

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529

Olney, Illinois

Annual Comprehensive Financial Report

For the Years Ended

June 30, 2021 and 2020

C O N T E N T S

	<i>Page</i>
INDEPENDENT AUDITOR'S REPORT	1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	5-14
BASIC FINANCIAL STATEMENTS	
Statements of Net Position.....	15
Statements of Revenues, Expenses, and Changes in Net Position	16
Statements of Cash Flows.....	17-18
Statements of Financial Position – Component Units	19
Statements of Activities – Component Units.....	20
Notes to Basic Financial Statements.....	21-46
REQUIRED SUPPLEMENTARY INFORMATION	
Index page	
Schedule of Proportionate Share of Net Pension Liability - SURS and Schedule of Contributions – SURS (Unaudited)	47
Notes to Required Supplementary Information – Pension Liability	48
Schedule of Proportionate Share of Net OPEB Liability – CIP (Unaudited)	49
Schedule of Contributions – CIP (Unaudited)	50
Notes to Required Supplementary Information – OPEB Liability	51
SUPPLEMENTARY INFORMATION	
Assessed Valuations and Taxes Levied – Governmental Fund Types (Schedule 1)	52
Summary of Taxes Receivable and Tax Collections – Governmental Fund Types (Schedule 2)	53
Schedule of Debt Maturities (Schedule 3)	54

UNIFORM FINANCIAL STATEMENTS

Uniform Financial Statement No. 1 (Schedule 4)	55
Uniform Financial Statement No. 2 (Schedule 5)	56
Uniform Financial Statement No. 3 (Schedule 6)	57-58
Uniform Financial Statement No. 4 (Schedule 7)	59-60
Uniform Financial Statement No. 5 (Schedule 8)	61-62

CERTIFICATE OF CHARGEBACK REIMBURSEMENT

Certification of Chargeback Reimbursement (Schedule 9)	63
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ILLINOIS COMMUNITY COLLEGE BOARD STATE GRANTS FINANCIAL COMPLIANCE SECTION

Independent Auditor's Report on Compliance with State Requirements for Adult Education and Family Literacy Grants	64-66
---	-------

ADULT EDUCATION AND FAMILY LITERACY COMPONENT GRANTS

Balance Sheet (Schedule 10)	67
--------------------------------------	----

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Schedule 11)	68
---	----

ICCB Compliance Statement for the Adult Education and Family Literacy Grants Program (Schedule 12)	69
---	----

Notes to the ICCB Grant Financial Statements	70
--	----

Independent Auditor's Report on the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	71-72
---	-------

Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed (Schedule 13)	73
--	----

Reconciliation of Semester Credit Hours (Schedule 14)	74
--	----

Documentation of Residency Verification Steps (Schedule 15)	75-77
Background Information on State Grant Activity (Schedule 16)	78
Schedule of Findings and Questioned Costs – ICCB Grant Compliance (Schedule 17)	79
Schedule of Prior Audit Findings – ICCB Grant Compliance (Schedule 18)	80
ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY REPORTS	
Illinois Grant Accountability and Transparency Act – Consolidated Year-End Financial Report (Schedule 19)	81
FEDERAL COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards (Schedule 20)	82-83
Notes to Schedule of Expenditures of Federal Awards	84
Schedule of Findings and Questioned Costs (Schedule 21)	85
Summary Schedule of Prior Audit Findings (Schedule 22)	86
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	
87-88	
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.....	
89-91	

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Illinois Eastern Community Colleges District #529
Olney, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Illinois Eastern Community Colleges District #529 (the District) and the aggregate discretely presented component units (the Foundations) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District'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 (GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of three of the entities comprising the District's four component units, which represent 94 percent, 94 percent, and 95 percent, respectively, of the assets, net assets, and support and revenues of the component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these three entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the District's component units were not audited in accordance with *Government Auditing Standards*.



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting 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, based on our audit and the reports of other auditors on the financial statements of three of the entities composing the four aggregated discretely presented component units, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District and the aggregate discretely presented component units as of June 30, 2021 and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Adjustments to Prior Period Financial Statements

The basic financial statements of the District as of and for the year ended June 30, 2020, were audited by other auditors whose report dated November 10, 2020, expressed an unmodified opinion on those statements. As discussed in Note 2 to the financial statements, the District has adjusted its financial statements as of and for the year ended June 30, 2020, to retrospectively apply the change in accounting related to the implementation of Governmental Accounting Standards Board Statement Number 84.

As part of our audit of the financial statements as of and for the year ended June 30, 2021, we also audited the adjustments to the financial statements as of and for the year ended June 30, 2020, to retrospectively apply the change in accounting as described in Note 2. In our opinion, such adjustments are appropriate and have been properly applied. We were not engagement to audit, review, or apply any procedures to the District's financial statements as of and for the year ended June 30, 2020, other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the financial statements as of and for the year ended June 30, 2020 as a whole.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, the Schedule of Proportionate Share of Net Pension Liability – SURS and Schedule of Contributions – SURS on page 47, the Schedule of Proportionate Share of Net OPEB Liability- CIP on page 49, and the Schedule of Contributions –

CIP on page 50 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the District and its aggregate discretely presented component units as of and for the year ended June 30, 2021. Schedules 1 through 9 and 19 through 22 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The uniform financial statements in Schedules 4 through 8 and the certificate of chargeback reimbursement (Schedule 9) are presented for purposes of additional analysis as required by the Illinois Community College Board and are also not a required part of the basic financial statements. The accompanying Schedule 19 is also presented for purposes of additional analysis required by the Illinois Grant Accountability and Transparency Act and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by Title 2 U.S *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. As described in Note 18, Schedules 4 and 6 through 8 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities.

Schedules 1 through 9 and 19 through 22 are the responsibility of management. Schedules 1 through 9 and 19 through 22 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Information on Schedules 1 through 9 and 19 through 22 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 American. In our opinion, the information in Schedules 1 through 9 and 19 through 22 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except for differences between GAAP for a special-purpose government engaged only in business-type activities and the modified accrual basis of accounting used for the schedules noted above.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 24, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Martin Hood LLC

Champaign, Illinois
February 24, 2022

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
MANGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020

This section of the Illinois Eastern Community College District #529 (the District) Annual Comprehensive Financial Report presents management's discussion and analysis of the financial activity during the fiscal year ended June 30, 2021. Since the design of this management's discussion and analysis focuses on current activities, resulting change, and current known facts, it should be read in conjunction with the District's basic financial statements and notes to the financial statements. Responsibility for the completeness and fairness of this information rests with the District.

The management discussion and analysis contains comparisons between fiscal years 2021 and 2020 and between 2020 and 2019.

Using This Annual Report

The basic financial statements focus on the District as a whole. These basic financial statements emulate corporate presentation models whereby all District activities have been consolidated into one total. The statement of net position combines and consolidates current financial resources (short-term spendable resources) with capital assets, which gives it a focus on bottom line results of the District. The statement of revenues, expenses, and changes in net position focuses on the costs of the College's activities, which are supported mainly by tuition and fees, state and federal grants and contracts, and property taxes. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to students and the public.

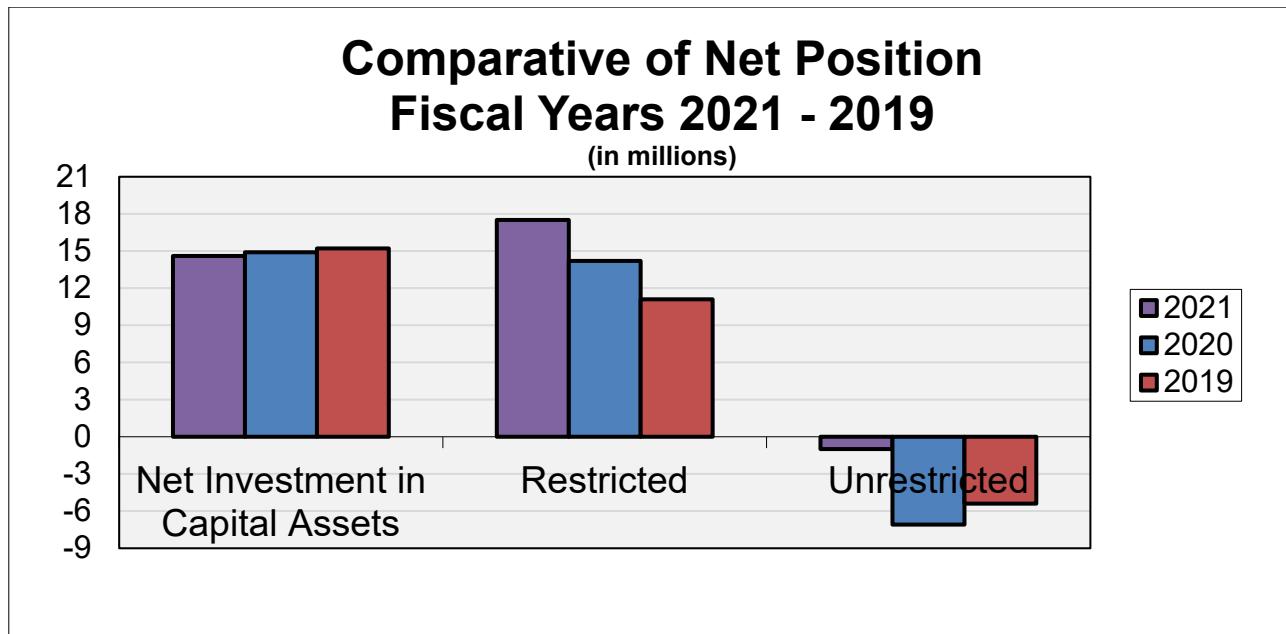
The management discussion and analysis contained herein, focuses only on financial activity of the District. According to Generally Accepted Accounting Principles (GAAP) the financial statement presentation is to include the college Foundations, which are defined as component units of the District. The District's component units have separately issued financial statements. These separately issued financial statements should be used for detailed information on the Foundations' financial activity for the year ending June 30, 2021.

COVID-19

Illinois Eastern Community Colleges continued to feel the effects of the global COVID-19 pandemic. Reimbursable credit hours for the District fell nearly 19% from the prior year. Much of this was within the District's workforce training; however, baccalaureate, transfer, and other CTE programs were also impacted. This reduction in credit hours was felt during the year through a drop in tuition and related fees, as well as auxiliary revenues.

The District received federal aid through the Higher Education Emergency Relief Fund (HEERF) to assist in its transition to remote learning and to offset declining revenues. Through the HEERF, nearly \$1.2 million in direct aid since the start of the pandemic was supplied to students to assist with exceptional needs because of COVID-19. Additionally, the District invested in technology and equipment to ensure a smooth transition to remote learning would be realized for both faculty and students of the District.

Statement of Net Position



Net position is divided into three categories. The first is net investment in capital assets, which provides the District's equity position in property, plant, and equipment owned by the District. The next category is restricted net position, which is available to the District, but must be spent for purposes determined by external third parties or enabling legislation. The final category is unrestricted net position, which are resources available to the District for any legal purpose.

The District's Unrestricted Net Position continues to be less than zero. Prior to the implementation of GASB 75 related to post-employment benefits through the State of Illinois Community College Health Insurance Plan (the Plan), the District maintained a strong Unrestricted Net Position. However, recognition of the proportional share of the post-employment liability of the Plan resulted in the District recording a pension liability of \$15.2 million for the year ended June 30, 2018. For the year ended June 30, 2021, the District recognized a decreased proportion of \$0.7 million for the net liability and an increase of \$0.8 million associated with deferred inflows of the post-employment benefits.

Restricted net position of the District increased \$3.2 million primarily on trust agreements entered with the Illinois Capital Development Board for the purposes of constructing two new academic buildings for the District.

Financial Analysis of the District as a Whole
Net Position
As of 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>
Current Assets	\$ 48.9	\$ 41.3	\$ 7.6	\$ 38.2	\$ 3.1
Non-Current Assets					
Capital Assets, Net of Depreciation	<u>16.3</u>	<u>15.9</u>	<u>0.4</u>	<u>15.3</u>	<u>0.6</u>
Total Assets	<u>65.2</u>	<u>57.2</u>	<u>8.0</u>	<u>53.5</u>	<u>3.7</u>
Deferred Inflows of Resources	<u>0.4</u>	<u>0.4</u>	<u>0.0</u>	<u>0.4</u>	<u>0.0</u>
Current Liabilities	4.2	4.4	(0.2)	4.4	0.0
Non-Current Liabilities	<u>19.2</u>	<u>21.3</u>	<u>(2.1)</u>	<u>19.5</u>	<u>1.8</u>
Total Liabilities	<u>23.4</u>	<u>25.7</u>	<u>(2.3)</u>	<u>23.9</u>	<u>1.8</u>
Deferred Inflows of Resources	<u>11.0</u>	<u>9.9</u>	<u>1.1</u>	<u>9.1</u>	<u>0.8</u>
Net Position					
Net Investment in Capital Assets	14.6	14.9	(0.3)	15.3	(0.4)
Restricted for: Expendable	17.5	14.3	3.2	11.0	3.3
Unrestricted	<u>(0.9)</u>	<u>(7.1)</u>	<u>6.2</u>	<u>(5.2)</u>	<u>(1.9)</u>
Total Net Position	<u>\$ 31.2</u>	<u>\$ 22.1</u>	<u>\$ 9.1</u>	<u>\$ 21.1</u>	<u>\$ 1.0</u>

This schedule is prepared from the District's statement of net position, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated. Total deferred outflows and inflows are due to GASB 68 reporting related to pensions, GASB 75 reporting related to post-employment benefits, and property tax deferrals.

Fiscal Year 2021 Compared to 2020

Current assets of the District increased \$7.6 million from the prior year. The District's overall cash position rose \$10.1 million on a reduction in operating expenses and increase in state and local grants received. Accounts receivable of the District increased \$5.2 million, largely due to government claims receivables from the State of Illinois and federal grants that had been requested, but not yet received as of June 30, 2021.

The current liabilities of the District remained consistent against the prior year with a decrease of \$0.2 million. This is attributable to an increase of \$0.2 million in accrued liabilities, related to group health insurance benefits and a continuing paydown on outstanding bonds of \$0.6 million. Noncurrent liabilities of the district decreased \$2.1 million due to the continued paydown of outstanding bonds and a decrease in the proportional share of the Community College Health Insurance Security Fund liability of \$0.7 million.

Overall, the net position of the District increased \$9.1 million to a total of \$31.2 million. This increase is reflective of various changes noted above in the assets and liabilities of the District.

Fiscal Year 2020 Compared to 2019

Current assets of the District increased \$3.1 million from the prior year. This increase is primarily related to the District's issuance of \$3.8 million in protection, health, and safety bonds in April 2020. Proceeds from this issuance were still on hand at June 30, 2020, as the District works to complete the schedule of projects approved as part of the issuance. Accounts receivable of the District also increased \$1.2 million, largely due to government claims receivables from the State of Illinois and federal grants that had been requested, but not yet received as of June 30, 2020.

The current liabilities of the District remained consistent against the prior year with no substantial change in the balance. Noncurrent liabilities of the district increased \$1.8 million due to the issuance of \$3.8 million in protection, health, and safety bonds in April 2020. The District saw its proportional share of the Community College Health Insurance Security Fund liability increase by less than \$0.1 million.

Overall, the net position of the District increased \$1.2 million to a total of \$22.1 million before adjustment of 2019 related to implementation of GASB 84. This increase is reflective of various changes noted above in the assets and liabilities of the District, and due to an increase of \$3.2 million in restricted position for capital projects as a result of the issuance of \$3.8 million in protection, health, and safety bonds.

