
Equipment	<u>14,400,197</u>	<u>1,240,788</u>	<u>(14,828)</u>	<u>15,626,157</u>
Total accumulated depreciation	<u>85,103,690</u>	<u>4,359,955</u>	<u>(14,828)</u>	<u>89,448,817</u>
Total capital assets being depreciated, net	<u>51,835,045</u>	<u>(2,579,798)</u>	<u>(8,107)</u>	<u>49,247,140</u>
Total capital assets, net	<u>\$ 59,114,257</u>	<u>\$ (2,546,511)</u>	<u>\$ (8,107)</u>	<u>\$ 56,559,639</u>

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 5. Changes in Capital Assets (Continued)**

A summary of changes in capital assets for the year ended June 30, 2020, is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 6,515,480	\$ -	\$ -	\$ 6,515,480
Construction in progress	743,268	20,464	-	763,732
Total capital assets not being depreciated	<u>7,258,748</u>	<u>20,464</u>	<u>-</u>	<u>7,279,212</u>
Capital assets being depreciated:				
Buildings	53,529,565	-	(5,310)	53,524,255
Building Improvements	47,463,908	67,096	-	47,531,004
Land improvements	16,819,233	-	-	16,819,233
Equipment	<u>19,062,412</u>	<u>992,918</u>	<u>(991,087)</u>	<u>19,064,243</u>
Total capital assets being depreciated	<u>136,875,118</u>	<u>1,060,014</u>	<u>(996,397)</u>	<u>136,938,735</u>
Less accumulated depreciation for:				
Buildings	16,585,016	1,169,544	(5,310)	17,749,250
Building Improvements	42,682,527	1,422,866	-	44,105,393
Land improvements	8,070,229	778,621	-	8,848,850
Equipment	<u>14,196,894</u>	<u>1,108,976</u>	<u>(905,673)</u>	<u>14,400,197</u>
Total accumulated depreciation	<u>81,534,666</u>	<u>4,480,007</u>	<u>(910,983)</u>	<u>85,103,690</u>
Total capital assets being depreciated, net	<u>55,340,452</u>	<u>(3,419,993)</u>	<u>(85,414)</u>	<u>51,835,045</u>
Total capital assets, net	<u>\$ 62,599,200</u>	<u>\$ (3,399,529)</u>	<u>\$ (85,414)</u>	<u>\$ 59,114,257</u>

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 6. Long-term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2021 as follows:

	Balance July 1, 2020	Additions	Repayments	Balance June 30, 2021	Due Within One year
Bonds, contracts and leases payable:					
Bonds payable	\$ 8,865,000	\$ 16,790,000	\$ (8,865,000)	\$ 16,790,000	\$ 4,255,000
Capital lease payable	612,148	16,816	(158,795)	470,169	163,623
Unamortized bond premium	40,191	489,919	(123,788)	406,322	125,396
	<u>9,517,339</u>	<u>17,296,735</u>	<u>(9,147,583)</u>	<u>17,666,491</u>	<u>4,544,019</u>
Other liabilities:					
Compensated absences and sick leave	2,170,944	1,747,590	(1,675,777)	2,242,757	2,242,757
Total other liabilities	<u>2,170,944</u>	<u>1,747,590</u>	<u>(1,675,777)</u>	<u>2,242,757</u>	<u>2,242,757</u>
	<u>\$ 11,688,283</u>	<u>\$ 19,044,325</u>	<u>\$ (10,823,360)</u>	<u>\$ 19,909,248</u>	<u>\$ 6,786,776</u>

A summary of changes in long-term liabilities for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Repayments	Balance June 30, 2020	Due Within One year
Bonds, contracts and leases payable:					
Bonds payable	\$ 12,865,000	\$ -	\$ (4,000,000)	\$ 8,865,000	\$ 4,215,000
Capital lease payable	585,914	294,217	(267,983)	612,148	158,980
Unamortized bond premium	84,120	-	(43,929)	40,191	25,128
	<u>13,535,034</u>	<u>294,217</u>	<u>(4,311,912)</u>	<u>9,517,339</u>	<u>4,399,108</u>
Other liabilities:					
Compensated absences and sick leave	2,305,326	265,660	(400,042)	2,170,944	1,985,118
Total other liabilities	<u>2,305,326</u>	<u>265,660</u>	<u>(400,042)</u>	<u>2,170,944</u>	<u>1,985,118</u>
	<u>\$ 15,840,360</u>	<u>\$ 559,877</u>	<u>\$ (4,711,954)</u>	<u>\$ 11,688,283</u>	<u>\$ 6,384,226</u>

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 6. Long-term Liabilities (Continued)**

General obligation bonds

Series 2020A: In September 2020, the Board approved a \$12,500,000 taxable Working Cash Bond Issue dated November 17, 2020. The proceeds of the bonds were used to increase the District's Working Cash Fund, which was needed due to the possibility of delayed and reduced State of Illinois Operating Grant payments. Serial retirement of principal and interest begins on December 1, 2021, with interest payable semiannually at less than 1% which began on June 1, 2021. Maturity date is December 1, 2023.

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	4,255,000	91,225	4,346,225
2023	4,290,000	57,164	4,347,164
2024	3,955,000	19,498	3,974,498
	<u>\$ 12,500,000</u>	<u>\$ 167,888</u>	<u>\$ 12,667,888</u>

Series 2020B: In September 2020, the Board approved a \$4,290,000 General Obligation Refunding Bond Issue. The proceeds of the bonds were used to refinance the District's General Obligation 2007 bond series issued in fiscal year 2008. Serial retirement of principal and interest began on December 1, 2023, with interest payable semiannually at 4.0% which began on June 1, 2021. Maturity date is December 1, 2024. District debt issuances issued after the Federal Tax Reform Act of 1986 are subject to federal arbitrage regulations. This results when earnings on investments purchased from the gross proceeds of a bond issue exceed the issuer's tax-exempt borrowing rates. The District continues to monitor and report any arbitrage in accordance with the Internal Revenue Code.

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	-	171,600	171,600
2023	-	171,600	171,600
2024	380,000	164,000	544,000
2025	3,910,000	78,200	3,988,200
	<u>\$ 4,290,000</u>	<u>\$ 585,400</u>	<u>\$ 4,875,400</u>



**Southwestern Illinois College  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 6. Long-term Liabilities (Continued)**

Capital Lease Payable: The District has entered into several lease agreements with Xerox and Cannon to lease copiers and accessory equipment that are recorded as capital leases. The cost of the assets recorded under leases was \$811,019. Related accumulated depreciation for the assets for the year ended June 30, 2021 was \$356,459 and the net book value of the equipment under lease was \$454,560.

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	163,623	8,884	172,507
2023	167,315	5,192	172,507
2024	132,213	1,540	133,753
2025	3,532	94	3,626
2026	1,201	8	1,209
	<u>\$ 467,884</u>	<u>\$ 15,717</u>	<u>\$ 483,602</u>

**Note 7. Operating Leases**

The District leases space to Aramark Corporation for a complete food service operation at the Belleville campus. Terms of the lease call for the District to provide all utilities for the lessee. The lessee retains all cash receipts. The lease agreement with Aramark Corporation automatically renews on an annual basis unless either party provides 90 days advance notice to terminate the agreement.

The District entered into an agreement with Barnes & Noble College Bookstores, Inc. (Barnes & Noble) on July 1, 2016, to operate and provide services for the bookstores of the District. The agreement expires June 30, 2021, but will continue year-to-year unless terminated by either party pursuant to the terms of the agreement. Barnes & Noble will receive all revenue generated from sales and will pay the District the applicable percentage of the bookstores' gross sales. The percentage of gross sales is 13.0% of all gross sales up to \$3.0 million, 14.0% of all gross sales from \$3.0 million to \$4.0 million and 15% of gross sales over \$4.0 million. The District has the obligation to pay Barnes and Noble the value of the stores' inventory at cost if the contract is terminated. During the years ended June 30, 2021 and 2020, the District received \$367,044 and \$364,261, respectively, from Barnes & Noble which is included as operating revenue in the Auxiliary Enterprises Fund.

The District has entered into various equipment operating leases. Total operating lease expenditure for June 30, 2021 and 2020 was \$0 and \$486, respectively. Lease commitments beyond one year are not significant.

**Southwestern Illinois College  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 8. Operating Expenses by Functional Classification**

The following table provides information related to operating expenses by functional classification for the year ended June 30, 2021:

	Salaries and Benefits	Contractual Services	Supplies	Travel and Meeting	Fixed Charges	Utilities	Capital Outlay	Other	TOTAL
Instruction	40,350,332	\$ 947,122	\$ 1,714,281	\$ 361,263	\$ 1,533	\$ -	\$ -	\$ 139,546	\$ 43,514,077
Academic support	1,168,498	93,623	28,426	-	48,816	-	-	-	1,339,363
Student services	7,613,013	262,315	269,085	18,915	40,640	370	-	3,021,980	11,226,318
Public service	6,911,671	229,480	129,297	125,419	760,822	7,030	-	403,081	8,566,800
Institutional support	12,779,250	1,382,650	1,214,809	89,488	606,056	7,890	-	4,720,585	20,800,728
Operation and maintenance of plant and capital outlay	7,442,797	402,078	441,638	19,354	7,461	1,564,820	1,952,023	4,123	11,834,294
Auxiliary enterprise	774,332	882,951	14,182	134,497	213,529	1,680	-	64,243	2,085,414
Depreciation and amortization	-	-	-	-	-	-	-	4,359,955	4,359,955
	<u>\$ 77,039,893</u>	<u>\$ 4,200,219</u>	<u>\$ 3,811,718</u>	<u>\$ 748,936</u>	<u>\$ 1,678,857</u>	<u>\$ 1,581,790</u>	<u>\$ 1,952,023</u>	<u>\$ 12,713,513</u>	<u>\$ 103,726,949</u>

The following table provides information related to operating expenses by functional classification for the year ended June 30, 2020:

	Salaries and Benefits	Contractual Services	Supplies	Travel and Meeting	Fixed Charges	Utilities	Capital Outlay	Other	TOTAL
Instruction	\$ 40,935,299	\$ 1,124,341	\$ 1,237,749	\$ 292,252	\$ 4,710	\$ -	\$ -	\$ 109,447	\$ 43,703,798
Academic support	1,429,541	-	23,680	31	55,482	-	-	-	1,508,734
Student services	8,371,056	97,574	121,234	35,612	41,328	475	-	1,118,423	9,785,702
Public service	7,175,117	516,885	152,180	398,063	631,457	7,342	-	(86,590)	8,794,454
Institutional support	11,146,367	1,053,059	408,871	210,518	1,192,019	8,229	-	4,289,931	18,308,994
Operation and maintenance of plant and capital outlay	8,040,389	289,044	442,540	5,558	737	1,416,398	568,245	(691)	10,762,220
Auxiliary enterprise	596,514	777,730	(34,508)	285,055	324,896	2,168	-	60,191	2,012,046
Depreciation and amortization	-	-	-	-	-	-	-	4,480,007	4,480,007
	<u>\$ 77,694,283</u>	<u>\$ 3,858,633</u>	<u>\$ 2,351,746</u>	<u>\$ 1,227,089</u>	<u>\$ 2,250,629</u>	<u>\$ 1,434,612</u>	<u>\$ 568,245</u>	<u>\$ 9,970,718</u>	<u>\$ 99,355,955</u>

**Note 9. Compensated Absences**

District employees are entitled to certain compensated absences based on their length of employment. Compensated absences accumulate and are accrued when they are earned.

As of June 30, 2021 and 2020, employees had earned but not taken annual vacation leave which, at salary rates in effect at the end of the year, totaled \$1,645,124 and \$1,477,137, respectively. These amounts are considered current.

In 1995, the District adopted Governmental Accounting Standards Board Statement No. 16, which requires an accrual for compensated absences, insofar as its requirements pertaining to accumulated sick leave. The District estimates its liability for accrued sick leave and related benefits as of June 30, 2021 and 2020, to be \$597,633 and \$693,807, respectively, using the termination payment method. Of such amounts, the District estimated that \$597,633 and \$507,981 at June 30, 2021 and 2020, respectively, would be paid in the next fiscal year.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 10. Defined Benefit Pension Plans**

**General Information about the Pension Plan**

Plan description: The District contributes to the State Universities Retirement System of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the 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 of Illinois' financial reporting entity and is included in the state's Comprehensive Annual Financial Report 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](http://www.SURS.org).

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2020 can be found in the SURS Comprehensive Annual Financial Report (CAFR) Notes to the Financial Statements.

Contributions: The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% 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 that are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2020 and 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 Illinois General Assembly.

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) and 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).

