KASKASKIA COMMUNITY COLLEGE DISTRICT #501

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2023 AND 2022

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
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FINANCIAL SECTION

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Kaskaskia Community College District #501
Centralia, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Kaskaskia Community College District #501 (the District), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the discretely presented component unit, of Kaskaskia Community College District #501 as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

The district implemented GASB Statement No. 96, *Subscription-Based Technology Arrangements,* effective July 1, 2021. Our audit opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17, defined benefit pension plan information on page 58, the schedule of the District's proportionate share of the net OPEB liability on page 59, and the schedule of the District's contributions on page 60 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The assessed valuations and taxes levied—governmental fund types on page 63, the summary of taxes receivable and tax collections—governmental fund types on page 64, the schedule of debt maturities on page 65, and the schedule of legal debt margin on page 66, the Uniform Financial Statements on pages 72 through 80, the Certification of Chargeback Reimbursement on page 82, the Consolidated Year-End Financial Report on page 101 and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* on page 108 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the assessed valuations and taxes levied--governmental fund types, the summary of taxes receivable and tax collections--governmental fund types, the schedule of debt maturities, and the schedule of legal debt margin, the Uniform Financial Statements, the Certification of Chargeback Reimbursement, the Consolidated Year-End Financial Report and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the current insurance coverage on pages 68 through 70 and the documentation of residency verification steps on pages 96 through 99 but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
May 7, 2024

This section of the Annual Comprehensive Financial Report of Kaskaskia Community College District #501 (College) presents management's discussion and analysis of the financial activity during the fiscal years ended June 30, 2023, 2022, and 2021. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's audited financial statements and notes to the financial statements. Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

These financial statements focus on the College as a whole and are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statements of Net Position is to reflect the College's financial position at a certain date. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets and long-term debt. Net position is one indicator of the current financial condition of the College, while the change in net position is another indicator of whether the overall financial condition has improved or deteriorated during the year.

The Statements of Revenues, Expenses, and Changes in Net Position summarize revenues and costs of College activities. It requires the classification of revenues and expenses as operating and non-operating. The College's operational loss is supported substantially by property taxes and state and federal grants. Non-operating activity also includes interest expense on capital projects and working cash bonds. This approach is intended to summarize and simplify the user's analysis of the costs of providing services and facilities to students and the public. The Uniform Financial Statements found on pages 72 through 79 present revenues and expenditures by fund. The reconciliation that follows these uniform financial statements on page 80 outlines the differences between the statements presented by fund and the general purpose financial statements.

The Statements of Cash Flows present the inflow and outflow of cash collected and disbursed by the College. It separates the sources and uses of funds by the major categories of operating, noncapital financing, capital financing, and investing activities. This statement emphasizes the College's dependence on federal, state, and local sources by separating them from the operating cash flows.

Financial Highlights

The College had a net position at the beginning of the fiscal year 2023 totaling $44.8 million. The increase in net position of $8.8 million brought the total net position at the end of fiscal year 2023 to $53.6 million. Each of the preceding years also had increases in net position.

Financial Analysis of the College as a Whole

Net Position
As of June 30
(In Millions)

	2023	2022 (As Restated)	Increase (Decrease) FY 2023 vs 2022	Percent Change FY 2023 vs 2022	2021	Increase (Decrease) FY 2022 vs 2021	Percent Change FY 2022 vs 2021
Current Assets	59.9	64.9	(5.0)	-7.8%	40.1	24.8	61.9%
Capital Assets	68.1	55.1	13.0	23.5%	53.6	1.5	2.8%
Total Assets	128.0	120.0	7.9	6.6%	93.7	26.3	28.1%
Deferred Outflows of Resources	0.9	1.2	-0.3	-23.5%	1.2	(0.0)	-1.5%
Current Liabilities	8.4	6.4	2.0	31.2%	4.8	1.6	34.2%
Noncurrent Liabilities	46.1	55.2	(9.1)	-16.5%	31.8	23.4	73.7%
Total Liabilities	54.5	61.6	-7.1	-11.5%	36.5	25.1	68.5%
Deferred Inflows of Resources	20.8	14.8	6.0	40.9%	14.1	0.6	4.5%
Net Position							
Investment in Capital Assets	39.8	35.0	4.8	13.7%	34.1	0.9	2.6%
Restricted	11.4	12.4	(1.0)	-8.1%	14.4	(2.0)	-13.9%
Unrestricted	2.5	(2.3)	4.8	-205.2%	(4.3)	1.9	-45.3%
Total Net Position	53.6	45.0	8.6	19.1%	44.2	0.8	1.9%

The Net Position schedule above is prepared from the College's Statements of Net Position, which are presented on a full accrual basis of accounting. This statement presents the assets, liabilities and net position of the College at the end of the fiscal year. The purpose of this statement is to provide a snapshot of the financial condition of the College. Total net position is the difference between total assets and total liabilities.