Statement of Revenues, Expenses, and Changes in Net Position

Operating Results For the Year 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 & Fees	\$ 4.9	\$ 4.9	\$ 0.0	\$ 5.3	\$ (0.4)
Auxiliary	1.3	1.3	0.0	1.5	(0.2)
Sales & Services	<u>0.7</u>	<u>0.9</u>	<u>(0.2)</u>	<u>1.2</u>	<u>(0.3)</u>
Total	6.9	7.1	(0.2)	8.0	(0.9)
Less Operating Expenses	<u>52.2</u>	<u>52.6</u>	<u>(0.4)</u>	<u>50.1</u>	<u>2.5</u>
Net Operating Loss	(45.3)	(45.5)	(0.2)	(42.1)	(3.4)
Non-Operating Revenue					
Property Taxes	8.4	7.7	0.7	7.5	0.2
State Grants & Contracts	28.6	27.9	0.7	25.1	2.8
Federal Grants & Contracts	16.0	9.3	6.7	7.6	1.7
Investment Income	0.3	0.5	(0.2)	0.5	0.0
Other Non-Operating Revenues	<u>1.1</u>	<u>1.1</u>	<u>(0.0)</u>	<u>1.5</u>	<u>(0.4)</u>
Total	54.4	46.5	7.9	42.2	4.3
Increase in Net Position	9.1	1.0	8.1	0.1	0.9
Net Position, Beg. of Year	22.1	21.1	1.0	20.8	0.3
Restatement for GASB 84	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.2</u>	<u>(0.2)</u>
Net Position, End of Year	<u>\$ 31.2</u>	<u>\$ 22.1</u>	<u>\$ 9.1</u>	<u>\$ 21.1</u>	<u>\$ 1.0</u>

The statement of revenues, expenses, and changes in net position presents the operating and non-operating results of the District. While relied on for operations, local property taxes, state appropriations, and state and federal grants are considered non-operating revenues according to GAAP.

Fiscal Year 2021 Compared to 2020

Operating revenues of the District fell \$0.2 million from the prior year. Student tuition and fees were flat against the prior year despite a drop of 18% in reimbursable credit hours, due in large part to a reduction in scholarship allowances of \$1.5 million. Auxiliary enterprises and sales and services fell a combined \$0.2 million. This decrease is primarily related to an overall drop in District head count, resulting in fewer students on campus and fewer auxiliary activities because of the on-going COVID-19 pandemic.

The overall operating expenses of the District decreased \$0.4 million. Due to uncertainties in the impacts of COVID-19, the District reduced its part-time positions and reduced travel. The District also had several retirements late in the fiscal year ended June 30, 2020 and early in the fiscal year ended June 30, 2021. Overall, the district salaries decreased \$1.0 million. The District recognized \$14.6 million in on-behalf payments from the State of Illinois related to pension and other post-employment benefits; an increase of \$0.2 million from the previous year's proportional share.

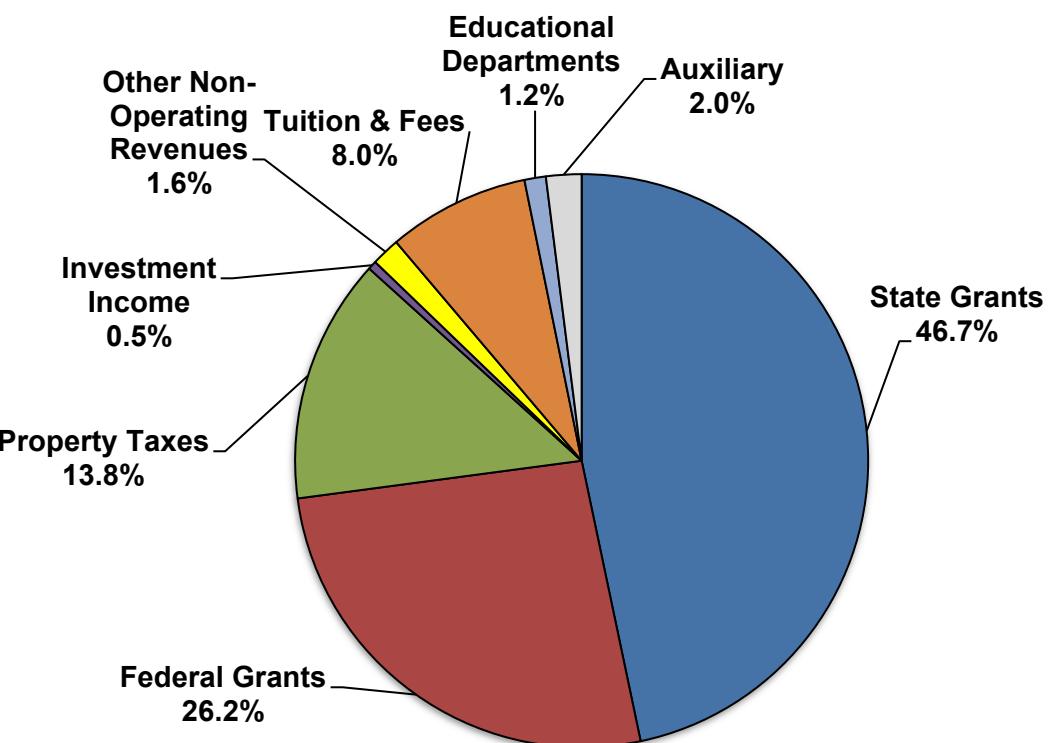
Fiscal Year 2020 Compared to 2019

Operating revenues of the District fell \$0.9 million from the prior year. Student tuition and fees saw a decline of \$0.4 million. This is due to a decrease in credit hours, principally related to a drop in Spring 2020 activities. Auxiliary enterprises and sales and services fell a combined \$0.5 million. This decrease is primarily related to a shut-down in activities at the District due to the Governor's stay at home order issued in March 2020.

The overall operating expenses of the District remained consistent with the prior year except for benefits expense and financial aid and scholarships. Overall, operating expenses increased by \$2.5 million to \$52.6 million. The District recognized \$14.4 million in on-behalf payments from the State of Illinois related to pension and other post-employment benefits; an increase of \$1.8 million from the previous year's proportional share. The District distributed \$1 million in direct aid to students through the CARES Act in May 2020. This expense is reflected as an increase of \$1.0 million in financial aid in scholarships from the prior year.

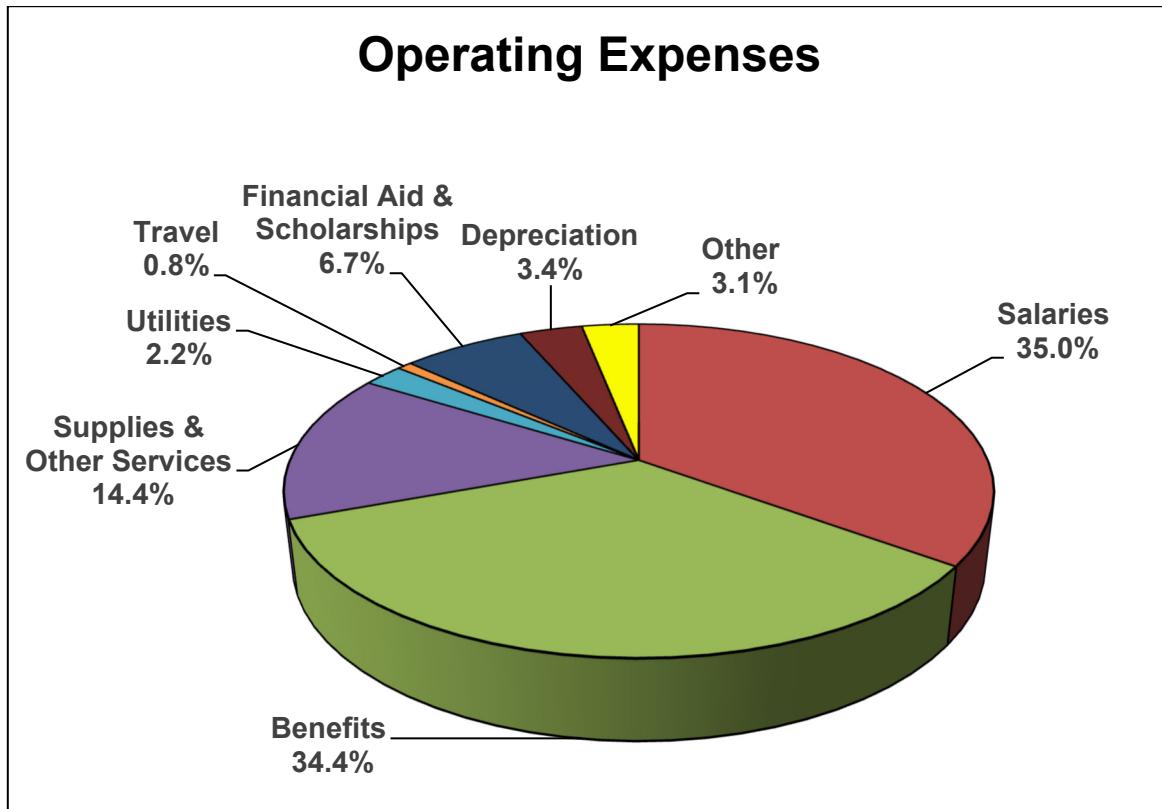
Revenue by Source

June 30, 2021



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

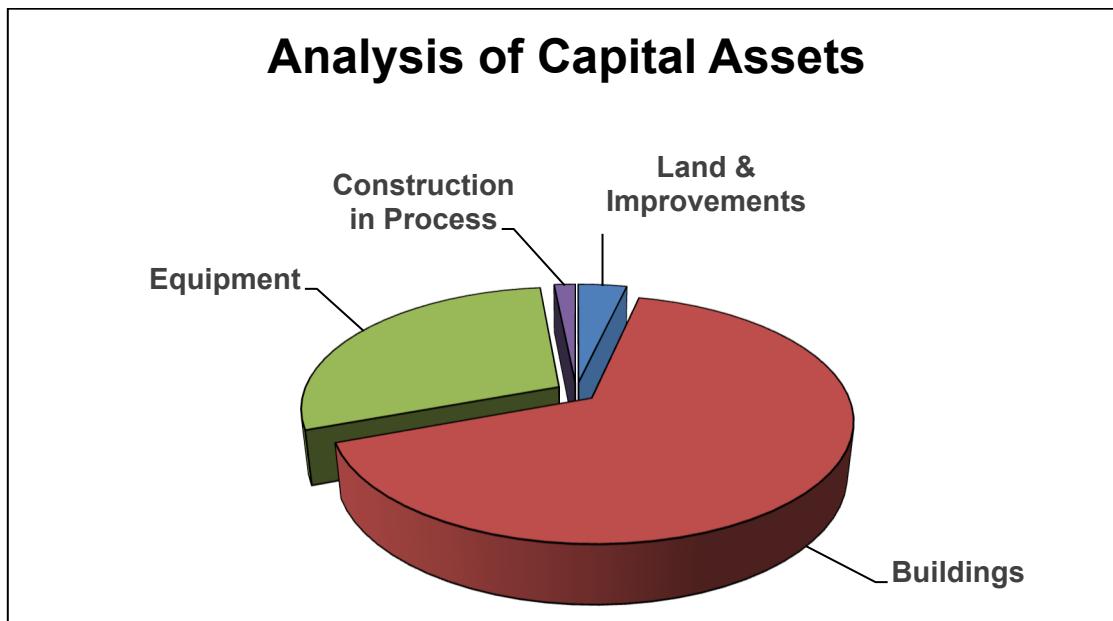
	<u>2021</u>	<u>2020</u>	Increase (Decrease) <u>2021-2020</u>	2019	Increase (Decrease) <u>2020-2019</u>
Operating Expense					
Salaries	\$ 18.3	\$ 19.3	\$ (1.0)	\$ 19.4	\$ (0.1)
Benefits	17.9	18.4	(0.5)	16.8	1.6
Supplies & Other Services	7.5	6.2	1.3	6.3	(0.1)
Utilities	1.1	1.1	0.0	1.3	(0.2)
Travel	0.4	0.5	(0.1)	0.6	(0.1)
Financial Aid & Scholarships	3.5	3.8	(0.3)	2.8	1.0
Depreciation	1.8	1.7	0.1	1.8	(0.1)
Other	1.6	1.6	0.0	1.1	0.5
Total	<u>\$ 52.1</u>	<u>\$ 52.6</u>	<u>\$ (0.5)</u>	<u>\$ 50.1</u>	<u>\$ 2.5</u>



Capital Asset Administration

Net Capital Assets 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 & Improvements	\$ 2.4	\$ 2.4	\$ 0.0	\$ 2.3	\$ 0.1
Buildings	42.9	41.8	1.1	41.4	0.4
Equipment	19.0	18.4	0.6	17.4	1.0
Construction in Process	1.0	0.8	0.2	0.0	0.8
Total	<u>65.3</u>	<u>63.4</u>	<u>1.9</u>	<u>61.1</u>	<u>2.3</u>
Less Accumulated Depreciation	49.0	47.5	1.5	45.8	1.7
Net Capital Assets	\$ <u>16.3</u>	\$ <u>15.9</u>	\$ <u>0.4</u>	\$ <u>15.3</u>	\$ <u>0.6</u>



As of June 30, 2021, the District had \$16.3 million invested in a broad range of capital assets, net of accumulated depreciation. This amount represents an increase of \$0.4 million as the District had an increase in acquisitions from state and federal grants. The District completed construction for the replacement of two roofs during 2020 (\$0.8 million), constructed a solar array (\$0.1 million), and replaced the natatorium HVAC unit (\$0.3 million). All other asset purchases primarily consisted of equipment necessary to carry on the operations of the District. As of June 30, 2021, the District had

\$1.0 million in construction in progress for an addition to its performing arts building (\$0.8 million) and preliminary work on the replacement of eight HVAC units across the District (\$0.2 million).

Future Outlook and Economic Factors

For fiscal year 2022, the District Board of Trustees did not increase tuition rates. By not raising tuition, the District continues to maintain one of the lowest in-district per credit hour rates of the 39 community college districts in the State of Illinois. With continued expectation of COVID-19 and disruptions in the everyday lives of our students and community, IECC is anticipating a slight decrease in tuition revenues for fiscal year 2022.

The District anticipates modest growth in its property tax revenues due to incremental increases in each of its twelve counties equalized assessed valuation. Overall, the growth in the EAV is expected to be around 2%. For Fiscal Year 2022, the District was allocated \$13.0 million in credit hour, equalization, and CTE funding from the State of Illinois for operations in Fiscal Year 2022. This represents a 1.5% decrease from the prior year allocation.

Through the Higher Education Emergency Relief Fund (HEERF), the District was awarded formula grants from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Recovery Plan Act (ARPA). The District has approximately \$5.5 million in aid remaining for the year ended June 30, 2022 from these formula grants to be used for institutional needs. This aid will primarily be utilized to defray the costs associated with COVID-19, including, but not limited to the operation of COVID-19 testing facilities, continued investments in technology to improve distance education, and professional development for faculty and staff.

The District is anticipating beginning design and breaking ground on several large building additions to the college campuses. Funding of \$10.7 million is expected to be received from the State of Illinois for construction of two new facilities. The District also anticipates breaking ground on a new recreation center at Lincoln Trail College that has a budget of \$3.3 million.