**Southwestern Illinois College  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 10. Defined Benefit Pension Plans (continued)**

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

***Net Pension Liability***

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

***Employer Proportionate Share of Net Pension Liability***

The amount of the proportionate share of the net pension liability to be recognized for the District is \$0. The proportionate share of the State's net pension liability associated with the District is \$271,207,743.87 or 0.8857% and 273,673,558.21 or 0.9529% as of June 30, 2020 and 2019, respectively. The Southwestern Illinois College's proportionate share changed by (0.0672%) from 0.9529% since the last measurement date on June 30, 2019. This amount is not recognized in the District's financial statements. The net pension liability and total pension liability as of June 30, 2020, respectively 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 and 2019, respectively.

***Pension Expense***

At June 30, 2020 and 2019, SURS reported a collective net pension expense of \$3,364,411,021 and \$3,094,666,252.

***Employer Proportionate Share of Pension Expense***

The employer proportionate share of collective pension expense is recognized as nonoperating revenue with the matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2020 and 2019. As a result, the District recognized on-behalf revenue and pension expense of \$29,799,774.45 and \$29,489,075 for the fiscal years ended June 30, 2021 and 2020.

***Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 170,987,483	\$ -
Changes in Assumptions	473,019,629	-
Net difference between projected and actual earnings on pension plan investments	474,659,178	-
Total	\$ 1,118,666,290	\$ -

**Southwestern Illinois College  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 10. Defined Benefit Pension Plans (Continued)**

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

Year Ending June 30	Net Deferred Outflows of Resources
2021	\$ 435,271,667
2022	346,428,171
2023	183,483,935
2024	153,482,517
2025	-
Thereafter	-
Total	<u>\$ 1,118,666,290</u>

***Employer Deferral of Pension Expense***

Employer paid \$360,563 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.

Employer paid \$417,699 in federal, trust, or grant contributions for the fiscal year ended June 30, 2020. These contributions were made subsequent to the pension liability measurement date of June 30, 2019, and are recognized as Deferred Outflows of Resources as of June 30, 2020.

***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 – 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

Mortality rates were based on the RP-2014 White Collar, gender distinct tables with projected generational mortality and a separate mortality 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 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:

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 10. Defined Benefit Pension Plans (Continued)**

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

*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 System's 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 net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.49%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage-point higher:

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

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at [www.SURS.org](http://www.SURS.org).

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 11. Postemployment Benefits Other than Pensions**

**General Information**

**Plan Administration**

The District participates in the state of Illinois Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program, "CIP"). CIP is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole benefit of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois Community College Districts throughout the State of Illinois, excluding the City Colleges of Chicago. The Department of Central Management Services administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts. Separate financial statements, including required supplementary information, may be obtained from the Department at 715 Stratton Office Building, Springfield, Illinois, 62706.

**Plan Membership**

All members receiving benefits from the State Universities Retirement System (SURS) who have been full-time employees of a community college district or an association of a community college who have paid the required active member CIP contributions prior to retirement are eligible to participate in CIP. Survivors of an annuitant or benefit recipient eligible for CIP coverage are also eligible for coverage under CIP.

**Benefits Provided**

Health, dental, and vision benefits include basic benefits for annuitants and 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 or credited service with the State, whether the annuitant is covered by Medicare and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute towards health, dental and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount 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. 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.

**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 contribution to the plan at a rate of 0.5% of salary. The statute also requires every community college district, as an employer under 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 (covered payroll). Retirees pay a premium for coverage. Based on the ILCS, the premium paid by retirees is determined by the Director of the Department of Central Management Services. State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the CIP in an amount certified by the SURS Board of Trustees. State appropriation covers any expected expenditures in excess of the contributions by active employees, employers, and retirees. The employer contributions made by the State of Illinois on behalf of the District to CIP and the College's contributions for the years ended June 30, 2021 and 2020 were \$133,263 and \$138,077, respectively.

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 11. Postemployment Benefits Other than Pensions (Continued)**

**Illinois Community College Health Insurance Security Fund – OPEB Liabilities, Expense, Deferred Outflow of Resources and Deferred Inflow of Resources Related to the OPEB**

The District reported a liability of \$27,369,252 as of June 30, 2021. This amount is the District's proportional share of the net OPEB liability. The State of Illinois is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Illinois' proportionate share of the net pension liability associated with the District totaled \$27,369,252. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019 with procedures performed to roll forward the total OPEB liability to the June 30, 2020 measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers and the state of Illinois. At June 30, 2020, the District's proportion was 1.501525%.

For the year ended June 30, 2021, the District recognized OPEB expense of \$590,722 for its proportionate share of the OPEB expense. In addition, the District recognized an additional \$486,768 as OPEB expense (and revenue) for its proportionate share of the State of Illinois' contribution to the plan.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
<b>Deferred Amounts Related to OPEB</b>		
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between Expected and Actual Experience	\$ 248,626	\$ 1,531,801
Changes of Assumptions	-	4,375,342
Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Earnings on OPEB Plan Investments	-	1,159
Changes in Proportion and Differences between Employer Contributions and Share of Contributions	331,905	4,229,569
Total Deferred Amounts to be Recognized in OPEB Expense in Future Periods	580,531	10,137,871
OPEB Contributions made subsequent to the Measurement Date	133,263	-
Total Deferred Amounts Related to OPEB	<u>\$ 713,794</u>	<u>\$ 10,137,871</u>



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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 11. Postemployment Benefits Other than Pensions (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

<u>Year ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 116,106	2,027,574
2022	116,106	2,027,574
2023	116,106	2,027,574
2024	116,106	2,027,574
2025	116,107	2,027,575
	<u>\$ 580,531</u>	<u>\$ 10,137,871</u>

**Actuarial assumptions and other inputs**

The total CIP plan's net OPEB liability was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement date, 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 rate 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. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2018.

**Discount Rate**

Projected benefit payments were 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 CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 2.45% as of June 30, 2020, and 3.13% as of June 30, 2019.

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Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 11. Postemployment Benefits Other than Pensions (Continued)**

Changes Net OPEB liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2019:	27,232,926	(1,123,982)	28,356,908
Changes for the year:			
Service Cost	1,514,849	-	1,514,849
Interest on Total OPEB liability	728,567	-	728,567
Differences Between Expected and Actual Experience of the Total OPEB Liability	-	-	-
	(1,289,995)	-	(1,289,995)
Changes of Assumptions	(1,795,625)	-	(1,795,625)
Employer Contributions	-	138,080	(138,080)
Active Member Contributions	-	69,040	(69,040)
Net Investment Income - Projected	-	375	(375)
Benefit Payments, Including Refunds of Employee Contributions	-	-	-
	(342,378)	(342,378)	-
Operating Expenses	-	(63,499)	63,499
Other	-	1,456	(1,456)
Net Changes	(1,184,582)	(196,926)	(987,656.00)
Balances at June 30, 2020	26,048,344	(1,320,908)	27,369,252

Sensitivity of CIP's Net OPEB Liability to changes in the Single Discount Rate

The following presents the CIP plan's net OPEB liability, calculated using a Single Discount Rate of 2.45%, as well as what the total CIP's plan net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point higher (3.45%) or lower (1.45%) than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2020 to the Single Discount Rate Assumption			
	1% Decrease 1.45%	Current Single Discount Rate Assumption 2.45%	1% Increase 3.45%
Net OPEB Liability	31,185,238	27,369,252	24,078,560

**Southwestern Illinois College  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 11. Postemployment Benefits Other than Pensions (Continued)**

Sensitivity of the CIP's plan Net OPEB liability to changes in the healthcare cost trend rates

The following presents the CIP's plan net OPEB liability, calculated using the healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.25% in 2021 for non-Medicare and post-medicare coverage decreasing to an ultimate trend rate of 4.25% in 2037.

Sensitivity of Net OPEB Liability as of June 30, 2020 to the Healthcare Cost Trend Rate Assumption

	Healthcare Cost Trend		
	1% Decrease	Rate Assumption	1% Increase
Net OPEB Liability	22,678,163	27,369,252	33,591,756

- One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037.
- One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

**Note 12. Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance to handle these risks of loss. The aggregate loss limits for the commercial insurance vary depending on the type of loss and include the following limits at June 30,

	2021	2020
Property	\$251,658,018	\$213,025,032
Business auto liability	1,000,000	1,000,000
Commercial general liability	3,000,000	3,000,000
Commercial umbrella liability	10,000,000	10,000,000
Workers' compensation, Self-Insured Retention	450,000	450,000
Workers' compensation, Part B, Each Accident/Each Employee for Disease	1,000,000	1,000,000

All employees are covered under the workers' compensation, Self-Insured Retention policy. The District utilizes the services of a third-party administrator for claims management and payments. The District purchases commercial insurance for claims in excess of the Self-Insured Retention amount. For the years ended June 30, 2021 and 2020, there have been no claims exceeding the Self-Insured Retention amount of \$450,000 for regular employees.

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 12 Risk Management (continued)**

During fiscal year 2005, the District established the Employee Benefit Fund (Fund), an internal service fund, to account for and finance its uninsured risks of loss related to employee health care costs. As of December 31, 2017, the District transitioned from the comprehensive self-insurance plan through a third-party administrator to a Health Insurance Plan through Blue Cross Blue Shield. While the District was self insured during the calendar year 2017, the Fund provided coverage of the District's employee health and accident insurance up to \$100,000 in eligible claims per covered member per year. Additionally, the District purchased commercial insurance for claims in excess of coverage provided by the Fund. Since the transition to a Health Insurance Plan through Blue Cross Blue Shield, claims have not exceeded the commercial insurance coverage limit for each respective plan year.

The District is named as a defendant in various legal actions arising in the normal course of operations. The District's management believes the resolution of those actions will not have material effect on the District's financial statements.

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 13. Commitments and Building Construction**

All known asbestos, if not in the process of being abated during a current renovation project, is contained and poses no immediate threat to public health. Such asbestos may be remediated when future renovation occurs, if the District deems appropriate. The amount expended in fiscal years 2021 and 2020 for asbestos remediation was \$8,371 and \$0, respectively. The amounts were funded by Protection, Health and Safety property tax revenues.

Southwestern Illinois College has a contract with Bi-State Development Agency of the Missouri-Illinois Metropolitan District for transportation services. The contract requires the College to pay a set boarding fee for passes adopted by the Agency Board of Commissioners. During fiscal years 2021 and 2020, the District paid approximately \$185,500 and \$300,000, respectively for boarding passes under this contract.

**Note 14. New Government Accounting Standards**

**The District adopted the following statement during the year ended June 30, 2021:**

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The College has historically presented fiduciary activities separately and will continue to do so under this Standard.

**The District adopted the following statement during the year ended June 30, 2020:**

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, which was effective immediately upon issuance in May of 2020. This Statement postponed the effective dates of certain standards that first became effective or are scheduled to become effective for periods beginning after June 15, 2018. This Statement postponed the implementation of most standards by one year, with the exception of GASB Statement No. 87, *Leases*, which was postponed by 18 months.

**Southwestern Illinois College  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 15. Tax Abatements**

Tax abatements, as defined by Governmental Accounting Standards Board ("GASB") ("GASB") Statement No. 77, Tax Abatement Disclosures ("GASB 77"), are agreements between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

Since the District does not and has not entered into tax abatement agreements directly with any individuals or entities, the following estimates are from tax abatements entered into by other governments, specifically the county and municipalities within the District's boundary, that have reduced the District's tax revenues.

**Tax Increment Financing affecting SWIC**

Illinois' Tax Increment Allocation Redevelopment Act enables local governments to finance certain redevelopment costs with the revenue generated from (i) payments in lieu of real estate taxes, as measured by the net increase in assessed valuation resulting from redevelopment and (ii) a portion of the increase in other local tax revenue associated with new economic activity. When a tax increment financing ("TIF") plan is adopted, real estate taxes in the redevelopment area are affected. By applying the real estate tax rate of all taxing districts having taxing power within the redevelopment area to the increased assessed valuation resulting from redevelopment, a tax "increment" is produced.

The estimated TIF incremental values and the District's net reduced tax revenue resulting from the TIFs adopted are as follows for the year ended June 30, 2021:

	TIF Incremental Value / Assessments	Reduced Tax Revenues
Various Redevelopment Project Areas within the District's Geographic Area	671,148,777	\$ 3,022,670

In addition, the District has received \$87,281 of payments from various governments in association of the forgone revenue.

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 15. Tax Abatements (Continued)**

Tax Abatements affecting SWIC

The District's property tax revenues were reduced through Enterprise Zone Abatements. The Illinois Enterprise Zone Program is designed to stimulate economic growth and neighborhood revitalization in economically depressed areas of the state through state and local tax incentives, regulatory relief and improved governmental services. The amount of the District's tax revenues that were abated by the county and cities initiating the programs are reported in the following table.

	<u>Abated EAV</u>	<u>Abated Tax</u>
Madison	\$ 15,737,113	\$ 70,219
St. Clair	194,756	883
	<u>\$ 15,931,869</u>	<u>\$ 71,102</u>
Total		

**Note 16. Discretely Presented Component Unit**

The December 31, 2020 and 2019 footnotes of Southwestern Illinois College Foundation, a discretely presented component unit of the District are as follows:

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements.

Nature of Activities

The Southwestern Illinois College Foundation (the Foundation) was organized in 1975 as a nonprofit corporation. The purpose of the Foundation is to assist in developing and increasing the facilities of Southwestern Illinois College by encouraging the donation of gifts, to administer such gifts, and to solicit, receive, hold, and administer contributions for scholarships, programs, and enhancement grants.

The Foundation, which raises and holds economic resources for the direct benefit of Southwestern Illinois College, is considered to have a significant relationship with and is considered a component unit of Southwestern Illinois College.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis.

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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

Note 16. Discretely Presented Component Unit (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to four categories of net assets. A description of the net asset categories follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor-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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include money market funds with average maturities of three months or less.

Investments

The Foundation carries all investments in debt securities and investments in equity securities with readily determinable fair values at fair value in the statement of financial position, with realized and unrealized gains and losses being reflected in the statement of activities.

Beneficial Interest in Perpetual Trusts

The Foundation is the beneficiary of a perpetual trust held by a third party. Under the terms of the trust, the Foundation has the irrevocable right to receive the income generated by the trust in perpetuity, but never receive the corpus of the trust. The beneficial interest in the perpetual trust is recorded at the Foundation's proportional share of the fair value of the underlying trust assets.

Pledge Receivables

Management believes pledge receivables are fully collectible; consequently, no allowance for bad debts has been recorded.

Property and Equipment

Property and equipment is recorded at cost and depreciated on a straight-line basis over the estimated useful life of each asset.



**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 16. Discretely Presented Component Unit (Continued)**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Art Collections

Accessions of art collection items are capitalized at cost if the items were purchased or at their appraised fair value on the accession date (the date which the item is accepted by the Foundation's board of directors) or insurance replacement value if the items were contributed. Art collection items are not depreciated. Gains and losses from deaccessions of these items are reflected in the statement of activities as changes in the appropriate net asset classes, depending on the existence and type of donor-imposed restrictions, if any.

Gifts and Grants

Gifts and grants are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "Net Assets Released from Restrictions."

Donated marketable securities and other noncash donations are recorded as gifts at their estimated fair values at the date of donation.

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases in liabilities, or decreases in expenses depending on the form of the benefits received. Unconditional promises to give that are expected to be collected are recorded at net realizable value.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. When collected prior to satisfaction of donor restrictions, amounts are reported as refundable advances.

Investment Income

Investment income consists of interest and dividends. Income and losses are allocated based on the percentage of the respective ending unrestricted, temporarily restricted, and permanently restricted net asset balance, before the allocation of investment income. Investment income earned on permanently restricted funds is reported in temporarily restricted net assets, as income earned on these funds is available for current use.

Investment income is reported as follows:

As increases in permanently restricted net assets if the terms of the gift or the board's interpretation of relevant state law requires that they be added to the principal of a permanent endowment fund;

As increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income; and

As increases in unrestricted net assets in all other cases.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 16. Discretely Presented Component Unit (Continued)**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Materials, Facilities, and Services

Donated supplies and materials are recorded as contributions and as expenses of the appropriate program or supporting service at their determinable fair value at the date of donation.

Donated property and equipment and art collections are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment and art collections are reported as increases in restricted net assets. Absent donor stipulations regarding how long the donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted assets at that time.

Donated facilities are recorded as contributions and expenses at the date of donation at the amount of (a) the fair rental value of the facilities if the Foundation receives the use of the facilities at no cost or (b) the fair rental value of the facilities less the Foundation's contractual lease obligation if it receives the use of the facilities at below-market rates.

Donated services are recorded as contributions and expenses at their estimated fair value at the date of donation if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Foundation have been summarized on a functional basis in the statements of activities. Expenses are charged to program, management and general, and fundraising based on management's best estimates of payroll allocation, square footage, and total direct expenses. Management and general expenses include those expenses that are not directly identifiable with direct benefit of the students at SWIC but provide for the overall support and direction of the Foundation. Program expenses include direct support of programs offered and scholarships provided to students of Southwestern Illinois College.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 16. Discretely Presented Component Unit (Continued)**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is an organization exempt from income taxes as defined in the Internal Revenue Code Section 501(c)(3).

The Foundation follows standards governing the accounting for uncertainty in income taxes. This guidance prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Foundation evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2020 and 2019.

The Foundation's income tax returns are subject to review and examination by federal and state authorities. The Foundation is not aware of any activities that would jeopardize its tax-exempt status. The Foundation is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

Recent Accounting Pronouncements

Leases

The FASB has issued new guidance on the recognition of lease assets and lease liabilities by lessees for those leases previously classified as operating leases. The guidance requires a lessee to recognize in the statement of financial position a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term. When measuring assets and liabilities arising from a lease, a lessee (and a lessor) should include payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. Similarly, optional payments to purchase the underlying asset should be included in the measurement of lease assets and lease liabilities only if the lessee is reasonably certain to exercise that purchase option. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities.

If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous GAAP. There continues to be a differentiation between finance leases and operating leases. However, the principal difference from previous guidance is that the lease assets and lease liabilities arising from operating leases should be recognized in the consolidated statements of financial position. The guidance will be required for the first fiscal year beginning after December 15, 2021.

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 16. Discretely Presented Component Unit (Continued)**

**INVESTMENTS**

The cost and fair value of investments as of December 31, 2020, are as follows:

	Cost	Fair Value
U.S. Treasury Securities	\$ 1,487,807	\$ 1,318,833
Government and Corporate Debt Securities	1,469,408	1,550,175
Fixed Income Mutual Funds	855,239	921,380
Equity Mutual Funds	2,596,843	3,234,383
Common Stocks	2,085,458	2,888,663
Total	<u>\$ 8,494,755</u>	<u>\$ 9,913,434</u>

The cost and fair value of investments as of December 31, 2019, are as follows:

	Cost	Fair Value
U.S. Treasury Securities	\$ 1,168,261	\$ 1,188,261
Government and Corporate Debt Securities	1,255,257	1,309,404
Fixed Income Mutual Funds	1,318,879	1,344,235
Equity Mutual Funds	2,636,866	2,914,033
Common Stocks	1,638,249	2,204,407
Total	<u>\$ 8,017,512</u>	<u>\$ 8,960,340</u>

Fair value of investments and cash and cash equivalents held for Endowment are \$538,186 and \$515,447 at December 31, 2020 and 2019, respectively.

**FAIR VALUE MEASUREMENTS**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments. The category generally includes certain U.S. Government and agency mortgage-backed debt securities and corporate debt securities.

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 16. Discretely Presented Component Unit (Continued)**

**FAIR VALUE MEASUREMENTS (CONTINUED)**

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant measurement judgment or estimation. This category generally includes certain private debt and equity investments.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular asset.

The following tables present the Foundation's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 and 2019:

December 31, 2020				
	Total	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 1,318,833	\$ -	\$ 1,318,833	\$ -
Government and Corporate				
Debt Securities	1,550,175	-	1,550,175	-
Fixed Income Mutual Funds	921,380	921,380	-	-
Equity Mutual Funds	3,234,383	3,234,383	-	-
Common Stocks	2,888,663	2,888,663	-	-
Total Investments	9,913,434	7,044,426	2,869,008	-
Beneficial Interest in Perpetual Trust	77,144	-	-	77,144
Total	<u>\$ 9,990,578</u>	<u>\$ 7,044,426</u>	<u>\$ 2,869,008</u>	<u>\$ 77,144</u>
December 31, 2019				
	Total	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 1,188,261	\$ -	\$ 1,188,261	\$ -
Government and Corporate				
Debt Securities	1,309,404	-	1,309,404	-
Fixed Income Mutual Funds	1,344,235	1,344,235	-	-
Equity Mutual Funds	2,914,033	2,914,033	-	-
Common Stocks	2,204,407	2,204,407	-	-
Total Investments	8,960,340	6,462,675	2,497,665	-
Beneficial Interest in Perpetual Trust	74,139	-	-	74,139
Total	<u>\$ 9,034,479</u>	<u>\$ 6,462,675</u>	<u>\$ 2,497,665</u>	<u>\$ 74,139</u>

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 16. Discretely Presented Component Unit (Continued)**

**FAIR VALUE MEASUREMENTS (CONTINUED)**

The fair value of common stocks, mutual funds, brokered certificates of deposit, and U.S. Treasury securities has been determined from observable market quotations. Government and corporate debt securities have been valued using market quotations of similar financial instruments.

The following tables provide a summary of changes in fair value of the Foundation's Level 3 financial assets for the year ended December 31, 2020 and 2019:

	Beneficial Interest In Perpetual Trust	
	2020	2019
Balance as of January 1	\$ 74,139	\$ 72,008
Increase (Decrease) in Value of Beneficial Interest	3,005	(8,469)
Balance as of December 31	<u>\$ 77,144</u>	<u>\$ 74,139</u>

**PROPERTY AND EQUIPMENT**

Property and equipment at December 31 consisted of the following:

	2020	2019
Property and Equipment	\$ 28,528	\$ 28,528
Less: Accumulated Depreciation	23,215	21,451
Total	<u>\$ 5,313</u>	<u>\$ 7,077</u>

**RELATED PARTY CONTRIBUTION OF FACILITIES, EQUIPMENT, AND SERVICES**

The Foundation received contributions of the use of facilities, the use of equipment, supplies, and services from Southwestern Illinois College totaling \$363,005 and \$306,930 for the years ended December 31, 2020 and 2019, respectively.

**CONCENTRATION OF CREDIT RISK**

During the years ended December 31, 2020 and 2019, certain cash and investment balances exceeded the Federal Deposit Insurance Corporation (FDIC) insurance limits and the Securities Investors Protection Corporation (SIPC) insurance limits. However, the Foundation has not experienced any losses in such accounts.

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 16. Discretely Presented Component Unit (Continued)**

**NET ASSETS**

Net assets are available as follows at December 31:

	<u>2020</u>	<u>2019</u>
<u>Net Assets without Donor Restrictions</u>		
Unrestricted	\$ 1,028,313	\$ 1,034,030
Board Designated	425,569	387,038
Total Net Assets without Donor Restriction	<u>\$ 1,453,882</u>	<u>\$ 1,421,068</u>
<u>Net Assets with Donor Restrictions</u>		
Life Income Fund	\$ 19,488	\$ 18,332
Scholarships	6,052,385	5,013,897
Academic Costs	2,947,407	2,880,666
	<u>9,019,280</u>	<u>7,912,895</u>
<u>Endowments Held in Perpetuity</u>		
Endowed Scholarships	<u>481,815</u>	<u>478,811</u>
Total Net Assets with Donor Restriction	<u>\$ 9,501,095</u>	<u>\$ 8,391,706</u>

**LIQUIDITY**

The Foundation has \$999,721 of financial assets available within one year of the balance sheet date consisting of cash of \$424,266, unconditional promises to give of \$100, and short term investments of \$575,355. None of the financials assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The unconditional promises to give are subject to time restriction, but will be collected in one year. The Foundation manages its liquidity by investing in securities which can be sold readily and efficiently to ensure the ability to meet all expected or unexpected cash flow needs.

**NET ASSETS RELEASED FROM DONOR RESTRICTIONS**

Net Assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Scholarships and Grants	\$ 300,055	\$ 303,228
Academic Expenses	37,173	107,597
Total	<u>\$ 337,228</u>	<u>\$ 410,825</u>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 16. Discretely Presented Component Unit (Continued)**

**ENDOWMENTS**

Interpretation of Relevant Law

The Foundation's endowment consists of individual funds established primarily for scholarship purposes. The funds are all donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Foundation has interpreted Illinois' Uniform Management of Institutional Funds Act (UMIFA) 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. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UMIFA.

The state of Illinois adoption of Uniform Prudent Management of Institutional Funds Act UPMIFA added certain prudent spending measures to UMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate appreciation of donor-restricted endowment funds:

- (1) The long and short term needs of the Foundation in carrying out its purposes
- (2) Present and anticipated financial requirements
- (3) General economic conditions
- (4) Price level trends
- (5) The expected total return on its investments

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. At December 31, 2017 and 2016, there were no such deficiencies.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power of assets. The Foundation's goal of its endowment funds, over a ten-year time period, is to provide an absolute rate of return of approximately 6%. Actual returns in any given year may vary from this amount.