Requests for Information

This financial report is designed to provide a general overview of Illinois Eastern Community College District #529 financial performance. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Illinois Eastern Community College District #529, 233 East Chestnut Street, Olney, IL 62450.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020 As Restated
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 28,016,745	\$ 21,818,526
Short-Term Investments	875,500	9,107,933
Restricted Cash and Cash Equivalents	4,019,812	153,084
Accounts Receivable (Net of Allowance for Doubtful Accounts of \$702,004 and \$754,182, Respectively)	7,763,283	2,550,136
Property Taxes Receivable	7,463,214	7,171,182
Inventories	749,825	525,167
Total Current Assets	<u>48,888,379</u>	<u>41,326,028</u>
Noncurrent Assets:		
Capital Assets, Net	16,264,937	15,897,701
Total Assets	<u>65,153,316</u>	<u>57,223,729</u>
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefit Related Deferred Outflows	268,674	333,156
Subsequent Year's Pension Expense Related to Federal, Trust, or Grant Contributions in the Current Year	172,540	119,730
Total Deferred Outflows of Resources	<u>441,214</u>	<u>452,886</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	880,134	926,460
Accrued Liabilities	1,028,761	858,235
Due to Student Groups	240,978	186,111
Unearned Revenue	305,381	203,096
Bonds Payable	1,495,000	2,120,000
Notes Payable	71,086	48,126
Accrued Interest Payable	137,067	33,013
Capital Lease Obligation	14,027	28,339
Total Current Liabilities	<u>4,172,434</u>	<u>4,403,380</u>
Noncurrent Liabilities:		
Capital Lease Obligation	13,482	28,874
Bonds Payable	3,070,000	4,565,000
Notes Payable	241,279	74,980
Accrued Compensated Absences	758,553	795,772
Net Other Postemployment Benefits	15,176,595	15,855,669
Total Noncurrent Liabilities	<u>19,259,909</u>	<u>21,320,295</u>
Total Liabilities	<u>23,432,343</u>	<u>25,723,675</u>
DEFERRED INFLOWS OF RESOURCES		
Subsequent Year's Property Taxes	7,463,214	7,171,182
Other Postemployment Benefit Related Deferred Inflows	3,518,749	2,713,613
Total Deferred Inflows of Resources	<u>10,981,963</u>	<u>9,884,795</u>
NET POSITION		
Net Investment in Capital Assets	14,631,185	14,921,305
Restricted:		
Capital Projects	9,525,956	6,156,937
Purposes Allowed by Property Tax Levies	609,445	617,558
Other	7,390,541	7,485,283
Unrestricted	(976,903)	(7,112,938)
Total Net Position	<u>\$ 31,180,224</u>	<u>\$ 22,068,145</u>

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
		As Restated
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$6,832,978 and \$8,334,379, Respectively	\$ 4,929,161	\$ 4,884,637
Auxiliary Enterprises:		
Bookstore and Cafeteria	1,268,982	1,292,222
Sales and Services of Educational Departments	711,472	919,335
Total Operating Revenues	<u>6,909,615</u>	<u>7,096,194</u>
EXPENSES		
Operating Expenses:		
Salaries	18,281,259	19,321,826
Benefits	17,939,900	18,379,163
Supplies and Other Services	7,503,974	6,218,224
Utilities	1,138,230	1,112,164
Travel	392,898	522,532
Financial Aid and Scholarships	3,506,635	3,758,233
Depreciation	1,786,284	1,721,324
Other	1,624,304	1,574,302
Total Operating Expenses	<u>52,173,484</u>	<u>52,607,768</u>
OPERATING LOSS	(45,263,869)	(45,511,574)
NONOPERATING REVENUES (EXPENSES)		
Local Property Tax Revenue	8,442,885	7,745,630
State Grants and Contracts	28,628,062	27,887,793
Federal Grants and Contracts	16,041,636	9,320,141
Contributions	725,063	617,564
Investment Income	301,624	536,901
Interest Expense	(194,838)	(130,759)
Other Nonoperating Revenues	425,910	435,242
Gain on Sale of Property	5,606	37,442
Total Nonoperating Revenues (Expenses)	<u>54,375,948</u>	<u>46,449,954</u>
INCREASE IN NET POSITION	9,112,079	938,380
NET POSITION, BEGINNING OF YEAR	<u>22,068,145</u>	<u>21,129,765</u>
NET POSITION, END OF YEAR	<u>\$ 31,180,224</u>	<u>\$ 22,068,145</u>

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
		As Restated
CASH FLOWS FROM OPERATING ACTIVITES		
Student Tuition and Fees	\$ 5,045,061	\$ 5,018,870
Payments to Suppliers	(7,774,958)	(5,916,330)
Payments for Utilities	(1,138,230)	(1,112,164)
Payments to Employees	(18,678,071)	(19,806,160)
Payments for Benefits	(2,815,494)	(3,552,754)
Payments for Financial Aid and Scholarships	(3,506,635)	(3,758,233)
Auxiliary Enterprise Charges:		
Bookstore and Cafeteria	1,244,562	1,308,994
Sales and Services of Educational Departments	711,472	919,335
Other Payments	<u>(1,624,304)</u>	<u>(1,574,302)</u>
Net Cash Used in Operating Activities	<u>(28,536,597)</u>	<u>(28,472,744)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITES		
Local Property Taxes	8,442,885	7,745,630
State Grants and Contracts	14,368,416	12,403,923
Federal Grants and Contracts	9,922,092	8,544,208
Direct Lending Receipts	1,398,634	1,939,150
Direct Lending Payments	(1,398,634)	(1,939,150)
Contributions	725,063	617,564
Other Receipts	575,127	516,324
Principal Paid on Bonds Payable	<u>(4,620,000)</u>	<u>(2,020,000)</u>
Net Cash Provided by Noncapital Financing Activities	<u>29,413,583</u>	<u>27,807,649</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITES		
Purchase of Capital Assets, Net	(2,153,520)	(2,300,820)
Federal and State Grants for Capital Purposes	344,534	215,066
Principal Received from Issuance of Bonds Payable	2,500,000	3,850,000
Principal Paid on Capital Lease Obligations	(29,704)	(23,223)
Principal Received on Notes Payable	258,311	170,431
Principal Paid on Notes Payable	(69,052)	(47,325)
Interest Paid on Bonds Payable	<u>(194,838)</u>	<u>(189,692)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>655,731</u>	<u>1,674,437</u>
CASH FLOWS FROM INVESTING ACTIVITES		
Net Proceeds from the Sale and Maturities of Investments	9,025,000	19,600,000
Interest on Investments	301,624	536,901
Net Purchase of Investments	(800,000)	(9,075,000)
Proceeds from Sale of Capital Assets	<u>5,606</u>	<u>37,442</u>
Net Cash Provided by Investing Activities	<u>8,532,230</u>	<u>11,099,343</u>

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2020	
	2021	As Restated
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>10,064,947</u>	<u>12,108,685</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>21,971,610</u>	<u>9,862,925</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 32,036,557</u></u>	<u><u>\$ 21,971,610</u></u>
 ON THE STATEMENT OF NET POSITION AS FOLLOWS:		
Cash and Cash Equivalents	\$ 28,016,745	\$ 21,818,526
Restricted Cash and Cash Equivalents	4,019,812	153,084
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 32,036,557</u></u>	<u><u>\$ 21,971,610</u></u>
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	\$ (45,263,869)	\$ (45,511,574)
Adjustments to Reconcile Operating Loss to Net Cash		
Used In Operating Activities:		
Depreciation Expense	1,786,284	1,721,324
SURS On-Behalf Payments	14,738,159	14,442,069
Changes in Deferred Outflows and Inflows of Resources	816,808	508,342
Changes in Assets and Liabilities:		
Receivables	(65,671)	223,465
Inventories	(224,658)	(49,521)
Accounts Payable	198,272	232,439
Accrued Liabilities and Due to Student Groups	54,867	(140,479)
Unearned Revenue	102,285	26,005
Net Other Postemployment Benefit Liabilities	<u>(679,074)</u>	<u>75,186</u>
 NET CASH USED IN OPERATING ACTIVITES	<u><u>\$ (28,536,597)</u></u>	<u><u>\$ (28,472,744)</u></u>

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
COMPONENT UNITS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
Assets		
Cash and Cash Equivalents	\$ 555,581	\$ 1,551,854
Investments	14,595,076	10,636,498
Other Long-Term Deposits	48,541	752,078
Accounts and Notes Receivable	2,213,256	1,723,269
Prepaid Expenses	30,513	31,472
Other Assets	16,505	-
Property and Equipment, Net	904,003	938,873
Total Assets	<u>\$ 18,363,475</u>	<u>\$ 15,634,044</u>
Liabilities		
Accounts Payable and Accrued Expenses	\$ 4,243	\$ 5,726
Notes Payable	166,080	228,798
Total Liabilities	<u>170,323</u>	<u>234,524</u>
Net Assets		
Without Donor Restrictions	6,047,719	5,310,522
With Donor Restrictions	12,145,433	10,088,998
Total Net Assets	<u>18,193,152</u>	<u>15,399,520</u>
Total Liabilities and Net Assets	<u>\$ 18,363,475</u>	<u>\$ 15,634,044</u>

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
COMPONENT UNITS
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues, Gains, and Other Support:		
Contributions	\$ 250,823	\$ 387,633
Rental Income	140,681	155,347
Investment Income	1,124,528	175,836
Unrealized Gain on Investments	-	6,767
Loss on Sale of Property and Equipment	-	(5,685)
Membership Fees	750	100
Other Income	20,684	88,379
Net Assets Released from Prior Years Restrictions	443,161	615,653
Total Revenue, Gains, and Other support	<u>1,980,627</u>	<u>1,424,030</u>
Expenses and Losses:		
Program Services Expenses:		
Scholarships, Awards, and Projects	183,889	238,106
Athletic Programs	10,569	25,662
Instructional Programs	606,893	411,953
Other	144,666	46,284
Total Program Services Expenses	<u>946,017</u>	<u>722,005</u>
Management and General	290,593	282,350
Fundraising	6,820	40,956
Total Expenses and Losses	<u>1,243,430</u>	<u>1,045,311</u>
Increase in Net Assets Without Donor Restrictions	<u>737,197</u>	<u>378,719</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	342,160	445,744
Investment Income	2,157,436	283,813
Unrealized Gain on Investments	-	6,548
Net Assets Released from Prior Year Restrictions	(443,161)	(615,653)
Increase in Net Assets With Donor Restrictions	<u>2,056,435</u>	<u>120,452</u>
INCREASE IN NET ASSETS	2,793,632	499,171
NET ASSETS, BEGINNING OF YEAR	<u>15,399,520</u>	<u>14,900,349</u>
NET ASSETS, END OF YEAR	<u>\$ 18,193,152</u>	<u>\$ 15,399,520</u>

See Accompanying Notes

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529

Notes to Basic Financial Statements

June 30, 2021 and 2020

Illinois Eastern Community Colleges District #529 (the District) is a four-college community college district located in southeastern Illinois. The colleges are located in Olney, Illinois (Olney Central College); Fairfield, Illinois (Frontier Community College); Robinson, Illinois (Lincoln Trail College); and Mt. Carmel, Illinois (Wabash Valley College). The District covers all/part of the following counties: Clark, Clay, Crawford, Cumberland, Edwards, Hamilton, Jasper, Lawrence, Richland, Wabash, Wayne, and White. The District provides classes in academic/transfer, technical, and general studies to students in the area as well as community education classes in some of the outlying cities.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The District's financial statements are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

1. Reporting Entity

Illinois Eastern Community Colleges District #529 is governed by an elected seven-member Board of Trustees. As required by generally accepted accounting principles in the United States of America (GAAP), these basic financial statements present the financial position and results of operations of Illinois Eastern Community Colleges District #529 (the primary government), as well as its component units, Olney Central College Foundation, Frontier Community College Foundation, Lincoln Trail College Foundation, and Wabash Valley College Foundation (the Foundations).

The Foundations are legally separate, tax-exempt component units of the District. The Foundations act primarily as fundraising organizations to supplement the resources that are available to the District in support of its programs. The Foundations are governed by separate Boards of Directors. Although the District does not control the timing or amount of receipts from the Foundations, the majority of resources, and income thereon that the Foundations hold and invest are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundations can only be used by, or for the benefit of, the District, the Foundations are considered to be component units of the District. The combined assets, liabilities, net assets, revenues, and expenses of the Foundations are included in the basic financial statements presented in the Statement of Financial Position – Component Units and the Statement of Activities – Component Units.

The individual activities of the four Foundations are reported in separate financial statements. Copies of the separately issued financial statements of the Foundations are available upon request to Ryan Hawkins, CFO of the District. There are no other entities for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be materially misstated or incomplete.

2. Basis of Accounting and Significant Accounting Policies

- a. The financial statements of the District are prepared in accordance with GAAP. The GASB is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.
- b. The District has disclosed pension information based on the requirements of GASB Statement Number 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.
- c. 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 accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.
- d. Certain assets are classified as restricted on the statement of net position because their use is limited by tax levies, grant agreements, or other contractual agreements.
- e. For purposes of preparing the statements of cash flows, the District considers demand deposits and certificates of deposit with an original maturity of 90 days or less to be cash equivalents.
- f. Investments are reported at fair value in accordance with guidelines defined by GASB Statement Number 72. Bank deposits and certificates of deposit are recorded at cost. Investment income consists of interest earned on bank deposits and certificates of deposit.

The District is authorized to invest in instruments outlined under Chapter 30, Section 235 of Illinois Compiled Statutes. Such instruments include: direct obligations of federally insured banks and savings and loan associations; insured obligations of Illinois credit unions; securities issued or guaranteed by the U.S. Government; money market mutual funds investing only in U.S. Government based securities; commercial paper of U.S. corporations with assets over \$500 million; short-term obligations as defined in the Public Fund Investment Act; and the investment pools managed by the State Treasurer of Illinois. The investments consist of negotiable and non-negotiable certificates of deposit with initial maturity terms in excess of three months, which are held at cost. The difference between the cost and fair value of the negotiable certificates of deposit is insignificant.

- g. Accounts receivable include uncollateralized student obligations, which generally require payment by the first day of class and government receivables. Accounts receivable are stated at the invoice amount.

Account balances unpaid at the middle of the term are considered delinquent. Collection costs may be applied to account balances still outstanding 30 days following the end of the

semester. Payments of accounts receivable are applied to the specific invoices identified on the students' remittance advice or, if unspecified, to the earliest unpaid invoices.

The carrying amount of accounts receivable for student tuition is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of accounts based on the aging of the accounts receivable by semesters. If the actual defaults are higher than the historical experience, management's estimates of recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. The total allowance as of June 30, 2021 and 2020 was \$702,004 and \$754,182, respectively.

Accounts receivable also includes outstanding balances from federal and state funding sources and other miscellaneous items. No allowance has been provided for these receivables, as management believes these are fully collectible based on past experience with these funding sources.

- h. The District levies property taxes each year, on all taxable real property located within the District. Property taxes are recorded on an accrual basis of accounting. The District records the 2020 levy payable in 2021 as property taxes receivable, less any amounts collected prior to June 30, 2021 and a deferred inflow of resources, as this levy is intended to finance the District's 2021-2022 fiscal year. The amounts accrued from year to year will vary based upon the tax collections of the respective counties.

Property tax receivables have not been reduced for an allowance as the District's historical collection experience indicates this amount is insignificant.