**Southwestern Illinois College  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 16. Discretely Presented Component Unit (Continued)**

**ENDOWMENTS (CONTINUED)**

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation's permanent endowment funds are limited to fixed income investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 4.75% of its portfolio market value, based upon a three year moving average method. In establishing this policy, the Foundation considered the long-term expected return on its investments. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowments to grow. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The following is a summary of endowment funds subject to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The tables exclude the perpetual trust endowment funds, as these are not subject to UPMIFA:

Endowment Net Asset Composition by Type of Fund as of December 31, 2020 and 2019:

	2020		
	Without Donor Restriction	With Donor Restriction	
		Expendable	Held In Perpetuity
			Total
Donor-Restricted Endowment Funds	\$ -	\$ 115,856	\$ 422,330
			\$ 538,186
2019			
Donor-Restricted Endowment Funds	\$ -	\$ 103,117	\$ 422,330
			\$ 525,447

Southwestern Illinois College  
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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

Note 16. Discretely Presented Component Unit (Continued)

ENDOWMENTS (CONTINUED)

Change in endowment net assets for the years ended December 31, 2020 and 2019:

	2020			
	Without Donor Restriction	With Donor Restriction		Total
		Expendable	Held In Perpetuity	
Beginning of Year	\$ -	\$ 103,117	\$ 422,330	\$ 525,447
Investment Return:				
Investment Income	-	3,305	-	3,305
Net Appreciation (Realized and Unrealized)	-	14,773	-	14,773
Total Investment Return	-	18,078	-	18,078
Appropriation of Endowment Assets for Expenditure	-	(5,339)	-	(5,339)
End of Year	<u>\$ -</u>	<u>\$ 115,856</u>	<u>\$ 422,330</u>	<u>\$ 538,186</u>

	2019			
	Without Donor Restriction	With Donor Restriction		Total
		Expendable	Held In Perpetuity	
Beginning of Year	\$ -	\$ 88,934	\$ 412,330	\$ 501,264
Investment Return:				
Investment Income	-	3,284	-	3,284
Net Appreciation (Realized and Unrealized)	-	16,509	10,000	26,509
Total Investment Return	-	19,793	10,000	29,793
Appropriation of Endowment Assets for Expenditure	-	(5,610)	-	(5,610)
End of Year	<u>\$ -</u>	<u>\$ 103,117</u>	<u>\$ 422,330</u>	<u>\$ 525,447</u>

**Southwestern Illinois College  
Community College District #522**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 16. Discretely Presented Component Unit (Continued)**

The following is a detail of expenses by functional classification for the year ended December 31, 2020 :

	Program	General and Administrative	Fundraising	Total
Scholarship Awards	\$ 300,055	\$ -	\$ -	\$ 300,055
Grants to College Programs	36,872	-	-	36,872
Interest	349	-	-	349
Fundraising Events	-	-	1,155	1,155
Depreciation	-	1,763	-	1,763
Supplies and Other	-	-	861	861
<u>Expenses Paid by the College</u>				
Salaries	-	231,328	-	231,328
Benefits	-	23,110	-	23,110
Supplies and Other	-	4,523	-	4,523
Contracted Services	-	73,500	-	73,500
Accounting	-	8,620	-	8,620
Occupancy	-	21,924	-	21,924
Total Expenses	337,276	364,768	2,016	704,060
Less: Expenses Netted Against Revenue on the Statement of Activities	-	-	(1,155)	(1,155)
Total Expenses Presented on the Statement of Activities	<u>\$ 337,276</u>	<u>\$ 364,768</u>	<u>\$ 861</u>	<u>\$ 702,905</u>

The following is a detail of expenses by functional classification for the year ended December 31, 2019 :

	Program	General and Administrative	Fundraising	Total
Scholarship Awards	\$ 303,228	\$ -	\$ -	\$ 303,228
Grants to College Programs	107,381	-	-	107,381
Interest	364	-	-	364
Fundraising Events	-	-	30,644	30,644
Depreciation	-	1,763	-	1,763
Supplies and Other	-	-	2,007	2,007
<u>Expenses Paid by the College</u>				
Salaries	-	245,746	-	245,746
Benefits	-	20,685	-	20,685
Supplies and Other	-	7,205	-	7,205
Contracted Services	-	1,820	-	1,820
Accounting	-	9,550	-	9,550
Occupancy	-	21,924	-	21,924
Total Expenses	410,973	308,693	32,651	752,317
Less: Expenses Netted Against Revenue on the Statement of Activities	-	-	(30,644)	(30,644)
Total Expenses Presented on the Statement of Activities	<u>\$ 410,973</u>	<u>\$ 308,693</u>	<u>\$ 2,007</u>	<u>\$ 721,673</u>

## REQUIRED SUPPLEMENTAL INFORMATION

Southwestern Illinois College  
Community College District #522

Required Supplementary Information for the Year Ended June 30, 2021 and 2020

Schedule of the Districts Proportionate Share of the Net Pension Liability		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
District's Percentage of the Collective Net Pension Liability		0%	0%	0%	0%	0%	0%	0%
District's Proportionate Amount of the Collective Net Pension Liability			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Amount of the Collective Net Pension Liability associated with the District		\$ 248,326,776	\$ 257,936,876	\$ 286,888,725	\$ 274,660,842	\$ 266,697,200	\$ 273,673,558	\$ 271,207,744
Total		<u>\$ 248,326,776</u>	<u>\$ 257,936,876</u>	<u>\$ 286,888,725</u>	<u>\$ 274,660,842</u>	<u>\$ 266,697,200</u>	<u>\$ 273,673,558</u>	<u>\$ 271,207,744</u>
Employer DB Covered-Employee Payroll		\$ 41,382,491	\$ 39,610,031	\$ 39,884,515	\$ 38,040,432	\$ 34,632,804	\$ 34,395,356	\$ 32,782,689
Proportion of Collective Net Pension Liability associated with the District as a percentage of covered employee payroll		600.08%	651.19%	719.30%	722.02%	770.07%	795.67%	827.29%
SURS Plan Net Position as a Percentage of Total Pension Liability		44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%
Schedule of Contributions		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Federal, Trust, Grant and Other Contribution		\$ 390,857	\$ 327,910	\$ 349,672	\$ 364,466	\$ 350,665	\$ 372,679	\$ 417,699
Contribution in relation to required contribution		\$ (390,857)	\$ (327,910)	\$ (349,672)	\$ (364,466)	\$ (350,665)	\$ (372,679)	\$ (417,699)
Contribution deficiency (excess)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer Covered-Employee Payroll		\$ 41,382,491	\$ 39,693,600	\$ 38,702,135	\$ 36,655,837	\$ 34,535,892	\$ 30,461,098	\$ 32,509,146
Contributions as a percentage of covered employee payroll		0.94%	0.83%	0.90%	0.99%	1.02%	1.22%	1.28%
1.12%								
Additional Information		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
On-Behalf Payments for Community College Health Insurance Program		\$ 155,681.99	\$ 153,386.35	\$ 158,365.30	\$ 155,862.96	\$ 147,172.22	\$ 146,106.61	\$ 138,090.82
								\$ 133,235.32

**Notes to Required Supplementary Information  
For the Year Ended June 30, 2021**

These pension schedules are presented to illustrate the requirements of the Governmental Accounting Standards Board's Statement No. 68 to show information for 10 years. However, until a full 10-year trend is compiled, the District will only present available information measured in accordance with the requirements of Statement No. 68.

*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 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 effective rate of interest 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 age 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 1 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.

Schedule of District's Proportionate Share of the Net OPEB Liability  
Community College Health Insurance Security Fund  
Year Ended June 30, 2021

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
District's proportion of the net OPEB liability	1.796539%	1.685298%	1.627655%	1.501525%
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with employer	\$ 31,867,733	\$ 30,730,314	\$ 29,533,140	\$ 26,022,528
Districts proportionate share of the net OPEB liability	\$ 32,762,356	\$ 31,772,113	\$ 30,738,924	\$ 27,369,252
District's covered payroll	\$ 31,171,527	\$ 29,429,339	\$ 29,195,729	\$ 26,562,600
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	105.10%	107.96%	105.29%	103.04%
Plan fiduciary net position as a percentage of the total OPEB liability	-2.87%	-3.54%	-4.13%	-5.07%

Schedule of District's Contributions  
Community College Health Insurance Security Fund  
Year Ended June 30, 2021

Fiscal Year Ending June 30,	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually Required Contribution	155,863	147,172	146,107	138,091
Contributions in Relation to the Contractually Required Contribution	<u>155,863</u>	<u>147,150</u>	<u>146,131</u>	<u>138,077</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>22</u>	<u>(24)</u>	<u>14</u>
District's Covered Payroll	31,171,527	29,429,339	29,195,729	26,562,600
Contributions as a Percentage of Covered payroll	0.5%	0.5%	0.5%	0.5%

**SOUTHWESTERN ILLINOIS COLLEGE  
COMMUNITY COLLEGE DISTRICT #522  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND  
YEAR ENDED JUNE 30, 2021**

**NOTE 1            CHANGES IN BENEFIT TERMS**

In the June 30, 2020 and June 30, 2019 actuarial valuation, there were no changes in benefit terms.

**NOTE 2            CHANGES OF ASSUMPTIONS**

In the June 30, 2020 actuarial valuation, the following assumptions were made:

- The discount rate was changed from 3.13 percent at June 30, 2019 to 2.45 percent at June 30, 2020.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2019, projected plan cost for plan year-end June 30, 2020, premium increases, and expectation of future trend increases after June 30, 2020.
- No additional trend rate adjustment due to the repeal of the Excise tax.
- Per capita claim costs for plan year-end June 30, 2020, were updated based on projected claims and enrollment experience through June 30, 2020, and updated premium rates through plan year-end 2021.
- Healthcare plan participation rates by plan were updated based on observed experience.

In the June 30, 2019 actuarial valuation, the following assumption changes were made:

- The discount rate was changed from 3.62 percent at June 30, 2018 to 3.13 percent at June 30, 2019.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2018, projected plan cost for plan year-end June 30, 2019, premium changes through plan year-end 2019, and expectation of future trend increases after June 30, 2019.
- The Excise tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2019.
- Per capita claim costs for plan year-end June 30, 2019, were updated based on projected claims and enrollment experience through June 30, 2019, and updated premium rates through plan year-end 2020.
- Healthcare plan participation rates by plan were updated based on observed experience.



## **SUPPLEMENTAL INFORMATION**

**Southwestern Illinois College  
Community College District #522**

**Schedule of Changes in Assets and Liabilities - Fiduciary Fund  
Year Ended June 30, 2021 and 2020**

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<b>Assets</b>				
Cash and cash equivalents	\$ 762,519	\$ 455,305	\$ 463,568	\$ 754,256
Miscellaneous receivables	6,729	507,746	507,746	6,729
Prepaid Items	-	-	-	-
<b>Total Assets</b>	<b>\$ 769,248</b>	<b>\$ 963,051</b>	<b>\$ 971,314</b>	<b>\$ 760,985</b>
<b>Liabilities</b>				
Accounts Payable	\$ 5,769	\$ 607,498	\$ 602,572	\$ 10,695
Deposits held in custody for others	763,479	376,831	390,020	750,290
<b>Total liabilities</b>	<b>\$ 769,248</b>	<b>\$ 984,329</b>	<b>\$ 992,592</b>	<b>\$ 760,985</b>

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>Assets</b>				
Cash and cash equivalents	\$ 724,825	\$ 746,389	\$ 708,695	\$ 762,519
Miscellaneous receivables	6,735	497,921	497,927	6,729
Prepaid Items	201	-	201	-
<b>Total Assets</b>	<b>\$ 731,761</b>	<b>\$ 1,244,310</b>	<b>\$ 1,206,823</b>	<b>\$ 769,248</b>
<b>Liabilities</b>				
Accounts Payable	\$ 16,087	\$ 592,591	\$ 602,909	\$ 5,769
Deposits held in custody for others	715,674	723,528	675,723	763,479
<b>Total liabilities</b>	<b>\$ 731,761</b>	<b>\$ 1,316,119</b>	<b>\$ 1,278,632</b>	<b>\$ 769,248</b>