- i. The District has classified its revenues as either operating or nonoperating. Operating revenue includes activities that have the characteristics of exchange transactions, such as (a) student tuition and fees, net of scholarship discounts and allowances and (b) sales and services of auxiliary enterprises. Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as (a) local property taxes, (b) state appropriations, (c) most federal, state, and local grants and contracts and federal appropriations, and (d) gifts and contributions.
- j. Nonoperating revenues include non-exchange transactions, in which the District receives value without directly giving equal value in return; this includes property taxes, federal, state, and local grants, state appropriations, and other gifts and contributions. On an accrual basis, the revenues from property taxes are recognized in the period for which they are intended to finance. Revenues from grants, state appropriations, and other contributions are recognized in the year 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, or expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

- k. Inventories are stated at the lower of average cost or market. Cost is determined on the weighted average method.
- l. Capital assets include property, plant, and equipment, which are recorded at cost. Major additions and those expenditures that substantially increase the useful life of a capital asset are capitalized. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Assets are depreciated using the straight-line method over the estimated useful lives of the assets. The useful lives used by the District include 40 years for buildings, 20 years for building improvements, and a range of five to ten years for equipment.

Depreciation on the Statement of Revenues, Expenses, and Changes in Net Position includes amortization for capital leases.

- m. The financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category. These items, subsequent year's pension expense related to federal, trust, or grant contributions in the current year and deferred other post-employment benefit (OPEB) contributions are reported in the Statements of Net Position. The subsequent year's pension expense related to federal, trust, or grant contributions deferred outflow item is the amount of contributions made by the District to the State Universities Retirement System (SURS or the System) for retirement benefits on grant funded salaries during the years ended June 30, 2021 and 2020. One of the OPEB related deferred outflows items is the amount of contributions made by the District to the Community College Health Insurance Security Fund (CIP) for health insurance benefits on grant funded salaries during the years ended June 30, 2021 and 2020. These contributions occurred after the SURS and CIP measurement dates of June 30, 2020 and 2019 for the net pension liability and net OPEB liability and will be included in the net pension liability and net OPEB liability measurement at June 30, 2021 and 2020, and pension expense and other post-employment expense in fiscal years 2022 and 2021, respectively. The District's other OPEB related deferred outflows item is the allocated portion of the net difference between projected and actual experience of the total OPEB liability, the District's changing portion of the allocated CIP liability, and the differences between the District's contribution and its share of contribution.
- n. The financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which will occur related to revenue recognition. One occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The other post-employment benefit deferred inflow consists of the allocated portion of changes in assumptions, the net difference between projected and actual experience of the total OPEB liability, and the net difference between projected and actual investment earnings on OPEB

plan investments. Additionally, this category includes a deferred inflow for the District changing proportion of the allocated CIP liability.

- o. Unearned revenue includes amounts received which represent payments for services to be provided in future periods for which asset recognition criteria has been met, but for which revenue recognition criteria have not been met. These amounts consist of unexpended grant funds and tuition and fee charges for a portion of the in-progress Summer semester and all of the upcoming Fall semester. The tuition and fee charges are prorated according to the timing of the semester.
- p. Accrued compensated absences consist of accumulated unused vacation days that employees have earned but not taken. For sick leave, the District operates under a policy which allows accumulation from year to year. The policy allows unused sick leave to be applied toward service credit for retirement. Since the accumulated sick leave is not subject to reasonable estimation, no liability has been recorded in the financial statements. The rate of accrued compensated absence is calculated based on the employee's equivalent hourly rate as of Statement of Net Position date.
- q. 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 related debt that has been used as of the statement of net position date to finance capital additions.
 - Restricted Net Position – This includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or enabling legislation.
 - Unrestricted Net Position – This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources may be used for transactions relating to the educational and general operations of the District and may be used at the discretion of the governing board to meet current expenses for any purpose.

When both restricted and unrestricted resources are available to finance expenses for which restricted resources exist, it is the District's policy to first apply restricted resources to such expenses.

- r. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS or the System) and additions to/deduction from SURS' plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net other post-employment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB

expense, information about the plan net position of the Community College Health Insurance Security Fund (CIP) and additions to/deduction from CIP's plan net position has been determined on the same basis as they are reported by CIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and its public universities and community colleges are under a special funding situation. A special funding situation exists when a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and the non-employer is the only entity with a legal obligation to make contributions directly to the pension plan. The District recognizes its proportionate share of the State's pension expense relative to the District's employees as a non-operating revenue and pension expense, with the expense further allocated to the related function by employees. The State of Illinois is considered a non-employer contributing entity.

- s. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The most sensitive estimates affecting the financial statements were:

- 1. The valuation of the net other post-employment benefit liability.
- 2. The valuation of the allowance for uncollectible accounts receivable.
- 3. The useful lives of depreciable capital assets.
- 4. The amount of expenses eligible for reimbursement under the District's state and federal grants.
- t. In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The standard improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The District adopted the new standard for Fiscal Year 2021 and retroactively restated the financial statements for Fiscal Year 2020 to apply the requirement of this standard to Fiscal Year 2020. The adoption increased beginning net position as of July 1, 2019 in the amount of \$193,620. The adoption also decreased due to student groups and increased unrestricted net position at June 30, 2020 by \$235,633 on the Statement of Net Position. The adoption also increased supplies and other services expense by \$8,156, contributions by \$46,458, investment income by \$2,456, and other nonoperating revenues by \$1,255 for the year ended June 30, 2020 on the Statement of Revenues, Expenses, and Changes in Net Position. The adoption increased payments to suppliers by \$50,169, contributions by \$46,458, other receipts by \$1,255, and interest on investments by \$2,456 on the Statement of Cash Flows for the year ended June 30, 2020. The effect of the adoption for Fiscal Year 2021 resulted in an increase of nonoperating revenues of \$260,195 and an increase of operating expenses of \$201,595.

3. Deposits and Investments

Investments

At June 30, 2021 and 2020, the District held the following investments:

Investment Type	2021	2020
Non-Negotiable Certificates of Deposit	\$ 758,564	\$ 9,055,087
Money Market	79,232	43,804
Municipal Bond	31,346	-
Promissory Notes	6,358	9,042
Total	<u>\$ 875,500</u>	<u>\$ 9,107,933</u>

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. At June 30, 2021, the bank balance of the District's deposits, which includes certificates of deposit, was \$32,368,795. At June 30, 2021, all deposits were covered by federal depository insurance or by collateral held by the District's agent in the District's name. It is the District's policy to collateralize all uninsured deposits.

4. Accounts Receivable, Net

Accounts Receivable, Net consists of the following at June 30:

	2021	2020
Student Tuition and Fees Receivables, Net	\$ 1,881,577	\$ 2,243,694
State Replacement Tax	187,738	102,697
Tuition Receivables from Agencies	207,020	164,208
Grants from Federal and State Sources	6,890,823	1,793,455
Other Receivables	1,414,079	1,478,873
Less: Amounts Related to Future Terms	(2,817,954)	(3,232,791)
Total Accounts Receivable, Net	<u>\$ 7,763,283</u>	<u>\$ 2,550,136</u>
 Unrestricted	 \$ 920,258	 \$ 1,647,868
Restricted	6,843,025	902,268
Total Accounts Receivable, Net	<u>\$ 7,763,283</u>	<u>\$ 2,550,136</u>

5. Capital Assets, Net

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	June 30, 2020	Additions	Disposals	June 30, 2021
Capital Assets not being Depreciated:				
Land & Site Improvements	\$ 2,362,905	\$ -	\$ -	\$ 2,362,905
Construction in Progress	783,620	1,031,120	(783,620)	1,031,120
Capital Assets being Depreciated:	-			
Buildings	41,780,789	1,157,038	-	42,937,827
Equipment	18,431,616	748,982	(182,419)	18,998,179
Total Property and Equipment	<u>63,358,930</u>	<u>2,937,140</u>	<u>(966,039)</u>	<u>65,330,031</u>
Less: Accumulated Depreciation				
Buildings	(32,626,467)	(623,086)	-	(33,249,553)
Equipment & Other Assets	(14,834,762)	(1,163,198)	182,419	(15,815,541)
Total Accumulated	<u>(47,461,229)</u>	<u>(1,786,284)</u>	<u>182,419</u>	<u>(49,065,094)</u>
Depreciation				
Capital Assets, Net	<u>\$ 15,897,701</u>	<u>\$ 1,150,856</u>	<u>\$ (783,620)</u>	<u>\$ 16,264,937</u>

The following is a summary of changes in capital assets, net for the year ended June 30, 2020:

	June 30, 2019	Additions	Disposals	June 30, 2020
Capital Assets not being Depreciated:				
Land & Site Improvements	\$ 2,275,905	\$ 87,000	\$ -	\$ 2,362,905
Construction in Progress	24,676	783,620	(24,676)	783,620
Capital Assets being Depreciated:				
Buildings	41,429,745	351,044	-	41,780,789
Equipment	17,379,859	1,101,314	(49,557)	18,431,616
Total Property and Equipment	<u>61,110,185</u>	<u>2,322,978</u>	<u>(74,233)</u>	<u>63,358,930</u>
Less: Accumulated Depreciation				
Buildings	(31,992,994)	(633,473)	-	(32,626,467)
Equipment & Other Assets	(13,796,468)	(1,087,851)	49,557	(14,834,762)
Total Accumulated	<u>(45,789,462)</u>	<u>(1,721,324)</u>	<u>49,557</u>	<u>(47,461,229)</u>
Depreciation				
Capital Assets, Net	<u>\$ 15,320,723</u>	<u>\$ 601,654</u>	<u>\$ (24,676)</u>	<u>\$ 15,897,701</u>

6. Unearned Revenue

Unearned revenue consists of the following at June 30:

	2021	2020
Unearned Student Tuition and Fees	\$ 268,716	\$ 162,764
Other Unearned Revenue	36,665	40,332
Total Unearned Revenue	<u>\$ 305,381</u>	<u>\$ 203,096</u>

7. Long-Term Debt

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

	June 30, 2020	Additions	Retired	June 30, 2021	Due Within One Year
Compensated Absences	\$ 795,772	\$ -	\$ 37,219	\$ 758,553	\$ -
Bonds	6,685,000	2,500,000	4,620,000	4,565,000	1,495,000
Notes Payable	123,106	258,311	69,052	312,365	71,086
Other Postemployment Benefit	15,855,669	190,544	869,618	15,176,595	-
Capital Leases	57,213	-	29,704	27,509	14,027
	<u>\$ 23,516,760</u>	<u>\$ 2,948,855</u>	<u>\$ 5,625,593</u>	<u>\$ 20,840,022</u>	<u>\$ 1,580,113</u>

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

	June 30, 2019	Additions	Retired	June 30, 2020	Due Within One Year
Compensated Absences	\$ 754,325	\$ 41,447	\$ -	\$ 795,772	\$ -
Bonds	4,855,000	3,850,000	2,020,000	6,685,000	2,120,000
Notes Payable	-	170,431	47,325	123,106	48,126
Other Postemployment Benefit	15,780,483	75,186	-	15,855,669	-
Capital Leases	58,278	22,158	23,223	57,213	28,339
	<u>\$ 21,448,086</u>	<u>\$ 4,159,222</u>	<u>\$ 2,090,548</u>	<u>\$ 23,516,760</u>	<u>\$ 2,196,465</u>

The District issued General Obligation Community College Bonds, Series 2017B in March 2017 to refund outstanding and unpaid claims of the District. The original amount issued was \$2,410,000, with principal payments of \$390,000 due December 1, 2018 and \$2,020,000 due December 1, 2019. Interest rates ranged from 2.75 percent through 3.25 percent with interest payments made semiannually through December 1, 2019.

The District issued a General Obligation Community College Bond, Series 2017C in March 2017 to refund outstanding and unpaid claims of the District. The original amount issued was \$2,835,000, with principal payments of \$2,120,000 due December 1, 2020, and \$715,000 due December 1, 2021. Interest rates range from 3.75 percent to 4.00 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2018.

On April 8, 2020, the District issued General Obligation Community College Bonds Series 2020A and 2020B for the purpose of protection health and safety projects. The original amount issued was \$3,850,000, with principal payments made annually beginning December 1, 2021 and through December 1, 2023. Interest rates on the bonds range from 2.375 percent to 2.875 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2021.

In September 2020, the District issued General Obligation Community College Bonds Series 2020C (Alternative Revenue Source). The original amount issued was \$2,500,000. The interest rate on the bonds was 4.75 percent. In November 2020, the District redeemed these bonds to satisfy all outstanding obligations on the bonds.

In November 2020, the District issued General Obligation Community College Bonds Series 2020D for the purposes of paying claims of the District. The original amount issued was

\$2,325,000 with principal payments made annually beginning December 1, 2022 and through December 1, 2026. Interest rates on the bonds range from 2.03 percent to 2.75 percent. Interest is payable semiannually on June 1 and December 1 beginning December 1, 2021. The District subsequently purchased the entire amount of the issuance. The District has eliminated this intra-entity activity in the basic financial statements and in the notes to the financial statements.

Maturities of the bonds are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2022	\$ 1,495,000	\$ 229,664	\$ 1,724,664
2023	1,740,000	62,163	1,802,163
2024	1,330,000	19,119	1,349,119
	<u>\$ 4,565,000</u>	<u>\$ 310,946</u>	<u>\$ 4,875,946</u>

Total interest incurred for all long term debt for the year ended June 30, 2021 and 2020 was \$194,838 and \$130,759 respectively.

The District also obtained a note payable arrangement from a related party, Olney Central College Foundation, for an amount up to \$461,886, that is to be taken as costs are incurred related to a Title III grant performed by the District at Olney Community College. Amounts are intended to be repaid in annual installments on October 1 through fiscal year 2024. The note incurs interest at 3.0 percent, and the District is not discounting the note payable as the discount is not significant.

The legal debt margin of the District at June 30, 2021 is as follows:

Assessed valuation - 2020 levy	<u>\$ 1,761,091,185</u>
Debt limit - 2.875 percent of assessed valuation	\$ 50,631,372
Bonded indebtedness	<u>6,890,000</u>
Legal debt margin	<u>\$ 43,741,372</u>

8. Pension Plan

Plan Description

The District contributes to SURS, a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a

publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided

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

Contributions

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

The District makes contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of “affected annuitants” or specific return to work annuitants), Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6 percent during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

Net Pension Liability

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

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 at June 30, 2020 was \$130,994,627 or 0.4278 percent. The District's proportionate share changed by 0.015 percent from 0.4428 percent since the last measurement date on June 30, 2019. This amount is not recognized in the financial statements. The net pension liability was measured as of June 30, 2020, and the total pension used to calculate the net pension liability was determined based on the June 30, 2019 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2020.

Pension Expense

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

Employer Proportionate Share of Pension Expense

The District's proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2020. As a result, the District recognized on-behalf revenue and pension expense of \$14,393,432 from this special funding situation for the fiscal year ended June 30, 2021.

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

Deferred Outflows of Resources are the consumption of net position by 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 Assumption	473,019,629	-
Net Difference between projected and actual earnings on pension plan investments	474,659,178	-
Total	<u>\$ 1,118,666,290</u>	<u>\$ -</u>

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

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

Employer Deferral of Fiscal Year 2021 Pension Expense

The District paid \$172,540 in federal, trust or grant contributions for the fiscal year ended June 30, 2021. These contributions were made subsequent to the pension liability measurement date of June 30, 2020, and are recognized as Deferred Outflows of Resources as of June 30, 2021.