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## **ICCB STATE GRANTS FINANCIAL COMPLIANCE SECTION**

**Southwestern Illinois College  
Community College District #522**

**Uniform Financial Statement No. 1 - All Funds Summary  
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	Audit Fund	Liability, Protection Settlement Fund	Total
Fund balance (deficit), Beginning of year, July 1, 2020	\$ 30,993,848	\$ 12,758,389	\$ 11,829,043	\$ 476,306	\$ 199,853	\$ 1,491,582	\$ 26,913,568	\$ 73,766	\$ 5,048,022	\$ 89,784,377
Revenues:										
Local tax revenue	16,519,666	6,798,642	3,293,419	4,599,507	-	-	-	64,614	4,307,913	35,583,761
All other local revenue	-	-	-	-	38,852	4,833,172	-	-	-	4,872,024
ICCB Grants	10,999,330	1,455,656	-	-	-	2,089,995	-	-	-	14,544,981
All other state revenue	-	-	-	-	-	421,040	-	-	-	421,040
Federal revenue	6,978,309	-	-	-	-	23,875,269	-	-	-	30,853,578
Student tuition and fees	21,685,115	-	-	-	-	-	-	-	-	21,685,115
On-Behalf CIP	-	-	-	-	-	486,768	-	-	-	486,768
On-Behalf SURS	-	-	-	-	-	29,799,774	-	-	-	29,799,774
All other revenue	825,365	125,126	3,225	4,779,919	501,945	631,134	12,516,812	-	17	19,383,543
<b>Total revenue</b>	<b>57,007,785</b>	<b>8,379,424</b>	<b>3,296,644</b>	<b>9,379,426</b>	<b>540,797</b>	<b>62,137,152</b>	<b>12,516,812</b>	<b>64,614</b>	<b>4,307,930</b>	<b>157,630,584</b>
Expenditures:										
Instruction	24,356,412	-	-	-	-	20,514,318	-	-	-	44,870,730
Academic support	859,753	-	-	-	-	479,610	-	-	-	1,339,363
Student services	4,211,580	-	-	-	-	4,074,158	-	-	-	8,285,738
Public service/continuing education	390,001	-	-	-	-	8,158,331	-	-	-	8,548,332
Auxiliary services	-	-	-	-	1,694,099	297,507	-	-	-	1,991,606
Operations and maintenance	-	5,541,628	-	-	-	2,831,765	-	-	1,969,157	10,342,550
Institutional support	11,491,392	366,958	86,765	334,319	-	13,748,118	-	65,370	1,544,934	27,637,856
Scholarships, student grants, and waivers	2,424,441	-	-	-	55,028	11,937,561	-	-	-	14,417,030
Debt service:										
Principal	158,795	-	-	8,914,577	-	-	-	-	-	9,073,372
Interest	12,504	-	-	231,876	-	-	-	-	-	244,380
<b>Total expenditures</b>	<b>43,904,878</b>	<b>5,908,586</b>	<b>86,765</b>	<b>9,480,772</b>	<b>1,749,127</b>	<b>62,041,368</b>	<b>-</b>	<b>65,370</b>	<b>3,514,091</b>	<b>126,750,957</b>
<b>Net transfers</b>	<b>(871,732)</b>	<b>16,099</b>	<b>-</b>	<b>-</b>	<b>755,500</b>	<b>116,232</b>	<b>(16,099)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance (deficit): Net position - end of year	<b>\$ 43,225,023</b>	<b>\$ 15,245,326</b>	<b>\$ 15,038,922</b>	<b>\$ 374,960</b>	<b>\$ (252,977)</b>	<b>\$ 1,703,598</b>	<b>\$ 39,414,281</b>	<b>\$ 73,010</b>	<b>\$ 5,841,861</b>	<b>\$120,664,004</b>

**Southwestern Illinois College  
Community College District #522**

**Uniform Financial Statement No. 2 - Summary of Investment in Plant Fund and Debt  
Year Ended June 30, 2021**

	Investment in Plant Fund June 30, 2020	Additions	Deletions	Investment in Plant Fund June 30, 2021
Fixed assets:				
Land	\$ 6,515,480	\$ -	\$ -	\$ 6,515,480
Site improvements	16,819,233	-	-	16,819,233
Buildings	53,524,255	-	-	53,524,255
Building Improvements	47,531,004	-	-	47,531,004
Equipment	19,064,243	1,780,157	(22,935)	20,821,465
Construction in progress	763,732	33,287	-	797,019
Accumulated Depreciation	<u>(85,103,690)</u>	<u>(4,359,955)</u>	<u>14,828</u>	<u>(89,448,817)</u>
<b>Net Fixed Assets</b>	<u><u>\$ 59,114,257</u></u>	<u><u>\$ (2,546,511)</u></u>	<u><u>\$ (8,107)</u></u>	<u><u>\$ 56,559,639</u></u>
	June 30, 2020	Additions	Deletions	June 30, 2021
Fixed debt:				
Other Fixed Liabilities	\$ 652,338	\$ 423,138	\$ (198,985)	\$ 876,491
Bonds payable	<u>8,865,000</u>	<u>16,790,000</u>	<u>(8,865,000)</u>	<u>16,790,000</u>
<b>Total fixed liabilities</b>	<u><u>\$ 9,517,338</u></u>	<u><u>\$ 17,213,138</u></u>	<u><u>\$ (9,063,985)</u></u>	<u><u>\$ 17,666,491</u></u>

**Southwestern Illinois College  
Community College District #522**

**Uniform Financial Statement No. 3 - Operating Fund Revenues and  
Expenditures  
Year Ended June 30, 2021**

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
Operating revenue by source:			
Local government:			
Property taxes	\$ 15,377,274	\$ 5,863,958	\$ 21,241,232
CPPRT	1,142,392	934,684	2,077,076
	<u>16,519,666</u>	<u>6,798,642</u>	<u>23,318,308</u>
State government:			
ICCB base operating grant	5,896,655	-	5,896,655
ICCB equalization grants	4,366,968	1,455,656	5,822,624
ICCB - Career and Technical Education	735,707	-	735,707
Other ICCB	-	-	-
	<u>10,999,330</u>	<u>1,455,656</u>	<u>12,454,986</u>
Federal government	<u>6,978,309</u>	<u>-</u>	<u>6,978,309</u>
Student tuition and fees:			
Tuition	17,679,023	-	17,679,023
Fees	3,971,502	-	3,971,502
Other Student Assessments	34,590	-	34,590
	<u>21,685,115</u>	<u>-</u>	<u>21,685,115</u>
Other sources:			
Sales and service fees	427,771	-	427,771
Facilities revenue	100	125,029	125,129
Investment revenue	44,517	97	44,614
Other	352,977	-	352,977
	<u>825,365</u>	<u>125,126</u>	<u>950,491</u>
<b>Total revenues</b>	<b>\$ 57,007,785</b>	<b>\$ 8,379,424</b>	<b>\$ 65,387,209</b>
Less nonoperating item:			
Tuition chargeback revenue	<u>-</u>	<u>-</u>	<u>-</u>
<b>Adjusted revenues</b>	<b><u>\$ 57,007,785</u></b>	<b><u>\$ 8,379,424</u></b>	<b><u>\$ 65,387,209</u></b>

**Southwestern Illinois College  
Community College District #522**

**Uniform Financial Statement No. 3 - Operating Fund Revenues and  
Expenditures (Continued)  
Year Ended June 30, 2021**

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$ 24,356,412	\$ -	\$ 24,356,412
Academic support	859,753	-	859,753
Student services	4,211,580	-	4,211,580
Public service/continuing education	390,001	-	390,001
Operations and maintenance	-	5,541,627	5,541,627
Institutional support	11,662,691	366,958	12,029,649
Scholarships, student grants, and waivers	2,424,441	-	2,424,441
<b>Total expenditures</b>	<b>43,904,878</b>	<b>5,908,585</b>	<b>49,813,463</b>
Less nonoperating items:			
Tuition chargeback *	-	-	-
Instructional service contracts	-	-	-
Transfers	871,732	(16,099)	855,633
<b>Adjusted expenditures</b>	<b>\$ 44,776,610</b>	<b>\$ 5,892,486</b>	<b>\$ 50,669,096</b>
Operating expenditures by object:			
Salaries	\$ 30,917,707	\$ 2,559,304	\$ 33,477,011
Employee benefits	4,116,134	562,509	4,678,643
Contractual services	2,014,193	547,876	2,562,069
General materials and supplies	1,402,710	392,665	1,795,375
Conference and meeting expenses	101,252	59	101,311
Fixed charges	547,348	163,200	710,548
Utilities	8,261	1,554,723	1,562,984
Capital outlay	422,514	115,876	538,390
Other	4,374,759	12,373	4,387,132
<b>Total expenditures</b>	<b>43,904,878</b>	<b>5,908,585</b>	<b>49,813,463</b>
Less nonoperating items:			
Tuition chargeback *	-	-	-
Instructional service contracts	-	-	-
Transfers	871,732	(16,099)	855,633
<b>Adjusted expenditures</b>	<b>\$ 44,776,610</b>	<b>\$ 5,892,486</b>	<b>\$ 50,669,096</b>

\* Intercollege tuition chargeback expenditures are subtracted to allow for statewide comparisons



**Southwestern Illinois College  
Community College District #522**

**Uniform Financial Statement No. 4 - Restricted Purposes Fund  
Revenues and Expenditures  
Year Ended June 30, 2021**

Revenue by source:	
Total local government	<u>\$ 4,833,172</u>
State government:	
ICCB Adult Education	857,645
ICCB Other	1,232,350
Dept. of Transportation	258,554
Illinois Student Assistance Commission	
On-Behalf CIP	486,768
On-Behalf SURS	29,799,774
Other	162,485
	<u>32,797,576</u>
Federal government:	
Department of Education	22,542,078
Department of Labor	131,938
Department of Health and Human Services	135,469
Other	1,065,784
	<u>23,875,269</u>
Other sources	<u>631,134</u>
<b>Total restricted purposes fund revenues</b>	<u><b>\$ 62,137,151</b></u>
Expenditures by program:	
Instruction	\$ 20,514,318
Academic Support	479,610
Student services	4,074,158
Public service/continuing education	8,158,331
Auxiliary Services	297,507
Operations and maintenance of plant	2,831,765
Institutional support	13,748,119
Scholarships, student grants, and waivers	11,937,561
<b>Total expenditures by program</b>	<u><b>\$ 62,041,369</b></u>
Expenditures by object:	
Salaries	\$ 4,870,788
Employee benefits	31,313,782
Contractual services	599,372
Student financial aid	8,239,887
General materials and supplies	1,942,840
Conference and meeting expenses	493,832
Fixed charges	760,872
Utilities	7,030
Capital outlay	2,766,102
Other	11,046,864
<b>Total expenditures by object</b>	<u><b>\$ 62,041,369</b></u>

**Southwestern Illinois College  
Community College District #522**

**Uniform Financial Statement No. 5 - Expenditures by Activity  
Current Funds  
Year Ended June 30, 2021**

Instruction	<u>\$ 44,870,731</u>
Academic support:	
Library center	709,820
Instructional materials center	258,307
Educational media services	96,360
Academic computing support	46,853
Academic administration and planning	39,140
Other	188,883
<b>Total academic support</b>	<u>1,339,363</u>
Student services:	
Admissions and records	1,571,118
Counseling and career guidance	4,170,663
Financial aid administration	1,608,876
Other	935,081
<b>Total student services</b>	<u>8,285,738</u>
Public service/continuing education:	
Community education	87
Customized training (instructional)	1,425,429
Professional development	-
Community services	7,122,816
Other	-
<b>Total public service/continuing education</b>	<u>8,548,332</u>
Auxiliary services	<u>1,991,606</u>
Operations and maintenance of plant:	
Maintenance	1,189,979
Custodial services	3,827,155
Grounds	438,175
Campus security	2,825,671
Utilities	1,600,859
Administration	460,710
<b>Total operations and maintenance of plant</b>	<u>10,342,549</u>

**Southwestern Illinois College  
Community College District #522**

**Uniform Financial Statement No. 5 - Expenditures by Activity  
Current Funds (Continued)  
Year Ended June 30, 2021**

Institutional support:	
Executive management	\$ 1,144,008
Fiscal operations	1,440,145
Community relations	1,065,969
Administrative support services	1,300,424
Board of trustees	324,121
General institution	6,542,766
Institutional research	205,034
Administrative data processing	6,276,188
Other	9,089,416
<b>Total institutional support</b>	<b><u>27,388,071</u></b>
Scholarships, student grants and waivers	<u>14,417,030</u>
<b>Total current funds expenditures</b>	<b><u>\$ 117,183,420</u></b>

# CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2022

## ALL FISCAL YEAR 2021 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1. Education Fund	\$ 43,482,368	
2. Operations and Maintenance Fund	5,792,711	
3. Public Building Commission Operations and Maintenance Fund	-	
4. Bond and Interest Fund	4,519,889	
5. Public Building Commission Rental Fund	-	
6. Restricted Purposes Fund	25,541,853	
7. Audit Fund	65,371	
8. Liability, Protection, and Settlement Fund	3,155,590	
9. Auxiliary Enterprises Fund (subsidy only)	755,500	
10. TOTAL NONCAPITAL EXPENDITURES (SUM OF LINES 1-9)		\$ 83,313,281
11. Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	\$ 2,986,177	
12. TOTAL COSTS INCLUDED (line 10 plus line 11)		\$ 86,299,459
13. Total certified semester credit hours for FY 2021	138,622.50	
14. PER CAPITA COST (line 12 divided by line 13)		\$ 623
15. All FY 2021 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	\$ 15,539,248	
16. FY 2021 state and federal grants per semester credit hour (line 15 divided by line 13)		\$ 112
17. District's average ICCB grant rate (excluding equalization grants) for FY 2022		36.72
18. District's student tuition and fee rate per semester credit hour for FY 2022		122
19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)		\$ 352