Assumptions and Other Inputs

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 district 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 consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

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

Discount Rate

A single discount rate of 6.49 percent was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75 percent and a municipal bond rate of 2.45 percent (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the 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 State's net pension liability, calculated using a single discount rate of 6.49 percent, as well as what the State's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher:

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

Additional information regarding the SURS basic financial statements, including the Plan's Net Position, can be found in the SURS comprehensive annual financial report by accessing the website at www.SURS.org.

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

Plan Description

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 purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of Governor's Executive Order 12-01 the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of SURS and the boards of trustees of the various community college districts.

Plan Membership

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

Benefits Provided

CIP health coverage includes provisions for medical, prescription drugs, vision, dental, and behavioral health benefits. Eligibility to participate in the CIP is defined in the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3). The Act (5 ILCS 375/6.9) also establishes health benefits for community college benefit recipients and dependent beneficiaries.

Contributions

The Act requires every active contributor (employee) of SURS to contribute .5 percent of covered payroll and every community college district to contribute .5 percent of covered payroll. Retirees pay a premium for coverage that is also determined by the ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires a special funding situation whereby the State of Illinois to make an annual appropriation to the CIP to cover any expected expenditures in excess of the contributions by active employees, employers, and retirees. The result is pay as you go financing of the plan. The employer contributions made by the state of Illinois on behalf of the District to CIP and the District's contributions for the years ended June 30, 2021 and 2020 were \$76,572 and \$75,364, respectively.

Net OPEB Liability

At June 30, 2020, CIP reported a net OPEB liability of \$1,822,763,537.

Employer Proportionate Share of Net OPEB Liability

The proportionate share of the net OPEB liability reported by the District is \$15,176,595. The State of Illinois is considered a non-employer contributing entity and the state's contribution meets the definition of special funding situation. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined based on the June 30, 2019 actuarial valuation rolled forward. 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 .832615 percent. The portion of the State of Illinois' liability that is associated with the District is \$15,176,588. The total portion associated with the District is \$30,353,183.

OPEB Expense

At June 30, 2020, CIP reported a collective net OPEB expense of \$38,455,955.

Employer Proportionate Share of OPEB Expense

For the year ended June 30, 2021, the District recognized proportionate share of collective OPEB expense of \$269,920. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported contributions made to CIP during fiscal year 2020.

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

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

Deferred Inflows of Resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Outflows and Deferred Inflows of Resources by Sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 137,867	\$ 849,403
Changes in Assumption	-	2,426,182
Net Difference between projected and actual earnings on pension plan investments	-	643
Changes in proportion and differences between employer contributions and share of contributions	<u>55,795</u>	<u>242,521</u>
Total deferred amounts to be recognized in OPEB expense in future periods	193,662	3,518,749
OPEB contributions made subsequent to the measurement date	75,012	-
Total	\$ 268,674	\$ 3,518,749

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:

Year Ending June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 38,732	\$ 703,750
2022	38,732	703,750
2023	38,732	703,750
2024	38,732	703,750
2025	38,734	703,749
Total	\$ 193,662	\$ 3,518,749

Employer Deferral of Fiscal Year 2020 OPEB Expense

The State of Illinois paid \$75,012 in OPEB contributions on-behalf of the District for the fiscal year ended June 30, 2021. These contributions were made subsequent to the OPEB liability measurement date of June 30, 2020 and are recognized as Deferred Outflows of Resources as of June 30, 2021. These will be recognized in OPEB expense in Fiscal Year 2022.

Assumptions and Other Inputs

The total CIP plan's net OPEB liability was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

- Inflation – 2.25 percent
- Salary increases – depends on service and ranges from 12.25 percent at less than 1 year of service to 3.25 percent at 34 or more years of service. Salary increases include a 3.25 percent wage inflation assumption.
- Investment rate of return – 0 percent, net of OPEB plan investment expense, including inflation

- Healthcare cost trend rates – actual trend used for fiscal year 2020. For fiscal years on or after 2021, trend starts at 8.25 percent for non-Medicare costs and post Medicare costs, respectively, and gradually decreases to an ultimate trend rate of 4.25 percent. Additional trend rate of 0.40 percent is added to non-Medicare cost on and after 2022 to account for the Excise tax.

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

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

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed – income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index "20-year Municipal GO AA Index" has been selected. The discount rates are 2.45 percent as of June 30, 2020 and 3.13 percent as of June 30, 2019.

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

The following presents the District's proportional share of the net OPEB liability, calculated using a Single Discount Rate of 2.45 percent, 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 lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

1% Decrease 1.45%	Current Single Discount Rate Assumption 2.45%	1% Increase 3.45%
\$17,292,617	\$15,176,595	\$13,351,872

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

The following presents the District's share of the net OPEB liability, calculated using the healthcare cost trend rates as well as what the total CIP's net OPEB liability would be if it were calculated using healthcare cost trend rates. The key trend rates are 8.25 percent in 2021 decreasing to an ultimate trend rate of 4.25 percent in 2037.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$12,575,334	\$15,176,595	\$18,627,062

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

No amount was owed to the plan at June 30, 2021. The District provides no other financially significant post-employment benefit to employees.

10. On-Behalf Payments for Fringe Benefits

For the years ending June 30, 2021 and 2020, payments for fringe benefits made by the State of Illinois on behalf of the District to SURS were \$14,393,432 and \$13,703,182 for pensions and to CIP were \$269,920 and \$662,313 for other post-employment benefits, respectively.

11. Related-Party Transactions

As described in Note 1, the District has four related Foundations comprising the aggregate discretely presented component units, Olney Central College Foundation, Frontier Community College Foundation, Lincoln Trail College Foundation, and Wabash Valley College Foundation. The Foundations provide scholarship funding and capital improvement funding for the District. Transactions with component units totaled \$832,074 and \$738,922 for the years ended June 30, 2021 and 2020, respectively, as follows:

	2021	2020
Olney Central College Foundation	\$ 113,400	\$ 333,081
Wabash Valley College Foundation	136,266	65,838
Lincoln Trail College Foundation	551,528	291,610
Frontier Community College Foundation	30,880	48,393
	<hr/> <u>\$ 832,074</u>	<hr/> <u>\$ 738,922</u>

For the year ended June 30, 2021, these transactions included \$33,199 of in-kind items for support of the students and programs of the District. At June 30, 2021 and 2020, there were \$132 and \$19 payable to the Foundations, respectively.

In February 2020, the District entered into a memorandum of understanding with Olney Central College Foundation (OCCF) to receive financial assistance for Olney Central College. See Note 7 to the basic financial statements for more detail.

12. Functional Expense

The District's functional allocation of expenses is as follows for the years ended June 30:

	2021	2020
Instruction	\$ 19,994,041	\$ 19,706,600
Academic Support	806,918	746,683
Student Services	5,706,044	5,620,025
Public Services	304,896	397,379
Auxiliary Services	5,629,044	5,929,761
Operations and Maintenance of Plant	3,622,819	2,849,730
Institutional Support	10,269,692	11,355,477
Scholarships, Student Grants, and Waivers	4,053,746	4,280,789
Depreciation Expense	1,786,284	1,721,324
Total	\$ 52,173,484	\$ 52,607,768

13. Risk Management Issues

The District is exposed to various risks of loss due to torts, theft, or damage to assets, errors and omissions, and natural disasters. The District purchases commercial insurance for these risks. There has been no significant reduction in coverage over the past two years and settlements have not exceeded insurance coverage in any of the past three years.

As of the date of the Independent Auditor's Report, the District has received claims regarding the District's compliance with Illinois Community College Board grant regulations and while management believes that potential exposure does exist, there was no loss contingency accrued to the financial statements for the year ended June 30, 2021 due to the inability to appropriately estimate the outcome of the proceedings.

14. Commitments

The District has various construction and consulting contract commitments through the date of the Independent Auditor's Report. The remaining commitment on the contracts was approximately \$6,890,000 and is expected to be incurred in Fiscal Years 2022 and 2023.

15. New Government Accounting Standards

In June 2017, GASB issued GASB Statement 87 (GASB 87), *Leases*. The provisions of GASB 87 require that certain lessees recognize a lease liability and asset for all leases greater than 12 months. GASB 87 is effective for the District's fiscal year 2022.

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

The District's management is currently reviewing what impact, if any, these new standards will have on its future financial statements and disclosures.

16. Uncertainty

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

17. Discretely Presented Component Units

The following notes are provided for the District's component units, the Foundations:

A. Summary of Significant Accounting Policies

- a. The basic financial statements of the District's discretely presented component units have been prepared in accordance with the accounting principles generally accepted in the United States of America applicable to nonprofit entities. Accounting principles generally accepted in the United States of America requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as net assets without donor restrictions and net assets with donor restrictions. The following is a description of each class:

Net Assets Without Donor Restrictions

The net assets without donor restrictions include all resources available for use by the boards of directors in carrying out the activities of Foundations in accordance with their Articles of Incorporation and Bylaws.

Net Assets With Donor Restrictions

The net assets with donor restrictions are only expendable for the purpose specified by the donor or through the passage of time. When a restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

- b. The District's discretely presented component units report gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.
- c. The Foundations are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

B. Investments

The following is a summary of component unit investments at June 30:

	2021		2020	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Mutual Funds	\$ 7,719,231	\$ 10,306,297	\$ 7,549,760	\$ 8,478,189
Equity Securities	1,313,165	2,398,816	915,829	1,425,630
Corporate Bonds	373,507	387,868	266,528	286,648
U.S. Government Securities	222,020	233,768	387,676	412,362
Mortgage Backed Securities	287,269	287,750	-	-
Certificates of Deposit	611,558	611,558	-	-
Other	369,019	369,019	31,272	33,669
	<u>\$ 10,895,769</u>	<u>\$ 14,595,076</u>	<u>\$ 9,151,065</u>	<u>\$ 10,636,498</u>

Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, establishes a framework for measuring fair value under generally accepted accounting principles. Topic 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Topic 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. Topic 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 Inputs to the valuation methodology are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Foundations have the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021.

Mutual Funds, Equity Securities, Corporate Bonds, U.S. Government Securities, Mortgage-Backed Securities – Valued at unadjusted quoted prices for identical assets in active markets that the Foundations have the ability to access.

Certificates of Deposit and Other – Valued at cost, which approximates fair value.

The following table sets forth by level within the fair value hierarchy, the Foundations' investments at fair value as of June 30, 2021:

	Investments as of June 30, 2021				
	Level 1	Level 2	Level 3	Total	
Investments at Fair Value:					
Mutual Funds	\$ 10,306,296	\$ -	\$ -	\$ 10,306,296	
Equity Securities	2,124,516	274,300	-	2,398,816	
Corporate Bonds	387,868	-	-	387,868	
U.S. Government Securities	233,768	-	-	233,768	
Mortgage Backed Securities	287,750	-	-	287,750	
Total Fair Value	<u>13,340,198</u>	<u>274,300</u>	<u>-</u>	<u>13,614,498</u>	
Investments at Cost:					
Certificates of Deposit	611,558	-	-	611,558	
Other	369,019	-	-	369,019	
Total	<u>\$ 14,320,775</u>	<u>\$ 274,300</u>	<u>\$ -</u>	<u>\$ 14,595,075</u>	

The following table sets forth by level within the fair value hierarchy, the Foundations' investments at fair value as of June 30, 2020:

	Investments as of June 30, 2020				
	Level 1	Level 2	Level 3	Total	
Investments at Fair Value:					
Mutual Funds	\$ 8,478,189	\$ -	\$ -	\$ 8,478,189	
Equity Securities	1,230,876	194,754	-	1,425,630	
Corporate Bonds	-	286,648	-	286,648	
U.S. Government Securities	-	412,362	-	412,362	
Other	-	33,669	-	33,669	
Total	<u>\$ 9,709,065</u>	<u>\$ 927,433</u>	<u>\$ -</u>	<u>\$ 10,636,498</u>	

C. Property and Equipment, Net

Property and equipment, Net consists of the following as of June 30:

	2021	2020
Land	\$ 395,169	\$ 396,437
Construction in Progress	66,384	66,384
Buildings	1,103,663	1,103,663
Equipment	73,571	71,218
Vehicles (Leased)	120,140	120,140
Amphitheater	16,204	16,204
Mineral Interest	1,907	1,907
Land Improvements	25,658	25,658
Leasehold Improvements	31,140	31,140
Total	1,833,836	1,832,751
Less: Accumulated Depreciation	(929,833)	(893,878)
Property and Equipment, Net	\$ 904,003	\$ 938,873

Depreciation expense for the years ended June 30, 2021 and 2020 was \$35,955 and \$35,664, respectively.

D. Notes Payable

Notes payable consists of the following as of June 30:

	2021	2020
Note payable - Old National Bank note originally due November 2, 2016, interest at 5.10% and payable in monthly installments of \$1,040 was refinanced with an additional \$40,150 being added to the loan for building improvements. The refinanced note is due April 23, 2022 with monthly principal and interest payments of \$925. Interest rate is 4.05%. Collateral is real estate in Mt. Carmel Illinois.	\$ 8,112	\$ 18,648
Advanced Technology Center Note Payable - Wabash Savings Bank note originally dated July 24, 2009, was modified on February 28, 2012. The note was extended 120 months with monthly payments of \$1,081. Interest rate is 5.00%.	6,540	18,867
Chemistry Lab Note Payable - Old National Bank, dated August 5, 2014, interest rate at 3.49%. Principal and interest payments of \$895 with a maturity date of August 5, 2019. The note was renewed on August 5, 2019 at an interest rate of 4.00% and payable in monthly payments of \$897 with final payment due August 5, 2024.	31,155	41,228
Note Payable - First National Bank of Carmi, interest rate at 3.25% and payable in monthly installments of \$996. Final payment is due December 2, 2022. The loan is unsecured. Principle amount financed was \$34,100 on December 2, 2019.	16,505	27,725
Wayne County Revolving Loan Fund - Dated January 9, 2017, the \$150,000 loan bears interest at 0.50% per year. Monthly principal and interest payments are due as follows: Interest payments only of \$375 commencing on June 15, 2017 semi annually until January 15, 2019 and payments of \$1,594 commencing on January 15, 2019 for 96 months. The note is unsecured.	<u>103,768</u>	<u>122,330</u>
Total	<u>\$ 166,080</u>	<u>\$ 228,798</u>

Annual maturities of notes payable for the years after June 30, 2021 are as follows:

Fiscal Year Ending June 30	
2022	\$ 54,471
2023	33,982
2024	29,224
2025	19,819
2026	19,032
Thereafter	9,552
Total	\$ 166,080

18. Supplemental Information

Schedules 4 and 6 through 8 are reported using the modified accrual basis of accounting, which is a comprehensive basis of accounting other than GAAP for a special-purpose government engaged only in business-type activities.

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

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

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY - SURS
For the Year Ended June 30, 2021
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
a) IECC's Proportionate Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	0%	0%	0%
b) IECC's Proportionate Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability Associated with IECC	<u>94,138,266</u>	<u>101,854,540</u>	<u>115,234,130</u>	<u>109,288,464</u>	<u>118,639,012</u>	<u>127,172,475</u>	<u>130,994,627</u>
Total b) + c)	<u><u>\$ 94,138,266</u></u>	<u><u>\$ 101,854,540</u></u>	<u><u>\$ 115,234,130</u></u>	<u><u>\$ 109,288,464</u></u>	<u><u>\$ 118,639,012</u></u>	<u><u>\$ 127,172,475</u></u>	<u><u>\$ 130,994,627</u></u>
IECC Defined Benefit Covered Payroll	<u>\$ 15,721,786</u>	<u>\$ 15,676,719</u>	<u>\$ 16,079,959</u>	<u>\$ 15,191,656</u>	<u>\$ 15,468,356</u>	<u>\$ 16,060,042</u>	<u>\$ 15,911,436</u>
Proportion of Collective Net Pension Liability Associated with IECC as a Percentage of Defined Benefit Covered Payroll	599%	650%	717%	719%	767%	792%	823%
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%

47

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - SURS
For the Year Ended June 30, 2021
(Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
IECC's Federal, Trust, Grant, and Other Contribution	\$ 124,684	\$ 86,189	\$ 86,267	\$ 64,774	\$ 79,807	\$ 95,325	\$ 119,730	\$ 172,540
IECC's Contribution in Relation to Required Contribution	124,684	86,189	86,267	64,774	79,807	95,325	119,730	172,540
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
IECC's Covered Payroll	<u>\$ 1,046,888</u>	<u>\$ 736,032</u>	<u>\$ 679,803</u>	<u>\$ 516,950</u>	<u>\$ 640,505</u>	<u>\$ 775,630</u>	<u>\$ 942,755</u>	<u>\$ 1,325,193</u>
Contributions as a Percentage of Covered Payroll	11.91%	11.71%	12.69%	12.53%	12.46%	12.29%	12.70%	13.02%

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

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Notes to Required Supplementary Information – Pension Liability
For the Year Ended June 30, 2021
(Unaudited)

Changes of Benefit Terms

There were no benefit changes 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 ERI for crediting the money purchase accounts to 6.75 percent (effective July 2, 2019).
- Normal retirement rates. A slight increase in the retirement rate at 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 services 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 services 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.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY - CIP
For the Year Ended June 30, 2021
(Unaudited)

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>
a) IECC's Proportionate Percentage of the Collective Net OPEB Liability	0.835067%	0.837049%	0.839573%	0.832615%
b) IECC's Proportionate Amount of the Collective Net OPEB Liability	\$ 15,228,583	\$ 15,780,483	\$ 15,855,669	\$ 15,176,595
c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability Associated with IECC	<u>15,028,021</u>	<u>15,780,483</u>	<u>15,855,669</u>	<u>15,176,633</u>
Total b) + c)	<u>\$ 30,256,604</u>	<u>\$ 31,560,966</u>	<u>\$ 31,711,338</u>	<u>\$ 30,353,228</u>
IECC's Covered-Employee Payroll	<u>\$ 14,532,552</u>	<u>\$ 14,627,862</u>	<u>\$ 15,135,752</u>	<u>\$ 15,314,620</u>
IECC's Proportionate Share of Collective Net OPEB Liability as a Percentage of Covered-Employee Payroll	105%	108%	105%	99%
CIP Plan Net Position as a Percentage of Total OPEB Liability	-2.87%	-3.54%	-4.13%	-5.07%

NOTE: The fund implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedules are intended to show information for 10 years.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS-CIP
For the Year Ended June 30, 2021
(Unaudited)

Year Ended June 30	Statutorily Required Contributions*	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	\$ 74,807	\$ 14,961,326	0.50%
2020	76,573	15,314,620	0.50%
2019	75,363	15,135,752	0.50%
2018	73,097	14,627,862	0.50%
2017	72,448	14,532,552	0.50%
2016	77,006	15,401,194	0.50%
2015	75,728	15,145,510	0.50%
2014	76,959	15,391,726	0.50%

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

NOTE: The fund implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedules are intended to show information for 10 years.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Notes to Required Supplementary Information – OPEB Liability
For the Year Ended June 30, 2021
(Unaudited)

Changes of Benefit Terms

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

Assumptions Used

- Actuarial Cost Method – Entry Age Normal, used to measure the Total OPEB Liability
- Contribution Policy – Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2019, contribution rates are 0.50 percent of pay for active members, 0.50 percent of pay for community colleges and 0.50 percent of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but note paid plan costs.
- Asset Valuation Method – Market value
- Investment Rate of Return – 0 percent, net of OPEB plan investment expense, including inflation
- Inflation – 2.25 percent
- Salary Increases – Depends on service and ranges from 12.25 percent at less than 1 year of service to 3.25 percent at 34 or more years of service. Salary increase includes a 3.25 percent wage inflation assumption
- Retirement Age – Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
- Mortality – Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017.
- Healthcare Cost Trend Rates – Actual trend used for fiscal year 2020 based on premium increases. For fiscal years on and after 2021, trend starts at 8.25 percent for non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 4.25 percent. There is no additional trend rate due to the repeal of the Excise Tax.
- Aging Factors – Based on the 2013 Study “Health Care Costs – From Birth to Death”
- Expenses – Health administrative expenses are included in the development of the per-capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Schedule 1

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ASSESSED VALUATIONS AND TAXES LEVIED -
GOVERNMENTAL FUND TYPES
Levy Years 2020, 2019, and 2018

	2020 Levy	2019 Levy	2018 Levy
ASSESSED VALUES AS EQUALIZED			
Clark	\$ 6,677,907	\$ 6,137,945	\$ 5,770,454
Clay	170,942,121	163,262,337	153,524,979
Crawford	501,910,571	492,406,311	457,730,168
Cumberland	63,546	54,067	55,025
Edwards	85,779,152	84,284,384	83,276,401
Hamilton	750,105	659,016	674,555
Jasper	180,693,896	180,184,694	170,059,434
Lawrence	164,595,384	149,830,349	141,064,822
Richland	248,637,243	241,660,083	236,255,867
Wabash	168,722,481	157,527,927	142,327,564
Wayne	165,638,587	155,569,302	146,684,771
White	<u>66,680,192</u>	<u>60,038,431</u>	<u>44,831,319</u>
TOTAL	<u>\$ 1,761,091,185</u>	<u>\$ 1,691,614,846</u>	<u>\$ 1,582,255,359</u>
TAX RATES (PER \$100 OF ASSESSED VALUATION)			
Education Fund	\$ 0.1750	\$ 0.1712	\$ 0.1750
Operations and Maintenance Fund	0.0750	0.0736	0.0750
Bond and Interest Fund	0.1007	0.1281	0.1349
Liability, Protection, and Settlement Fund	0.0610	0.0462	0.0496
Protection, Health, and Safety	0.0075	-	-
Audit Fund	<u>0.0045</u>	<u>0.0048</u>	<u>0.0050</u>
TOTAL	<u>\$ 0.4237</u>	<u>\$ 0.4239</u>	<u>\$ 0.4395</u>
TAXES EXTENDED			
Education Fund	\$ 3,081,821	\$ 2,896,134	\$ 2,768,943
Operations and Maintenance Fund	1,320,782	1,244,898	1,186,693
Bond and Interest Fund	1,773,263	2,166,753	2,135,747
Liability, Protection, and Settlement Fund	1,075,003	782,204	784,499
Protection, Health, and Safety	132,345	-	-
Audit Fund	<u>80,000</u>	<u>81,193</u>	<u>79,114</u>
TOTAL	<u>\$ 7,463,214</u>	<u>\$ 7,171,182</u>	<u>\$ 6,954,996</u>

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS -
GOVERNMENTAL FUND TYPES
Year Ended June 30, 2021

Levy <u>Year</u>	Assessed <u>Valuation</u>	Combined <u>Rate</u>	Taxes <u>Extended</u>	Collected		Percent Collected	Allowance for Uncollectible <u>Taxes</u>	Balance After <u>Allowance</u>
				Total Collected to <u>2020</u>	During Year Ended <u>2021</u>			
				June 30, <u>2020</u>	June 30, <u>2021</u>			
2020	\$ 1,761,091,185	0.4237	\$ 7,463,214	\$ -	\$ -	0.00%	\$ -	\$ 7,463,214
2019	\$ 1,691,614,846	0.4239	\$ 7,171,182	\$ -	\$ 7,171,182	100.00%	\$ -	\$ -
				\$ -	\$ 7,171,182		\$ 7,171,182	\$ 7,463,214

2020 TAXES EXTENDED

		Allowance		
		Uncollected <u>June 30,</u>	For	
			Uncollectible <u>2020</u>	After <u>Taxes</u>
Education Fund		\$ 3,081,821	\$ -	\$ 3,081,821
Operations and Maintenance Fund		1,320,782	-	1,320,782
Bond and Interest Fund		1,773,263	-	1,773,263
Liability, Protection, and Settlement Fund		1,075,003	-	1,075,003
Protection, Health, and Safety Fund		132,345	-	132,345
Audit Fund		80,000	-	80,000
		\$ 7,463,214	\$ -	\$ 7,463,214

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF DEBT MATURITIES
June 30, 2021

GENERAL OBLIGATION COMMUNITY COLLEGE BONDS

Year Ended June 30,	Amounts Due During the Current Year				Principal Outstanding at June 30,	
	Interest Rate	Principal	Interest	Total		
Tax Exempt						
2020A&B Series:						
2022	2.375%	\$ 780,000	\$ 172,320	\$ 952,320	\$ 3,070,000	
Taxable						
2017 Series						
2022	4.000%	\$ 715,000	\$ 14,300	\$ 729,300	\$ -	
2020D Series:						
2022	2.030%	\$ -	\$ 93,706	\$ -	2,325,000	
		\$ 715,000	\$ 108,006	\$ 729,300		
Amounts Due in Future Years						
Interest Rate		Principal	Interest	Total		
Tax Exempt						
2020A&B Series:						
2023	2.750%	\$ 1,740,000	\$ 86,088	\$ 1,826,088	\$ 1,330,000	
2024	2.875%	\$ 1,330,000	\$ 38,238	\$ 1,368,238	\$ -	
		<u>\$ 3,070,000</u>	<u>\$ 124,326</u>	<u>\$ 3,194,326</u>		
Taxable						
2020D Series:						
2023	2.030%	\$ 325,000	\$ 57,049	\$ 382,049	\$ 2,000,000	
2024	2.500%	\$ 500,000	\$ 47,500	\$ 547,500	\$ 1,500,000	
2025	2.750%	\$ 700,000	\$ 31,625	\$ 731,625	\$ 800,000	
2026	2.750%	\$ 700,000	\$ 12,375	\$ 712,375	\$ 100,000	
2027	2.750%	\$ 100,000	\$ 1,375	\$ 101,375	\$ -	
		<u>\$ 2,325,000</u>	<u>\$ 149,924</u>	<u>\$ 2,474,924</u>		
<u>TOTAL AMOUNT DUE IN FUTURE YEARS</u>						
2020A&B Series		\$ 3,070,000	\$ 124,326	\$ 3,194,326		
2020D Series		\$ 2,325,000	\$ 149,924	\$ 2,474,924		
		<u>\$ 5,395,000</u>	<u>\$ 274,250</u>	<u>\$ 5,669,250</u>		

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 1
ALL FUNDS SUMMARY - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2021

	Operations and Maintenance Fund	Bond and Interest Fund	Operations and Maintenance Fund (Restricted)	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Auxiliary Enterprise Activities	Total	
FUND BALANCE - BEGINNING OF YEAR	\$ 8,975,051	\$ 2,949,930	\$ 424,214	\$ 3,550,003	\$ 561,254	\$ 6,413,655	\$ (9,377)	\$ 617,558	\$ 7,791,950	\$ 31,274,238
REVENUES										
Local Tax Revenue	8,431,169	1,776,227	2,237,790	-	-	-	84,517	808,912	-	13,338,615
ICCB Grants	13,360,592	-	-	-	273,208	-	-	-	-	13,633,800
All Other State Revenue	-	-	-	-	256,104	-	-	-	-	256,104
Federal Revenue	4,746,940	581,634	-	-	16,187,925	-	-	-	622,135	22,138,634
Student Tuition and Fees	10,366,293	1,036,200	-	-	-	-	-	-	311,801	11,714,294
On-Behalf CIP	-	-	-	-	269,920	-	-	-	-	269,920
On-Behalf SURS	-	-	-	-	14,393,432	-	-	-	-	14,393,432
All Other Revenue	334,107	370,251	7,831	94,691	65,039	70,043	53	8,799	2,553,578	3,504,392
Total Revenues	37,239,101	3,764,312	2,245,621	94,691	31,445,628	70,043	84,570	817,711	3,487,514	79,249,191
EXPENDITURES										
Instruction	10,782,728	1,336	-	-	9,314,526	-	-	-	123	20,098,713
Academic Support	479,556	-	-	-	295,043	-	-	-	5,080	779,679
Student Services	1,606,889	(628)	-	-	4,010,642	-	-	-	64,398	5,681,301
Public Service/Continuing Education	-	-	-	-	159,867	-	-	-	143,887	303,754
Auxiliary Services	10,371	-	-	-	2,167,311	-	-	-	4,141,242	6,318,924
Operations and Maintenance	48,198	2,814,023	-	-	932,409	-	-	-	4,129	3,798,759
Institutional Support	8,672,482	952,006	2,188,350	505,457	8,691,735	-	87,225	825,824	(3,503)	21,919,576
Scholarships, Student Grants, & Waivers	4,827,433	-	-	-	5,899,114	-	-	-	305,561	11,032,108
Total Expenditures	26,427,657	3,766,737	2,188,350	505,457	31,470,647	-	87,225	825,824	4,660,917	69,932,814
NET TRANSFERS	(5,201,849)	584,151	-	3,559,100	-	(150,000)	-	-	1,208,598	-
FUND BALANCE - END OF YEAR	\$ 14,584,646	\$ 3,531,656	\$ 481,485	\$ 6,698,337	\$ 536,235	\$ 6,333,698	\$ (12,032)	\$ 609,445	\$ 7,827,145	\$ 40,590,615

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 2
SUMMARY OF FIXED ASSETS AND LONG-TERM DEBT
For the Year Ended June 30, 2021

	July 1, 2020	Additions	Retirements	June 30, 2021
Land and Site Improvements	\$ 2,362,905	\$ -	\$ -	\$ 2,362,905
Buildings	41,780,789	1,157,038	-	42,937,827
Equipment	18,431,616	748,982	(182,419)	18,998,179
Construction in Progress	783,620	1,031,120	(783,620)	1,031,120
Total	<u>63,358,930</u>	<u>2,937,140</u>	<u>(966,039)</u>	<u>65,330,031</u>
Less Accumulated Depreciation:				
Buildings	32,626,467	623,086	-	33,249,553
Equipment	14,834,762	1,163,198	(182,419)	15,815,541
Total Accumulated Depreciation	<u>47,461,229</u>	<u>1,786,284</u>	<u>(182,419)</u>	<u>49,065,094</u>
CAPITAL ASSETS, NET	<u>\$ 15,897,701</u>	<u>\$ 1,150,856</u>	<u>\$ (783,620)</u>	<u>\$ 16,264,937</u>
LONG-TERM DEBT				
Lease Obligations	\$ 57,213	\$ -	\$ (29,704)	\$ 27,509
Notes Payable	123,106	258,311	(69,052)	312,365
Bonds Payable	6,685,000	4,825,000	(4,620,000)	6,890,000
OPEB Liability	15,855,669	190,544	(869,618)	15,176,595
Accrued Vacation	<u>795,772</u>	<u>-</u>	<u>(37,219)</u>	<u>758,553</u>
TOTAL LONG-TERM DEBT	<u>\$ 23,516,760</u>	<u>\$ 5,273,855</u>	<u>\$ (5,625,593)</u>	<u>\$ 23,165,022</u>