Approved: Melissa J. Roche  
Chief Fiscal Officer

3/30/22  
Date

Approved: [Signature]  
Chief Executive Officer

3-30-22  
Date

**Southwestern Illinois College  
Community College District #522**

**Combining Balance Sheet  
All Fund Types  
June 30, 2021**

	Current Funds		Loan Funds	Plant Funds		Reconciliation	Total
	Unrestricted	Restricted		Operations and Maintenance	Investment in Plant		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 95,865,460	\$ 461,954	\$ 414,194	\$ 15,886,837	\$ -	\$ -	\$ 112,628,445
Restricted cash	-	-	-	-	-	499,661	499,661
Receivables:							
Property taxes	38,955,804	-	6,701,358	4,839,706	-	-	50,496,868
Government Claims	577,339	10,086,152	-	-	-	-	10,663,491
Student tuition and fees	10,006,004	-	-	-	-	-	10,006,004
Other	1,522,119	(6,721)	-	-	-	-	1,515,398
Total receivables	51,061,266	10,079,431	6,701,358	4,839,706	-	-	72,681,761
Due from other funds	21,626,573	65,293	5,141,824	-	-	6,368	26,840,058
Prepaid items	545,250	36,240	-	-	-	-	581,490
Land	-	-	-	-	6,515,480	-	6,515,480
Depreciable capital assets, net of accumulated depreciation	11,469	-	-	-	49,235,671	-	49,247,140
Construction in progress	-	-	-	-	797,019	-	797,019
<b>Total assets</b>	<b>169,110,018</b>	<b>10,642,918</b>	<b>12,257,376</b>	<b>20,726,543</b>	<b>56,548,170</b>	<b>506,029</b>	<b>269,791,054</b>
Deferred Outflows of Resources							
Deferred outflows related to OPEB	-	-	-	-	-	713,794	713,794
Subsequent year's pension expense related to federal, trust, or grant contributions in the current year	-	-	-	-	-	360,563	360,563
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 169,110,018</b>	<b>\$ 10,642,918</b>	<b>\$ 12,257,376</b>	<b>\$ 20,726,543</b>	<b>\$ 56,548,170</b>	<b>\$ 1,580,386</b>	<b>\$ 270,865,411</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>							
Accounts payable	\$ 2,004,570	\$ 1,008,039	\$ -	\$ 77,689	\$ -	\$ -	\$ 3,090,298
Accrued expenditures and compensated absences, current	3,454,127	131,270	44,171	-	-	(35,126)	3,594,442
Due to other funds	14,977,793	6,800,758	5,061,507	-	-	-	26,840,058
Unearned revenues							
Student tuition and fees	5,715,004	-	-	-	-	-	5,715,004
Other	(499)	999,253	-	734,932	-	-	1,733,686
Total unearned revenue	5,714,505	999,253	-	734,932	-	-	7,448,690
Compensated absences	-	-	-	-	-	-	-
Unamortized bond premium	-	-	-	-	-	406,322	406,322
Net OPEB Liability	-	-	-	-	-	27,369,252	27,369,252
Bonds contracts and leases payable	-	-	-	-	-	17,260,169	17,260,169
<b>Total liabilities</b>	<b>26,150,995</b>	<b>8,939,320</b>	<b>5,105,678</b>	<b>812,621</b>	<b>-</b>	<b>45,000,617</b>	<b>86,009,231</b>
Deferred inflows of resources							
Subsequent year's property taxes	39,412,499	-	6,776,738	4,875,000	-	-	51,064,237
Deferred inflows related to OPEB	-	-	-	-	-	10,137,871	10,137,871
<b>FUND BALANCES</b>							
Nonspendable	545,250	36,240	-	-	-	-	581,490
Investment in plant, net of related debt	11,469	-	-	-	56,548,170	(2,925,708)	53,633,931
Unassigned	102,989,805	-	-	-	-	(50,632,394)	52,357,411
Restricted	-	1,667,358	374,960	15,038,922	-	-	17,081,240
<b>Total fund balances</b>	<b>103,546,524</b>	<b>1,703,598</b>	<b>374,960</b>	<b>15,038,922</b>	<b>56,548,170</b>	<b>(53,558,102)</b>	<b>123,654,072</b>
<b>Total liabilities deferred inflows of resources, and fund balances</b>	<b>\$ 169,110,018</b>	<b>\$ 10,642,918</b>	<b>\$ 12,257,376</b>	<b>\$ 20,726,543</b>	<b>\$ 56,548,170</b>	<b>\$ 1,580,386</b>	<b>\$ 270,865,411</b>

**Southwestern Illinois College  
Community College District #522**

**Combining Schedule of Changes in Fund Balances - All Fund Types  
Year Ended June 30, 2021**

	Current Funds		Loan	Plant Funds		Reconciliation	Total
	Unrestricted	Restricted		Operations and Maintenance	Investment in Plant		
<b>Revenues:</b>							
Local government sources:							
Property taxes	\$ 25,613,759	\$ -	\$ 4,599,507	\$ 3,293,419	\$ -	\$ -	\$ 33,506,685
Corporate personal property replacement taxes	2,077,076	-	-	-	-	-	2,077,076
Other local sources	38,852	4,833,172	-	-	-	-	4,872,024
State government sources:							
ICCB state grants	12,454,986	2,089,995	-	-	-	-	14,544,981
Other state grants	-	421,040	-	-	-	-	421,040
Federal government	6,978,309	27,073,688	-	-	-	(9,997,788)	24,054,209
Student tuition and fees	21,685,115	-	-	-	-	(8,924,878)	12,760,237
Investment income	61,426	885	-	3,225	-	-	65,536
Auxiliary enterprise revenue	134,901	-	-	-	-	-	134,901
Facilities revenue	125,129	-	-	-	-	-	125,129
Other sources	1,147,809	958,473	-	-	-	(322,879)	1,783,403
Payments on Behalf of the District	-	30,286,542	-	-	-	-	30,286,542
Expended for capital assets	-	-	-	-	1,805,336	(1,805,336)	-
<b>Total revenues</b>	<b>70,317,362</b>	<b>65,663,795</b>	<b>4,599,507</b>	<b>3,296,644</b>	<b>1,805,336</b>	<b>(21,050,881)</b>	<b>124,631,763</b>
<b>Expenditures:</b>							
Current:							
Instruction	24,307,662	19,206,415	-	-	-	-	43,514,077
Academic support	859,753	479,610	-	-	-	-	1,339,363
Student services	4,211,580	19,138,189	-	-	-	(12,123,451)	11,226,318
Public service	388,651	8,506,373	-	-	-	(328,224)	8,566,800
Institutional support	15,506,581	12,342,049	334,319	9,075	-	(7,457,689)	20,734,335
Operations and maintenance of plant	7,050,508	2,831,765	-	-	-	-	9,882,273
Auxiliary enterprises	1,787,906	297,508	-	-	-	-	2,085,414
Depreciation	(55,453)	-	-	-	4,415,408	-	4,359,955
Capital Outlay	913,565	2,766,102	-	77,690	-	(1,805,336)	1,952,021
Debt Service							
Principal	158,795	-	8,914,577	-	-	(9,023,795)	49,577
Interest	12,504	-	231,876	-	-	(9,213)	235,167
<b>Total expenditures</b>	<b>55,142,052</b>	<b>65,568,011</b>	<b>9,480,772</b>	<b>86,765</b>	<b>4,415,408</b>	<b>(30,747,708)</b>	<b>103,945,300</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>15,175,310</b>	<b>95,784</b>	<b>(4,881,265)</b>	<b>3,209,879</b>	<b>(2,610,072)</b>	<b>9,696,827</b>	<b>20,686,463</b>
<b>Other financing sources (uses):</b>							
Transfers in	771,599	161,894	-	-	-	-	933,493
Transfers out	(887,831)	(45,662)	-	-	-	-	(933,493)
Debt proceeds	12,500,000	-	4,779,919	-	-	(17,296,735)	(16,816)
Bond premium amortization	-	-	-	-	-	123,787	123,787
	<b>12,383,768</b>	<b>116,232</b>	<b>4,779,919</b>	<b>-</b>	<b>-</b>	<b>(17,172,948)</b>	<b>106,971</b>
<b>Excess (deficiency) of revenues over expenditures and transfers</b>	<b>27,559,078</b>	<b>212,016</b>	<b>(101,346)</b>	<b>3,209,879</b>	<b>(2,610,072)</b>	<b>(7,476,121)</b>	<b>20,793,434</b>
<b>Fund Balance</b>							
Fund Balances beginning of year	75,987,446	1,491,582	476,306	11,829,043	59,158,242	(46,081,981)	102,860,638
Change in Accounting Principle	-	-	-	-	-	-	-
Fund balances (deficit) beginning of year, as restated	<b>75,987,446</b>	<b>1,491,582</b>	<b>476,306</b>	<b>11,829,043</b>	<b>59,158,242</b>	<b>(46,081,981)</b>	<b>102,860,638</b>
<b>Fund balances (deficit) end of year</b>	<b>\$ 103,546,524</b>	<b>\$ 1,703,598</b>	<b>\$ 374,960</b>	<b>\$ 15,038,922</b>	<b>\$ 56,548,170</b>	<b>\$ (53,558,102)</b>	<b>\$ 123,654,072</b>

**Southwestern Illinois College  
Community College District #522**

**Combining Balance Sheet - Current Unrestricted Funds  
June 30, 2021**

	Education	Operation and Maintenance	Auxiliary Enterprises	Working Cash	Audit	Liability, Protection, and Settlement	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 34,597,667	\$ 15,608,123	\$ (344,220)	\$ 39,494,598	\$ 36,017	\$ 6,473,275	\$ 95,865,460
Receivables:							
Property taxes	23,581,089	8,981,563	-	-	88,993	6,304,159	38,955,804
Government Claims	213,724	174,865	188,750	-	-	-	577,339
Student tuition and fees	10,006,004	-	-	-	-	-	10,006,004
Other	1,522,119	-	-	-	-	-	1,522,119
Total Receivables	35,322,936	9,156,428	188,750	-	88,993	6,304,159	51,061,266
Due from other funds	16,504,157	1,654	14,255	5,061,507	45,000	-	21,626,573
Prepaid items	323,419	201,063	15,486	-	-	5,282	545,250
Depreciable capital assets, net of depreciation	-	-	11,469	-	-	-	11,469
<b>Total Assets</b>	<b>\$ 86,748,179</b>	<b>\$ 24,967,268</b>	<b>\$ (114,260)</b>	<b>\$ 44,556,105</b>	<b>\$ 170,010</b>	<b>\$ 12,782,716</b>	<b>\$ 169,110,018</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 1,412,124	\$ 453,266	\$ 92,307	\$ -	\$ 7,000	\$ 39,873	\$ 2,004,570
Accrued liabilities	2,736,462	147,527	46,110	-	-	524,028	3,454,127
Due to other funds	9,814,485	19,530	-	5,141,824	-	1,954	14,977,793
Unearned revenues:							
Student tuition and fees	5,715,004	-	-	-	-	-	5,715,004
Other	(799)	-	300	-	-	-	(499)
Total unearned revenue	5,714,205	-	300	-	-	-	5,714,505
<b>Total liabilities</b>	<b>19,677,276</b>	<b>620,323</b>	<b>138,717</b>	<b>5,141,824</b>	<b>7,000</b>	<b>565,855</b>	<b>26,150,995</b>
Deferred inflows of resources:							
Subsequent year's property taxes	23,845,880	9,101,619	-	-	90,000	6,375,000	39,412,499
<b>FUND BALANCE</b>							
Nonspendable	323,419	201,063	15,486	-	-	5,282	545,250
Investment, in plant, net of related debt	-	-	11,469	-	-	-	11,469
Unassigned	42,901,604	15,044,263	(279,932)	39,414,281	73,010	5,836,579	102,989,805
<b>Total fund balance</b>	<b>43,225,023</b>	<b>15,245,326</b>	<b>(252,977)</b>	<b>39,414,281</b>	<b>73,010</b>	<b>5,841,861</b>	<b>103,546,524</b>
<b>Total liabilities, Deferred inflows of resources, and fund balance</b>	<b>\$ 86,748,179</b>	<b>\$ 24,967,268</b>	<b>\$ (114,260)</b>	<b>\$ 44,556,105</b>	<b>\$ 170,010</b>	<b>\$ 12,782,716</b>	<b>\$ 169,110,018</b>

**Southwestern Illinois College  
Community College District #522**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Current Unrestricted Funds  
Year Ended June 30, 2021**