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 3
OPERATING FUNDS REVENUES AND EXPENDITURES - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local Government:			
Property Taxes	\$ 3,033,692	\$ 1,274,479	\$ 4,308,171
Corporate Personal Property Replacement Tax	501,748	501,748	1,003,496
Bond Proceeds	4,895,729	-	4,895,729
Total Local Government	<u>8,431,169</u>	<u>1,776,227</u>	<u>10,207,396</u>
State Government:			
ICCB Base Operating Grants	4,508,383	-	4,508,383
ICCB Equalization Grant	8,063,830	-	8,063,830
ICCB Career and Technical Education	788,379	-	788,379
Total State Government	<u>13,360,592</u>	<u>-</u>	<u>13,360,592</u>
Federal Government:			
Department of Education	4,746,940	581,634	5,328,574
Total Federal Government	<u>4,746,940</u>	<u>581,634</u>	<u>5,328,574</u>
Student Tuition and Fees:			
Tuition	8,593,851	-	8,593,851
Fees	1,772,442	1,036,200	2,808,642
Total Student Tuition and Fees	<u>10,366,293</u>	<u>1,036,200</u>	<u>11,402,493</u>
Other Sources:			
Sales and Service Fees	22,491	-	22,491
Facilities Revenue	488	29,390	29,878
Investment Income	113,793	30,718	144,511
Gifts, Scholarships, Grants, Bequests	8,226	305,595	313,821
Other	189,109	4,548	193,657
Total Other Sources	<u>334,107</u>	<u>370,251</u>	<u>704,358</u>
Total Operating Revenues	37,239,101	3,764,312	41,003,413
Less: Nonoperating Item -			
Tuition Chargeback Revenue	-	-	-
Adjusted Revenue	<u>\$ 37,239,101</u>	<u>\$ 3,764,312</u>	<u>\$ 41,003,413</u>

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 3
OPERATING FUNDS REVENUES AND EXPENDITURES - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
By Program:			
Instruction	\$ 10,782,728	\$ 1,336	\$ 10,784,064
Academic Support	479,556	-	479,556
Student Services	1,606,889	(628)	1,606,261
Public Service/Continuing Education	-	-	-
Auxiliary Services	10,371	-	10,371
Operations and Maintenance	48,198	2,814,023	2,862,221
Institutional Support	8,672,482	952,006	9,624,488
Scholarships, Student Grants, & Waivers	4,827,433	-	4,827,433
Total Expenditures	<u>26,427,657</u>	<u>3,766,737</u>	<u>30,194,394</u>
Transfers	<u>5,201,849</u>	<u>(584,151)</u>	<u>4,617,698</u>
Total Expenditures and Transfers	<u>31,629,506</u>	<u>3,182,586</u>	<u>34,812,092</u>
Less: Nonoperating Item - Tuition Chargeback	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Expenditures	<u>\$ 31,629,506</u>	<u>\$ 3,182,586</u>	<u>\$ 34,812,092</u>
By Object:			
Salaries	\$ 14,001,911	\$ 887,561	\$ 14,889,472
Employee Benefits	1,966,251	213,225	2,179,476
Contractual Services	1,214,187	349,059	1,563,246
General Materials and Supplies	1,185,209	261,979	1,447,188
Conference and Meeting Expenses	108,303	275	108,578
Fixed Charges	2,644,228	16,821	2,661,049
Utilities	53,204	1,083,560	1,136,764
Capital Outlay	246,414	954,187	1,200,601
Other	<u>5,007,950</u>	<u>70</u>	<u>5,008,020</u>
Total Expenditures	<u>26,427,657</u>	<u>3,766,737</u>	<u>30,194,394</u>
Transfers	<u>5,201,849</u>	<u>(584,151)</u>	<u>4,617,698</u>
Total Expenditures and Transfers	<u>31,629,506</u>	<u>3,182,586</u>	<u>34,812,092</u>
Less: Nonoperating Item - Tuition Chargeback	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Expenditures	<u>\$ 31,629,506</u>	<u>\$ 3,182,586</u>	<u>\$ 34,812,092</u>

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2021

RESTRICTED PURPOSES FUND REVENUES BY SOURCES

State Government:

Illinois Community College Board - Adult Education	\$ 214,563
Illinois Community College Board - Other	58,645
On-Behalf CIP	269,920
On-Behalf SURS	14,393,432
Other	256,104
Total State Government	<u>15,192,664</u>

Federal Government:

Department of Education - Nonfinancial Aid	2,361,017
Department of Education - passed through ICCB	910,503
PELL Grant	3,998,512
Supplementary Educational Opportunity Grant	596,625
Federal Work-Study Program	211,852
Department of Commerce - passed through EDA	47,892
Department of Labor - passed through Mine Safety Health Adm	22,242
Department of Human and Health Services	130,618
Department of Treasury - passed through ICCB	17,197
Department of Treasury - passed through DCEO	124,880
CARES Act	7,766,587
Total Federal Government	<u>16,187,925</u>

Other Sources	<u>65,039</u>
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Total Restricted Purposes Fund Revenues by Sources	<u>\$ 31,445,628</u>
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ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2021

OPERATING EXPENDITURES

By Program:

Instruction	\$ 9,314,526
Academic Support	295,043
Student Services	4,010,642
Public Service/Continuing Education	159,867
Auxiliary Services	2,167,311
Operations and Maintenance	932,409
Institutional Support	8,691,735
Scholarships, Student Grants, & Waivers	<u>5,899,114</u>
 Total Expenditures	 <u>\$ 31,470,647</u>

By Object:

Salaries	\$ 1,909,917
Employee Benefits	15,116,456
Contractual Services	629,639
General Materials and Supplies	1,269,479
Conference and Meeting Expenses	92,692
Fixed Charges	66,229
Utilities	-
Capital Outlay	327,212
Other	12,059,023
<i>Scholarships, Grants, Waivers *</i>	<u>5,899,114</u>
 Total Expenditures	 <u>\$ 31,470,647</u>

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

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 5
CURRENT FUNDS* EXPENDITURES BY ACTIVITY - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2021

INSTRUCTION

Instructional Programs	\$ 10,647,468
Other	9,451,245
Total Instruction	<u>20,098,713</u>

ACADEMIC SUPPORT

Library Center	390,715
Academic Computing Support	25,377
Other	363,587
Total Academic Support	<u>779,679</u>

STUDENT SERVICES SUPPORT

Admissions and Records	178,006
Counseling and Career Services	330,582
Financial Aid Administration	578,566
Other	4,594,147
Total Student Services Support	<u>5,681,301</u>

PUBLIC SERVICES

Community Education	66,758
Customized Training	67,149
Community Services	21,565
Other	148,282
Total Public Service	<u>303,754</u>

AUXILIARY SERVICES

6,318,924

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
UNIFORM FINANCIAL STATEMENT NO. 5
CURRENT FUNDS* EXPENDITURES BY ACTIVITY - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2021

OPERATIONS AND MAINTENANCE OF PLANT

Administration	112,442
Custodial Services	668,211
Maintenance	808,084
Grounds Maintenance	153,740
Plant Utilities	1,296,812
Other	759,470
Total Operations and Maintenance of Plant	<u>3,798,759</u>

INSTITUTIONAL SUPPORT

Executive Management	1,997,240
Fiscal Operations	40
Administrative Support Services	1,258,565
Community Relations	(117)
Board of Trustees	25,431
General Institution	14,168,841
Administrative Data Processing	1,775,769
Total Institutional Support	<u>19,225,769</u>

SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS

Total Current Funds Expenditures	<u>11,032,108</u>
	<u>\$ 67,239,007</u>

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

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
CERTIFICATION OF CHARGEBACK REIMBURSEMENT
FOR FISCAL YEAR 2022

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

1	Education Fund	\$ <u>26,181,242</u>
2	Operations and Maintenance Fund	\$ <u>2,812,550</u>
3	Public Building Commission Operation and Maintenance Fund	\$ <u>-</u>
4	Bond and Interest Fund	\$ <u>2,188,350</u>
5	Public Building Commission Rental Fund	\$ <u>-</u>
6	Restricted Purposes Fund	\$ <u>10,383,085</u>
7	Audit Fund	\$ <u>87,225</u>
8	Liability, Protection, and Settlement Fund	\$ <u>825,824</u>
9	Auxiliary Enterprises Fund (subsidy only)	\$ <u>1,777,749</u>
10	TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)	\$ <u>44,256,025</u>
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	\$ <u>1,197,517</u>
12	TOTAL COSTS INCLUDED (line 10 plus line 11)	\$ <u>45,453,542</u>
13	Total certified semester credit hours for FY 2021	<u>80,297.50</u>
14	PER CAPITA COST (line 12 divided by line 13)	\$ <u>566.06</u>
15	All FY 2021 state and federal operating grants for noncapital expenditures DO NOT INCLUDE ICCB GRANTS	\$ <u>10,233,995</u>
16	FY 2021 state and federal grants per semester credit hour (line 15 divided by line 13)	\$ <u>127.45</u>
17	District's average ICCB grant rate (excluding equalization grants) for FY 2022	\$ <u>40.93</u>
18	District's student tuition and fee rate per semester credit hour for FY 2022	\$ <u>132.00</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	\$ <u>265.68</u>

Approved:



Chief Fiscal Officer / Date

2-24-22

Approved:



Chief Executive Officer / Date

2/24/22

INDEPENDENT AUDITOR'S REPORT ON THE ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM

Board of Trustees
Illinois Eastern Community Colleges District #529
Olney, Illinois

Report on the Financial Statements

We have audited the accompanying balance sheet of the Adult Education and Family Literacy Grants Program of Illinois Eastern Community Colleges District #529 (the District) as of June 30, 2021, and the related combining statement of revenues, expenditures, and changes in fund balance for the year then ended.

Management's Responsibility for the Financial Statements and Compliance

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

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 ICCB'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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.



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. Our audit also includes a review of compliance with the provisions of laws, regulations, contracts, and grants between the District and the State of Illinois and the ICCB.

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

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 the District at June 30, 2021, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Information

The accompanying balance sheets and statements of revenue and expenditures were prepared for the purpose of complying with the terms of the ICCB Grants and are not intended to be a complete presentation of the District's revenue and expenditures in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic grant program financial statements taken as a whole. The supplementary ICCB compliance schedule for the Adult Education and Family Literacy Grant (Schedule 12) is presented for purposes of additional analysis as required by the ICCB and is not a required part of the basic grant program financial statements. This schedule is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic grant program financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic grant program financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic grant program financial statements taken as a whole.

Report on Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with terms, covenants, provisions, or conditions of the Adult Education and Family Literacy grants as presented in the policy guidelines of the ICCB's *Fiscal Management Manual*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures; other matters may have come to our attention regarding the District's noncompliance.

Martin Hood LLC

Champaign, Illinois

February 24, 2022

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
BALANCE SHEET
June 30, 2021**

	State Basic	Performance	Total
Assets			
Cash	\$ -	\$ -	\$ -
Receivable	- -	- -	- -
Total Assets	<u><u>- -</u></u>	<u><u>- -</u></u>	<u><u>- -</u></u>
Liabilities			
Accounts Payable	- -	- -	- -
Due to the District	- -	- -	- -
Total Liabilities	<u><u>- -</u></u>	<u><u>- -</u></u>	<u><u>- -</u></u>
Fund Balance			
Total Liabilities and Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Accompanying Notes on Page 70

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended June 30, 2021

	State Basic	Performance	Total
Revenues			
State Sources	<u>\$ 157,378</u>	<u>\$ 57,185</u>	<u>\$ 214,563</u>
Expenditures			
Expenditures by Program:			
Instruction	80,826	11,071	91,897
Guidance Services	21,690	813	22,503
Assessment and Testing	37,643	6,420	44,063
Social Services	15	221	236
Total Expenditures by Program	<u>140,174</u>	<u>18,525</u>	<u>158,699</u>
Program Support:			
Improvement of Instructional Services	7,574	886	8,460
General Administration	16,780	40,976	57,756
Data and Information Services	-	6,120	6,120
Workforce Coordination	62	-	62
Total Program Support	<u>24,416</u>	<u>47,982</u>	<u>72,398</u>
Total Expenditures	<u>164,590</u>	<u>66,507</u>	<u>231,097</u>
Deficit of Revenue Over Expenditures	<u>(7,212)</u>	<u>(9,322)</u>	<u>(16,534)</u>
Fund Balance - Beginning of Year	<u>7,212</u>	<u>9,322</u>	<u>16,534</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes on Page 70

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ICCB COMPLIANCE STATEMENT FOR THE
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY
For the Year Ended June 30, 2021**

	Audited Expenditure (Dollars)	Actual Expenditure (Percentage)
State Basic		
Instruction (45 Percent Minimum Required)*	\$ 80,826	51.36%
General Administration (15 Percent Maximum Allowed)	16,780	10.66%

* This requirement was waived by ICCB for Fiscal Year 2021.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529

Notes to the ICCB Grant Financial Statements

June 30, 2021

The Adult Education and Family Literacy Grant Programs were established as special revenue sub-funds of Illinois Eastern Community Colleges District #529 (the District) to account for revenues and expenditures of the respective programs. These programs are administered by the Illinois Community College Board (ICCB). The following is a summary of the significant policies followed by the District in respect to these funds.

Basis of Accounting

The statements have been prepared on the accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 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.

Budgets and Budgetary Accounting

Each year the District prepares a budget for the grants. The budget is prepared on the same basis of accounting as the records are maintained.

Capital Outlay

Capital outlay is charged to expenditure in the period which it is purchased instead of being recognized as an asset and depreciated over its useful life. As a result, the expenditures reflected in the statements include cost of capital outlay purchased during the year rather than a provision for depreciation.

Grant Extension

All state funded ICCB grants for fiscal year 2020 were extended until June 30, 2021 in response to the coronavirus pandemic.

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

Board of Trustees
Illinois Eastern Community Colleges District #529
Olney, Illinois

Report on the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed

We have audited the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Illinois Eastern Community Colleges District #529 (the District) for the year ended June 30, 2021.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Illinois Community College Board. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement, which is free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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 accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of the District for the year ended June 30, 2021 is fairly presented in accordance with the aforementioned guidelines.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement noted above. The information on Schedules 14 through 18 is presented for purposes of additional analysis as required by the Illinois Community College Board and is not a required part of the financial statement. These schedules are the responsibility of the District's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. These schedules have been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 24, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Martin Hood LLC

Champaign, Illinois
February 24, 2022

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
Year Ended June 30, 2021

CATEGORIES	Total Semester Credit Hours by Term (In-District and Out-of-District Reimbursable)									
	Summer		Fall		Spring		Total		Unrestricted	Restricted
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted		
Baccalaureate	3,031.00	194.00	21,738.00	37.00	20,841.50	20.00	45,610.50	251.00		
Business Occupational	306.00	-	2,551.50	-	2,106.50	22.00	4,964.00	22.00		
Technical Occupational	1,100.00	-	7,099.00	301.50	9,818.00	413.00	18,017.00	714.50		
Health Occupational	995.50	-	3,642.00	33.00	3,551.50	43.50	8,189.00	76.50		
Remedial Development	12.00	-	214.00	-	205.00	-	431.00	-		
Adult Basic Education/Adult Secondary Education	-	473.00	107.00	677.00	40.00	725.00	147.00	1,875.00		
TOTAL CREDIT HOURS CERTIFIED	5,444.50	667.00	35,351.50	1,048.50	36,562.50	1,223.50	77,358.50	2,939.00		
Reimbursable semester credit hours (all terms)					63,878.00	2,699.00	483.00	67,060.00		
Reimbursable semester credit hours (all terms)					13,727.00	1,198.50				
District 2020 equalized assessed valuation							\$ 1,761,091,185			
CORRECTIONAL CREDIT HOURS			Summer	Fall	Spring		Total			
Baccalaureate			-	-	-		-			
Business Occupational			-	-	-		-			
Technical Occupational			-	-	-		-			
Health Occupational			-	-	-		-			
Remedial Development			-	-	-		-			
Adult Basic Education/Adult Secondary Education			-	-	-		-			
TOTAL CORRECTIONAL CREDIT HOURS CERTIFIED			-	-	-		-			

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
RECONCILIATION OF SEMESTER CREDIT HOURS
Year Ended June 30, 2021**

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	45,610.50	45,610.50	-	251.00	251.00	-
Business Occupational	4,964.00	4,964.00	-	22.00	22.00	-
Technical Occupational	18,017.00	18,017.00	-	714.50	714.50	-
Health Occupational	8,189.00	8,189.00	-	76.50	76.50	-
Remedial Development	431.00	431.00	-	-	-	-
Adult Basic Education/						
Adult Secondary Education	147.00	147.00	-	1,875.00	1,875.00	-
TOTAL CREDIT HOURS	77,358.50	77,358.50	-	2,939.00	2,939.00	-

CORRECTIONAL

**TOTAL CORRECTIONAL
CREDIT HOURS**

Total Attending (Unrestricted and <u>Restricted</u>)	Total Attending as Certified to the ICCB (Unrestricted and <u>Restricted</u>)	Total Attending as Certified to the ICCB (Unrestricted and <u>Restricted</u>)	Difference
66,577.00	66,577.00	-	
<u>483.00</u>	<u>483.00</u>	<u>483.00</u>	<u>-</u>
67,060.00	67,060.00	-	

	Total Reimbursable	Certified to <u>ICCB</u>	<u>Difference</u>
	<u>Total Reimbursable</u>	<u>ICCB</u>	
Dual credit	13,727.00	13,727.00	-
Dual enrollment	1,198.50	1,198.50	-

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Documentation of Residency Verification Steps
For the Year Ended June 30, 2021

Residency Policy

Students should provide official documentation of residency before or at the time of registration but no later than the first day of classes, to determine whether they qualify for in-District, out-of-District, out-of-State, or international tuition rates. (International students cannot establish Illinois residence status.)

1. To qualify for Illinois residency, the student must fulfill one of the following two requirements:
 - a. If under 18, document that at least one parent, stepparent, or appointed guardian is a legal resident of Illinois, or
 - b. If 18 or older, document residency in Illinois, in a capacity other than as a student at a post-secondary institution, for at least 30 days prior to the beginning date of class unless evidence is presented that the student has permanently relocated.

Evidence of legal residency must be based on ownership and/or occupancy of a home in Illinois or a copy of one of the following:

1. An Illinois driver's license registration
 2. An Illinois automobile license registration
 3. An Illinois voter's registration card
 4. Employment in the state of Illinois
 5. Payment of Illinois income taxes
 6. A document pertaining to the student's past or existing status as an Illinois student (e.g., high school record)
 7. Other non-self-serving documentation providing verification of the student's address.
 8. A statement by the student certifying his/her address and residency. The college shall verify the certification by sending correspondence to the address.
 9. An affidavit signed by a staff member from the college who registered the student and personally evaluated one or more of the items listed in 1 through 8.
2. To qualify for in-District residency, the student, in addition to meeting conditions of A or B above, must be a resident of Illinois Eastern Community Colleges District #529, which includes the following school districts:

Clay City Community Unit School District No. 10
Edwards County Community Unit District No. 1
Fairfield Community High School District No. 225
Flora Community Unit School District No. 35
Grayville Community Unit District No. 1

Hutsonville Community Unit School District No. 1
Lawrence County Community School Unit District No. 20
North Wayne Community Unit District No. 200
Oblong Community Unit School District No. 4
Palestine Community Unit School District No. 3
Red Hill Community Unit School District No. 10
Richland County Community Unit School District No. 1
Robinson Community Unit School District No. 2
Wabash Community Unit District No. 348

Students who live within the following public school districts may or may not be residents of Illinois Eastern Community Colleges District #529. Students from these Districts should check their property tax statement to determine community college district residency.

Carmi-White County Community Unit District No. 5
Jasper County Community Unit School District No. 1
North Clay Community Unit School District No. 25

Students shall be classified as residents of Illinois Eastern Community Colleges District 529 without meeting the 30-day residency requirement of the district if they are currently residing in the district and are youth:

- who are currently under the legal guardianship of the Illinois Department of Children and Family Services (DCFS) or have been recently been emancipated from the Department, and
- who have had previously met the 30-day residency requirement of the district but who had a placement change into a new community college district. The student, a caseworker or other personnel of DCFS, or the student's attorney or guardian ad litem appointed under the Juvenile Court Act of 1987 shall provide the district with proof of current in-district residency.

Students shall not be classified as residents of the district where attending, even though they may have met the general 30-day residency provision, if they are:

- Federal job corps workers stationed in the District;
 - Members of the armed services stationed in the District;
 - Inmates of state or federal correctional/rehabilitation institutions located in the District;
 - Full-time students attending a post-secondary educational institution in the District who have not demonstrated, through documentation, a verifiable interest in establishing permanent residency;
 - Students attending under the provisions of a chargeback or contractual agreement with another community college.
3. Illinois Out-of-District: Any student who lives outside the Illinois Eastern Community Colleges District but who is a resident of the state of Illinois will be considered an out-of-District student. Students shall be classified as residents of the State without meeting the general 30-day residency provision if they are:

- Federal job corps workers stationed in Illinois;
 - Members of the armed services stationed in Illinois;
 - Inmates of state correctional/rehabilitation institutions located in Illinois; or
 - Employed full-time in Illinois.
4. Out-of-State: Any student who is a resident of another state will be considered an out-of-state student and will be charged the rate established by the Board of Trustees.
5. Out-of-Country: Any student who is a resident of a foreign country will be considered an out-of-country student and will be charged the rate established by the Board of Trustees.
6. Undocumented: Public Act 093-007 states an individual shall be deemed an Illinois resident, until the individual establishes a residence outside of this state: if all of the following conditions are met.
- a. The individual resides with his or her parent or guardian while attending a public or private high school in the state of Illinois.
 - b. The individual graduated from a public or private high school or received the equivalent of a high school diploma in the state of Illinois.
 - c. The individual attended school in the state of Illinois for at least 3 years as of the date the individual graduated from high school or received the equivalent of a high school diploma.
 - d. The individual registers as an entering student in the community college not earlier than the 2003 fall semester.
 - e. In the case of an individual who is not a citizen or permanent resident of the United States, the individual provides the community college with an affidavit stating that the individual will file an application to become a permanent resident of the United States at the earliest opportunity the individual is eligible to do so. Students may obtain the IECC Affidavit form from any of the IECC college student record's office.

A Resolution on Residency of Undocumented Students, was resolved on January 20, 2017, by the Illinois Community College Board, to clarify tuition policy for undocumented students particularly adult students not included in provisions of PA 93-007. The resolution states that in-district tuition should be paid by those community college students meeting the residency rules for in-district tuition regardless of citizen status. Students who do not meet the requirements of the in-district rule should pay out-of-district tuition.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Background Information on State Grant Activity
For the Year Ended June 30, 2021

Unrestricted Grants

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

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

Restricted Grants

Career and Technical Education – Program Improvement Grant – Grant funding recognizes 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 acquire. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

Statewide Initiatives

Other Grants – These other grants are additional contractual grants provided for special or specific system-related initiatives. These grants are supported by signed contracts between the District and the State of Illinois. A description of the grants supported by grant agreements may be found in the appendix of the grant agreement governing these grants.

Restricted Adult Education Grants/State

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

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

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Schedule of Findings and Questioned Costs – ICCB Grant Compliance
For the Year Ended June 30, 2021

Findings – ICCB Grant Compliance

No findings noted in the current fiscal year.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Schedule of Prior Audit Findings – ICCB Grant Compliance
For the Year Ended June 30, 2021

Findings – ICCB Grant Compliance

No findings were noted in the prior fiscal year.

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT -
CONSOLIDATED YEAR-END FINANCIAL REPORT
For Year Ended June 30, 2021

CSFA #	Program	State Amount	Federal Amount	Other Amount	Total
422-60-0119	Mine Health and Safety Grants	\$ -	\$ 21,763	\$ -	\$ 21,763
601-00-0748	Illinois Cooperative Work Study Program	16,756	-	-	16,756
684-00-0465	Postsecondary Perkins Basic Grants - Federal CTE	-	334,466	-	334,466
684-00-0818	Illinois Veteran's Grant	41,523	-	-	41,523
684-00-0820	Career and Technical Education - Formula Grants	788,379	-	-	788,379
684-00-0825	Base Operating Grants	4,451,230	-	-	4,451,230
684-00-0826	Equalization Grants	8,010,752	-	-	8,010,752
684-00-2214	Integrated Education and Training Program - Federal AE and CTE	-	10,874	-	10,874
684-00-2333	Transitional Instruction Grant - GRF	50,758	-	-	50,758
684-00-2455	Governor's Emergency Education Relief - Federal	-	442,071	-	442,071
684-00-2499	CURES Grant	-	17,197	-	17,197
684-01-1625	Adult Education - Basic Grants to States - Federal and State	231,097	123,091	-	354,188
684-01-1670	Innovative Bridge and Transition Grant - State Other Grants Programs and Activities	25,987	-	-	25,987
	All Other Costs not Allocated	-	16,593,804	159,404	16,753,208
	Total	<u>\$ 13,616,482</u>	<u>\$ 17,543,266</u>	<u>\$ 21,208,574</u>	<u>\$ 52,368,322</u>

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Pass-through Grantor's Number	Expenditures	Provided to Subrecipients
U.S. Department of Education				
Major Programs:				
Education Stabilization Fund:				
Direct:				
COVID-19 Higher Education Emergency Relief Fund - Student Portion	84.425E		\$ 996,242	\$ -
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F		6,117,605	- -
COVID-19 Higher Education Emergency Relief Fund - FISPE	84.425N		249,787	- -
COVID-19 Higher Education Emergency Relief Fund - SIP	84.425M		390,144	- -
Passed-Through the Illinois Community College Board:				
COVID-19 Governor's Emergency Education Relief Fund	84.425C	GEER-529	442,071	- -
Total Education Stabilization Fund			<u>8,195,849</u>	<u>- -</u>
Direct:				
TITLE III	84.031A		947,187	- -
Pass-Through programs from the Illinois Community College Board:				
Perkins-Postsecondary/Adult:				
Perkins-Postsecondary/Adult	84.048	CTE52921	334,466	- -
Perkins-Postsecondary/Adult	84.048	IET52921	4,453	- -
Total Perkins-Postsecondary/Adult			<u>338,919</u>	<u>- -</u>
Other Direct Programs:				
Student Financial Assistance Cluster:				
PELL Grant Program	84.063		3,998,684	- -
Supplementary Education Opportunity				
Grant Program	84.007		596,625	- -
Federal Work-Study Program	84.033		211,852	- -
Direct Loan Program	84.268		1,398,634	- -
Total Student Financial Assistance Cluster			<u>6,205,795</u>	<u>- -</u>
TRIO Cluster:				
Upward Bound	84.047A		1,025,170	- -
Student Support Services	84.042A		357,758	- -
Total TRIO Cluster			<u>1,382,928</u>	<u>- -</u>
Other Pass-Through Programs from the Illinois Community College Board:				
Federal Adult Education - Basic	84.002	IET52921	6,421	- -
Federal Adult Education - Basic	84.002	5290021	123,091	- -
Total Federal Adult Education - Basic			<u>129,512</u>	<u>- -</u>
Total U.S. Department of Education			<u>17,200,190</u>	<u>- -</u>

See Accompanying Notes on Page 84

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

Federal Grantor/Pass-through Grant/Program Title	CFDA Number	Pass-through Grantor's Number	Expenditures	Provided to Subrecipients
U.S. Department of Commerce				
Direct Programs:				
EDA: Enhancing the Career and Technical Education Program	11.300	06-01-06113	48,618	-
U.S. Department of Labor				
Pass-through program from the Illinois Department of Natural Resources:				
Annual Refresher Training	17.600	MST21IECC	21,763	-
U.S. Department of Health and Human Services				
Pass-Through Program from Project Child:				
Quality Improvement Grant	93.596		730	-
Pass-Through Program from the Illinois Department of Commerce and Economic Opportunity:				
COVID-19 INCCRRA Child Restoration Grant	93.575	2021	129,888	-
Total U.S. Department of Health and Human Services			130,618	-
U.S. Department of Treasury				
Pass-through program from the Illinois Community College Board:				
COVID-19 Coronavirus Relief Fund	21.019	CURES19	17,197	-
Pass-through program from the Illinois Department of Commerce and Economic Opportunity:				
COVID-19 Coronavirus Relief Fund	21.019	2020	124,880	-
Total U.S. Department of Treasury			142,077	-
TOTAL FEDERAL AWARDS			\$ 17,543,266	\$ -

See Accompanying Notes on Page 84

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (Schedule 20) includes the federal grant activity of Illinois Eastern Community Colleges District #529 (the District) for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the District, which are presented in conformity with accounting principles generally accepted in the United States of America.

The District did not use the 10 percent de minimis indirect cost rate.

2. Basis of Accounting

The schedule has been prepared on the accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2021.

3. Property and Equipment

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

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

1. Summary of Auditor's Results

- (i) Type of audit report issued on the financial statements: Unmodified
- (ii) The audit did not disclose a significant deficiency or a material weakness in internal control required to be reported in accordance with *Government Auditing Standards*.
- (iii) The audit did not disclose instances of noncompliance material to the financial statements required to be reported in accordance with *Government Auditing Standards*.
- (iv) The audit did not disclose a significant deficiency or a material weakness in internal control over a major federal award.
- (v) Type of report issued on compliance for the major programs: Unmodified
- (vi) The audit did not disclose a finding that is required to be reported in accordance with 2 CFR section 200.516a.
- (vii) Major Programs:
U.S. Department of Education:
 - COVID-19 Education Stabilization Fund
 - CFDA #84.425C
 - CFDA #84.425E
 - CFDA #84.425F
 - CFDA #84.425M
 - CFDA #84.425N
 - Career and Technical Education – Basic Grants to States (Perkins V)
 - CFDA #84.048
 - Title III
 - CFDA #84.031A
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$750,000.
- (ix) The District does not qualify as a low-risk auditee.

2. Findings – Financial Statement Audit

None noted

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

None noted

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

DEPARTMENT OF EDUCATION

Finding 2020-001: Significant Deficiency in Internal Control over Compliance

Condition

One of forty students tested was under-awarded Pell funding.

Recommendation

Recommendation was that a review be implemented that compares enrolled credits to the Pell award to ensure that all Pell funds are awarded at proper amounts.

Current Status

Audit finding was corrected, and no similar finding was noted in the 2021 audit.

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

Board of Trustees
Illinois Eastern Community Colleges District #529
Olney, 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 the business-type activities and the aggregate discretely presented component units of Illinois Eastern Community Colleges District #529 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 24, 2022.

The financial statements of the District's discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the District's discretely presented component units.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Hood LLC
Champaign, Illinois
February 24, 2022

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

Board of Trustees
Illinois Eastern Community Colleges District #529
Olney, Illinois

Report on Compliance for Each Major Federal Program

We have audited Illinois Eastern Community Colleges District #529's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).



CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

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

Martin Hood LLC

Champaign, Illinois
February 24, 2022