	Education Fund	Operation and Maintenance Fund	Auxiliary Enterprises Fund	Working Cash Fund	Audit Fund	Liability, Protection and Settlement Fund	Total
<b>Revenues:</b>							
Local government sources:							
Property taxes	\$ 15,377,274	\$ 5,863,958	\$ -	\$ -	\$ 64,614	\$ 4,307,913	\$ 25,613,759
Corporate personal property replacement taxes	1,142,392	934,684	-	-	-	-	2,077,076
Other local government	-	-	38,852	-	-	-	38,852
State government sources:							
ICCB state grants	10,999,330	1,455,656	-	-	-	-	12,454,986
Federal government	6,978,309	-	-	-	-	-	6,978,309
Student tuition and fees	21,685,115	-	-	-	-	-	21,685,115
Investment income	44,517	97	-	16,812	-	-	61,426
Auxiliary enterprise revenue	-	-	134,901	-	-	-	134,901
Facilities revenue	100	125,029	-	-	-	-	125,129
Other sources	780,748	-	367,044	-	-	17	1,147,809
SURS contribution provided by State	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>57,007,785</b>	<b>8,379,424</b>	<b>540,797</b>	<b>16,812</b>	<b>64,614</b>	<b>4,307,930</b>	<b>70,317,362</b>
<b>Expenditures:</b>							
Current:							
Instruction	24,307,662	-	-	-	-	-	24,307,662
Academic support	859,753	-	-	-	-	-	859,753
Student services	4,211,580	-	-	-	-	-	4,211,580
Public service	388,651	-	-	-	-	-	388,651
Institutional support	13,543,419	352,858	-	-	65,370	1,544,934	15,506,581
Operations and maintenance of plant	-	5,439,852	-	-	-	1,610,656	7,050,508
Auxiliary enterprises	-	-	1,787,906	-	-	-	1,787,906
Depreciation	-	-	(55,453)	-	-	-	(55,453)
SURS contribution provided by State	-	-	-	-	-	-	-
Capital Outlay	422,514	115,876	16,674	-	-	358,501	913,565
Debt Service							
Principal	158,795	-	-	-	-	-	158,795
Interest	12,504	-	-	-	-	-	12,504
<b>Total expenditures</b>	<b>43,904,878</b>	<b>5,908,586</b>	<b>1,749,127</b>	<b>-</b>	<b>65,370</b>	<b>3,514,091</b>	<b>55,142,052</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>13,102,907</b>	<b>2,470,838</b>	<b>(1,208,330)</b>	<b>16,812</b>	<b>(756)</b>	<b>793,839</b>	<b>15,175,310</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	16,099	755,500	-	-	-	771,599
Transfers out	(871,732)	-	-	(16,099)	-	-	(887,831)
Debt proceeds	-	-	-	12,500,000	-	-	12,500,000
	<b>(871,732)</b>	<b>16,099</b>	<b>755,500</b>	<b>12,483,901</b>	<b>-</b>	<b>-</b>	<b>12,383,768</b>
<b>Excess (deficiency) of revenues over expenditures and other financing uses</b>	<b>12,231,175</b>	<b>2,486,937</b>	<b>(452,830)</b>	<b>12,500,713</b>	<b>(756)</b>	<b>793,839</b>	<b>27,559,078</b>
<b>Fund Balance</b>							
Fund balance (deficit) beginning of year	30,993,848	12,758,389	199,853	26,913,568	73,766	5,048,022	75,987,446
<b>Fund balances (deficit) end of year</b>	<b>43,225,023</b>	<b>\$ 15,245,326</b>	<b>\$ (252,977)</b>	<b>\$ 39,414,281</b>	<b>\$ 73,010</b>	<b>\$ 5,841,861</b>	<b>\$ 103,546,524</b>



**Southwestern Illinois College  
Community College District #522**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget vs. Actual  
Operating Funds (Education and Operations and Maintenance Funds)  
Year Ended June 30, 2021**

	Budget	Education Fund	Operation and Maintenance Fund	Total	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
Local government sources:					
Property taxes	\$ 20,862,696	\$ 15,377,274	\$ 5,863,958	\$ 21,241,232	\$ 378,536
Tuition chargebacks	-	-	-	-	-
Corporate personal property replacement taxes	1,267,150	1,142,392	934,684	2,077,076	809,926
State government sources:					
ICCB state grants	11,869,022	10,999,330	1,455,656	12,454,986	585,964
Other State Sources	-	-	-	-	-
Federal government	25,000	6,978,309	-	6,978,309	6,953,309
Student tuition and fees	24,029,265	21,685,115	-	21,685,115	(2,344,150)
Investment income	520,000	44,517	97	44,614	(475,386)
Facilities revenue	135,575	100	125,029	125,129	(10,446)
Other sources	675,000	780,748	-	780,748	105,748
<b>Total revenues</b>	<b>59,383,708</b>	<b>57,007,785</b>	<b>8,379,424</b>	<b>65,387,209</b>	<b>6,003,501</b>
<b>Expenditures:</b>					
Current:					
Instruction	28,355,692	24,901,475	-	24,901,475	3,454,217
Academic support	1,249,236	859,753	-	859,753	389,483
Student services	5,374,640	4,211,580	-	4,211,580	1,163,060
Public service	392,692	388,651	-	388,651	4,041
Institutional support	17,260,412	13,543,419	352,858	13,896,277	3,364,135
Operations and maintenance of plant	6,984,794	-	5,555,728	5,555,728	1,429,066
<b>Total expenditures</b>	<b>59,617,466</b>	<b>43,904,878</b>	<b>5,908,586</b>	<b>49,813,464</b>	<b>9,804,002</b>
<b>Excess of revenues over expenditures</b>	<b>(233,758)</b>	<b>13,102,907</b>	<b>2,470,838</b>	<b>15,573,745</b>	<b>15,807,503</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	16,099	16,099	16,099
Transfers out	(1,340,000)	(871,732)	-	(871,732)	468,268
	<b>(1,340,000)</b>	<b>(871,732)</b>	<b>16,099</b>	<b>(855,633)</b>	<b>484,367</b>
<b>Excess (deficiency) of revenues over expenditures and other financing uses</b>	<b>(1,573,758)</b>	<b>12,231,175</b>	<b>2,486,937</b>	<b>14,718,112</b>	<b>16,291,870</b>
Fund balances beginning of year	40,148,790	30,993,848	12,758,389	43,752,237	3,603,447
Fund balances end of year	<b>\$ 38,575,032</b>	<b>\$ 43,225,023</b>	<b>\$ 15,245,326</b>	<b>\$ 58,470,349</b>	<b>\$ 19,895,317</b>

**Note:** SURS contribution provided by State was excluded for purposes of this schedule. It is not a budgeted line item as the amount is determined each year by the State of Illinois.

**Southwestern Illinois College  
Community College District #522**

**Schedule of Net Position  
Internal Service Fund  
June 30, 2021**

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<b>Assets</b>	
Cash and cash equivalents	\$ 499,661
Receivable - Interfund	
<b>Total assets</b>	<u><u>\$ 499,661</u></u>
 <b>Liabilities - accrued expenditures</b>	 <u>\$ -</u>
 <b>Net Position</b>	 <u>499,660</u>
<b>Total liabilities and net position</b>	<u><u>\$ 499,660</u></u>

**Southwestern Illinois College  
Community College District #522**

**Schedule of Revenues, Expenses, and Changes in Net Position  
Internal Service Fund  
Year Ended June 30, 2021**

**Revenues:**

Operating revenues	
Employer paid premiums	\$ -
Employee paid premiums	-
<b>Total operating revenues</b>	<u>-</u>

**Expenses:**

Operating expenses	
Health claims	(11,666)
Reinsurance premiums	-
Contractual payments	-
<b>Total operating expenses</b>	<u>(11,666)</u>
Operating income	<u>11,666</u>

Nonoperating revenues:

Investment income	45
<b>Total nonoperating revenues</b>	<u>45</u>

Change in net position	11,711
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Net position - beginning of year	<u>487,949</u>
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Net position - end of year	<u><u>\$ 499,660</u></u>
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**SOUTHWESTERN ILLINOIS COLLEGE  
COMMUNITY COLLEGE DISTRICT #522**

**NOTES TO SUPPLEMENTAL INFORMATION**

**Basis of Presentation**

Supplemental financial statements: In order to ensure observation of limitations and restrictions placed on the use of available resources, the accounts are maintained in accordance with the principles of fund accounting as promulgated by the Illinois Community College Board *Fiscal Management Manual*. Accordingly, supplemental financial information of the District is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenue, and expenditures. For reporting purposes, funds that have similar characteristics have been combined into fund groups. The various fund groups and their designated purposes are as follows:

Current Funds - The Current Funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the District and consist of the following:

Unrestricted Fund - The Unrestricted Fund accounts for the general operations of the District. All property tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this subgroup. From this subgroup are paid the general operating expenses, the fixed charges, and the expenditures for plant assets that are not paid from other funds.

Restricted Funds - The Restricted Fund is used to account for resources that are available for the operation and support of the educational program but which are restricted as to their use by outside agencies.

Loan Fund - This subfund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Plant Funds - The Plant Funds are used to account for the transactions relating to investment in the District properties, and consist of the following self-balancing subfunds:

Operations and Maintenance: - This subfund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Investment in Plant: - This subfund is used to account for the excess of the carrying value of plant assets over the related liabilities.

Internal Service Fund - Is used to account for services provided by one fund for all of the other funds of the District on a cost reimbursement basis.



## INDEPENDENT AUDITORS' REPORT ON ADULT EDUCATION AND FAMILY LITERACY GRANTS

Board of Trustees  
Southwestern Illinois College  
Community College District #522  
Belleville, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Adult Education and Family Literacy Grants of Southwestern Illinois College, Community College District #522 (the District), which comprise the balance sheet as of June 30, 2021, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related note to the financial statements.

### ***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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion 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 grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 policies 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 opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy Grants of Southwestern Illinois College, Community College District #522, as of June 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in the Note to the financial statements – grant programs, the financial statements of the Adult Education and Family Literacy Grants of Southwestern Illinois College, Community College District #522, are intended to present only the financial position and the changes in financial position of grant activity that is attributable to transactions of Southwestern Illinois College, Community College District #522. They do not purport to, and do not, present fairly the financial position of Southwestern Illinois College, Community College District #522 as of June 30, 2021, or the changes in its financial position for the period then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### Required Supplementary Information

Management has omitted the Management Discussion and Analysis and Schedule of Proportionate Share of the Net Pension Liability and Contributions that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

#### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Adult Education and Family Literacy Grants of Southwestern Illinois College, Community College District #522 financial statements. The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant Program (page 91) is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant Program (page 91) 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 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, to the basic grant program financial statements as a whole.



**CliftonLarsonAllen LLP**

Belleville, Illinois  
April 22, 2022

**Southwestern Illinois College  
Community College District #522**

**Adult Education and Family Literacy Grant Programs  
Balance Sheet  
June 30, 2021**

	<u>State Basic</u>	<u>Performance</u>	Total (Memorandum Only)
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ -
Due from the Illinois Community College Board	<u>48,222</u>	<u>40,360</u>	<u>88,582</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 48,222</u></u>	<u><u>\$ 40,360</u></u>	<u><u>\$ 88,582</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
Due to Other Programs	\$ -	\$ -	\$ -
Accounts Payable	35,140	38,218	73,358
Accrued Payroll	<u>13,082</u>	<u>2,142</u>	<u>15,224</u>
<b>TOTAL LIABILITIES</b>	<u>48,222</u>	<u>40,360</u>	<u>88,582</u>
Fund Balance - Unreserved	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 48,222</u></u>	<u><u>\$ 40,360</u></u>	<u><u>\$ 88,582</u></u>

**See Note to Financial Statements- Grant Programs.**

**Southwestern Illinois College  
Community College District #522**

**Adult Education and Family Literacy Grant Programs  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2021**

	<u>State Basic</u>	<u>Performance</u>	<u>Total (Memorandum Only)</u>
Revenue:			
State sources	\$ 1,064,538	\$ 498,610	\$ 1,563,148
<b>Total revenue</b>	<b>\$ 1,064,538</b>	<b>\$ 498,610</b>	<b>\$ 1,563,148</b>
Expenditures:			
Contractual Services	\$ -	\$ 3,000	\$ 3,000
Direct Program Support	70,086	126,318	196,404
Direct Instruction	546,405	38,200	584,605
Social Work Services	55,856	26,674	82,531
Literary Services	31,252	3,910	35,162
Student Services	156,681	124,497	281,178
Transportation	-	-	-
Guidance services	73,214	34,408	107,622
Assessment and testing	30,089	20,543	50,632
<b>Subtotal instructional and student services</b>	<b>963,583</b>	<b>377,550</b>	<b>1,341,133</b>
Improvement of instructional services	2,550	-	2,550
General administration	34,171	13,629	47,801
Workforce coordination	-	1,305	1,305
Data and information services	48,881	67,908	116,789
<b>Subtotal program support</b>	<b>85,602</b>	<b>82,842</b>	<b>168,444</b>
Return of prior period unexpended grant funds	15,352	38,218	53,571
<b>Total expenditures</b>	<b>1,064,538</b>	<b>498,610</b>	<b>1,563,148</b>
<b>Revenues over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**See Note to Financial Statements - Grant Programs.**



**SOUTHWESTERN ILLINOIS COLLEGE  
COMMUNITY COLLEGE DISTRICT #522**

**NOTE TO FINANCIAL STATEMENTS-GRANT PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Summary of Significant Accounting Policies**

General: The accompanying statements include only those transactions resulting from the Career and Technical Education – Program Improvement and the Education & Family Literacy programs. These transactions have been accounted for in the Restricted Purposes Fund.

Basis of accounting: The statements have been prepared on the modified accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2021. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

Capital assets: Capital asset purchases are recorded as capital outlay expenditures and not capitalized.

Payments of Prior Year's Encumbrances: Payments of prior year's encumbrances for goods received prior to August 31 are reflected as expenditures during the current fiscal year.

Credit Risk: The Board of Trustees has authorized the District to invest funds in accordance with the Illinois Community College Act and the Investment of Public Funds Act. The District's investment policy is to apply the prudent person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to conform with legal requirements, seek reasonable income, preserve capital, maintain liquidity and, in general avoid speculative investments.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy allows that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement, and held at an independent, third party institution in the name of the District. The District's collateralization policy is currently set at 105% of uninsured deposits. At June 30, 2019 and 2018, the District's deposits were not fully collateralized.

Concentration of Credit Risk: At June 30, 2021 and 2020, the District had greater than 5% of its overall portfolio invested in Illinois School District Liquid Asset Fund Plus Money Market. This is in accordance with the District's investment policy.

Interest Rate Risk:

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The State Treasurer maintains the Illinois Funds Money Market at cost and fair value through daily adjustment in the interest earnings. The State Treasurer also maintains the average duration of the pool at less than 25 days. The fair value of the College's investment in the funds is the same as the value of the pool shares. The Pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The District's investments in the Illinois Funds are not required to be categorized because these are not securities. The relationship between the District and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship.

All funds deposited in the pool are classified as investments even though some could be withdrawn on a day's notice. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provision of the Illinois Public Investment Act, 30 ILCS 235.

**SOUTHWESTERN ILLINOIS COLLEGE  
COMMUNITY COLLEGE DISTRICT #522**

**BACKGROUND INFORMATION ON STATE GRANTS ACTIVITY**

**UNRESTRICTED GRANTS**

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment, with a small portion of the allocation based upon gross square footage of space at the college.

Equalization Grants

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

**RESTRICTED GRANTS/SPECIAL INITIATIVES**

Career and Technical Education - Program Improvement Grants

Grant funding requires that keeping career and technical education programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancement and academic support activities to strengthen and improve career and technical programs and services.

**RESTRICTED ADULT EDUCATION GRANTS/STATE**

State Basic

Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and over or persons under the age of 21 and not otherwise in attendance in public school for the purpose of providing adults in the community, and other instruction as may be necessary, to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens including courses of instruction regularly accepted for graduation from elementary and/or high schools and for Americanization and General Education Development Review classes. Included in this grant are funds for support services, such as student transportation and child care facilities or provision.

Performance

Grant awarded to Adult Education and Family Literacy providers based on performance outcomes.

## **SUPPLEMENTARY ICCB COMPLIANCE SCHEDULE**

**Southwestern Illinois College  
Community College District #522**

**Adult Education and Family Literacy Grant Programs  
Supplementary ICCB Compliance Schedule**

**Expenditure Amounts and Percentages for ICCB Grant Funds Only  
Year Ended June 30, 2021**

<u>State Basic</u>	<u>Audited Expenditure Amount</u>	<u>Actual Expenditure Percentage</u>
Instruction (45% Minimum Required)	\$ 546,405	51%
General Administration (15% Maximum Allowed)	\$ 34,171	3%



CliftonLarsonAllen LLP  
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**INDEPENDENT ACCOUNTANTS' REPORT  
ON THE SCHEDULE OF ENROLLMENT DATA  
AND OTHER BASES UPON WHICH CLAIMS ARE FILED**

Board of Trustees  
Southwestern Illinois College  
Community College District #522  
Belleville, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of Southwestern Illinois College, Community College District #522 (District) for the year ended June 30, 2021. The Schedule of Enrollment Data and Other Bases upon Which Claims are Filed is the responsibility of the District's management. Our responsibility is to express an opinion on this schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, and accordingly, included examining, on a test basis, evidence supporting the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified guidelines.

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 for the year ended June 30, 2021.

This report is intended solely for information and use of the District's Board of Trustees and its reporting to the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Belleville, Illinois  
April 22, 2022



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**Southwestern Illinois College  
Community College District #522**

**Schedule of Enrollment Data and Other Bases Upon Which Claims  
are Filed  
Year Ended June 30, 2021**

(Notes 1 and 2) Categories:	Total Reimbursable Semester Credit Hours by Term						Total
	Summer		Fall		Spring		
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	
Baccalaureate	10,281.0	-	37,534.0	112.0	35,467.0	180.0	83,574.0
Business Occupational	900.0	-	5,286.0	34.0	7,193.0	52.0	13,465.0
Technical Occupational	766.5	-	9,607.5	506.5	10,480.5	411.5	21,772.5
Health Occupational	1,126.0	91.0	4,737.0	397.0	5,341.0	298.0	11,990.0
Remedial/Development	587.0	-	1,884.0	-	1,302.0	-	3,773.0
Adult Basic Education/Adult Secondary Education	-	645.0	-	1,334.5	-	2,068.5	4,048.0
<b>Total credit hours certified</b>	13,660.5	736.0	59,048.5	2,384.0	59,783.5	3,010.0	138,622.5

Note 1: Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements.

Note 2: Restricted credit hours are supported with more than 50% of restricted sources of funding.

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester credit hours (all terms)	122,558.5	43.0	122,601.5
	Dual Credit	Dual Enrollment	Total
Semester credit hours (all terms)	18,762.5	280.0	19,042.5
District 2019 Equalized Assessed Valuation			<u>\$7,330,781,197</u>

(Continued)

**Southwestern Illinois College  
Community College District #522**

**Schedule of Enrollment Data and Other Bases Upon Which Claims  
are Filed  
Year Ended June 30, 2021**

**RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS**

Categories:	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	83,282.0	83,282.0	-	292.00	292.00	-
Business Occupational	13,379.0	13,379.0	-	86.00	86.00	-
Technical Occupational	20,854.5	20,854.5	-	918.00	918.00	-
Health Occupational	11,204.0	11,204.0	-	786.00	786.00	-
Remedial/Development	3,773.0	3,773.0	-	-	-	-
Adult Basic Education/Adult Secondary Education	-	-	-	4,048.0	4,048.0	-
<b>Total credit hours</b>	<b>132,492.5</b>	<b>132,492.5</b>	<b>-</b>	<b>6,130.0</b>	<b>6,130.0</b>	<b>-</b>

**RECONCILIATION OF IN-DISTRICT/CHARGEBACK REIMBURSABLE CREDIT HOURS**

	Total Attending	Total Attending as Certified to the ICCB	Difference
Reimbursable in-district residents	122,558.5	122,558.5	-
Reimbursable out-of-district on chargeback or contractual agreement	43.0	43.0	-
<b>Total credit hours</b>	<b>122,601.5</b>	<b>122,601.5</b>	<b>-</b>

	Total Reimbursable	Total Reimbursable as Certified to the ICCB	Difference
Dual Credit	18,762.5	18,762.5	-
Dual Enrollment	280.0	280.0	-
<b>Total credit hours</b>	<b>19,042.5</b>	<b>19,042.5</b>	<b>-</b>

**Southwestern Illinois College  
Community College District #522**

**RESIDENCY VERIFICATION PROCESS**

Residency is verified by Admissions and Records personnel or program coordinators of the College. The following items are acceptable forms of documentation:

Automobile insurance ID card  
Automobile license registration card  
Bank statements  
Driver's license  
Federal, state, or county official documents  
Income tax forms (i.e., W-2)  
Lease agreement  
Military orders  
Occupancy permit  
Pay stub  
Real estate or property tax bill  
Utility bill or receipt  
Voter's registration card

New students and those changing from an out-of-district to an in-district address will be required to provide proof of residency.

Residency for students under age 18 shall be considered to be that of the parent or legal guardian, unless the student is self-supporting.

College personnel will verify residency visually for new students visiting Southwestern in-person and then indicate on the New Student Information Form that they attest to having reviewed documentation supporting residency and understand the impact with respect to state funding.

New students who mail, fax, or submit via our website the New Student Information form are sent a letter requesting that they submit acceptable documentation proving residency within 14 days. If they do not respond within that timeframe, their student record is restricted and they are not allowed to register until they do so.

Employees who verify residency of students after the 14-day grace period photocopy the documentation for appropriate filing in the student's permanent file.

Students are appropriately coded in our student information system for state funding purposes as follows:

A student is considered to be in-district if the student's legal residence is within the boundaries of Community College District #522 and can be established 30 days prior to the beginning date of the student's earliest class of the semester.

A student living outside District #522, who is a resident of the state of Illinois and does not attend Southwestern under the terms of a joint agreement or chargeback agreement, will be designated as an out-of-district student and will be charged the appropriate tuition.

(Continued)



**RESIDENCY VERIFICATION PROCESS (Continued)**

Any student who is a resident of another state or country will be considered an out-of-state student and will be charged the appropriate tuition. International students who have been issued an I-20 to attend Southwestern may not establish eligibility for in-district tuition rates.

Out-of-district and out-of-state students who receive training from and are employed at least 35 hours per week by an entity located within District #522 may qualify for in-district rates. These students must complete an appropriate Southwestern form from the Admissions and Records Office and have it completed and signed by their employee. This form must be submitted to Southwestern before the midterm date of the affected class(es).

Out-of-district students who have received chargeback tuition authorization from the community college district in which they live, will pay Southwestern in-district tuition. Students must contact the community college district in which they live for chargeback authorization at least 30 days prior to the beginning of any semester. Out-of-district students attending Southwestern without chargeback authorization will pay out-of-district tuition.

Out-of-district students who attend Southwestern Illinois College under the terms of a joint agreement between Southwestern and another community college district will pay Southwestern in-district tuition.

Students attending McKendree College, located in district with Southwestern, may attend Southwestern as an in-district student if they provide a student ID card from McKendree. The Director of Admissions from Southwestern, then verifies current enrollment status with the Registrar at McKendree College. This document becomes part of the student's Southwestern permanent file and must be provided and verified each semester he/she wishes to attend Southwestern.

## **Annual State of Illinois Financial Compliance Section**

Southwestern Illinois College  
Community College District #522

Consolidated Year-End Financial Report  
Year Ended June 30, 2021

CYEFR		2021			
CSFA#	Program Name	State	Federal	Other	Total
402-00-1458	Foster Grandparent Program	\$ 22,720	\$ -	\$ -	\$ 22,720
402-00-1459	Retired and Senior Volunteer Program	36,951	-	-	36,951
402-00-1481	Federal Senior Companion Program State Match	30,331	-	-	30,331
482-00-0781	Serve Illinois - Americorps Competitive	-	237,401	-	237,401
601-00-0748	Illinois Cooperative Work Study Program	11,723	-	-	11,723
684-00-0465	Career and Technical Education Basic Grants to States	-	1,352,049	-	1,352,049
684-00-0818	Illinois Veteran's Grant	190,500	-	-	190,500
684-00-0820	Career and Technical Education Formula Grants	735,707	-	-	735,707
684-00-0822	Career and Technical Education Early School Leaver Transition Program	65,069	-	-	65,069
684-00-0825	Base Operating Grants	5,896,655	-	-	5,896,655
684-00-0826	Equalization Grants	5,822,624	-	-	5,822,624
684-00-2333	Transitional Instruction Math and English Pilot Grant	22,991	-	-	22,991
684-00-2455	Governor's Emergency Education Relief	-	311,280	-	311,280
684-01-1625	Adult Education- Basic Grants to States Funding Combined	804,071	256,585	-	1,060,656
684-01-2213	Workforce Equity Initiative	1,000,820	-	-	1,000,820
	Other Grant Programs and Activities	-	25,080,163	6,049,315	31,129,478
	All other cost not allocated	-	-	55,799,993	55,799,993
Total		<u>\$ 14,640,162</u>	<u>\$ 27,237,478</u>	<u>\$ 61,849,308</u>	<u>\$ 103,726,948</u>

## Federal Financial Compliance Section



**INDEPENDENT AUDITORS' 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  
Southwestern Illinois College  
Community College District #522  
Belleville, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Southwestern Illinois College, Community College District #522 (the District) and its discretely presented component unit, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Southwestern Illinois College, Community College District #522's basic financial statements, and have issued our report thereon dated April 22, 2022. The financial statements of the District's component unit, Southwestern Illinois College Foundation (the Foundation) were not audited in accordance with *Government Auditing Standards*.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered Southwestern Illinois College, Community College District #522's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southwestern Illinois College, Community College District #522's internal control. Accordingly, we do not express an opinion on the effectiveness of Southwestern Illinois College, Community College District #522'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.

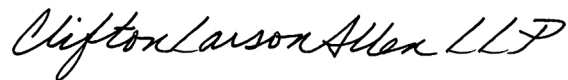
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Southwestern Illinois College, Community College District #522'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 determination of financial statement amounts. 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 result 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Belleville, Illinois  
April 22, 2022

**Southwestern Illinois College  
Community College District #522**

**Schedule of Findings and Responses  
Year Ended June 30, 2021**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