Total assets at June 30, 2023 are $128 million, an increase of $8 million from June 30, 2022. This increase in total assets is primarily due to the increase in capital assets acquired with the ongoing projects. Current assets total $59.9 million, which are comprised of cash and cash equivalents (61%), property taxes receivable (19%), and other assets (20%). The increase in other assets in fiscal year 2023 is due to investment and assets held in trust for future capital projects and increase in prepaid expenses due to prepaying grant expenditures.

Total assets at June 30, 2022 are $120 million, an increase of $26 million from June 30, 2021. This increase in total assets in primarily due to receipt of bond proceeds from the issuance of bonded debt for construction projects. As of June 30, 2022, there was a $3.2 million increase in construction in progress from fiscal year 2021. Current assets total $64.9 million, which are comprised of cash and cash equivalents (59%), property taxes receivable (17%), and other assets (24%).

Total liabilities at June 30, 2023 are $54.5 million, of which 15% is current and 85% is non-current. Total liabilities are $61.6 and $36.5 million, respectively, as of June 30 2022 and 2021. The decrease between fiscal year 2023 and fiscal year 2022 is due to the decrease in OPEB liability based on the actuarial calculations of the Plan. The increase between fiscal year 2022 and fiscal year 2021 is due to the issuance of debt to fund the capital projects previously mentioned.

Capital Assets, Net
As of June 30
(In Millions)

	2023	2022 (As Restated)	Increase (Decrease) FY 2023 vs 2022	Percent Change FY 2023 vs 2022	2021	Increase (Decrease) FY 2022 vs 2022	Percent Change FY 2022 vs 2021
Capital Assets							
Land	1.5	1.5	0.0	0.0%	1.6	-0.1	2.8%
Land Improvements	4.5	3.6	0.9	26.5%	3.6	0.0	-1.2%
Building & Improvements	75.2	69.9	5.2	7.5%	70.8	-0.9	-1.3%
Equipment	9.0	7.1	1.9	26.8%	6.3	0.8	11.9%
Infrastructure	4.0	3.8	0.1	3.6%	3.8	0.0	3.3%
Right to Use Assets	0.1	0.1	-0.1	-43.6%	0.4	-0.3	-68.5%
Subscription Assets	3.4	0.4	3.0	750.0%	0.0	0.4	
Construction in Progress	8.9	4.2	4.7	113.8%	0.9	3.2	339.6%
Total	106.5	90.6	15.9	17.5%	87.5	3.1	1.4%
Less Accumulated Depreciation	38.4	35.5	2.9	8.1%	33.9	1.6	6.8%
Net Capital Assets	68.1	55.1	13.0	23.6%	53.6	1.5	-1.5%

The approval of the Master Facility Improvement Plan in March of 2020 continues to guide capital spending, which are primarily building improvements. As noted above, the $4.7 million increase in construction in progress is due to the ongoing capital projects primarily funded with the issuance of bonds as discussed previously. The decrease between fiscal year 2021 and fiscal year 2022 in Building and Improvements of $.9 million is due to the sale of two buildings. The major additions to the building and improvements is the portion of the projects that were completed and placed in service in fiscal year 2023. Several construction projects were ongoing as of the end of the fiscal year. The increase in equipment of $1.9 million is largely due to the purchases of instructional equipment primarily funded by grants. Additional information regarding Capital Assets can be found in Note 4 of the Financial Statements.

Noncurrent Liabilities
As of June 30
(In Millions)

	2023	2022 (As Restated)	Increase (Decrease) FY 2023 vs 2022	Percent Change FY 2023 vs 2022	2021	Increase (Decrease) FY 2022 vs 2021	Percent Change FY 2022 vs 2021
Accrued Compensated Absences	0.7	0.7	(0.0)	-2.9%	0.7	(0.0)	-3.7%
Capital Lease Obligation	0.0	0.1	(0.0)	0.0%	0.1	(0.0)	0.0%
Subscription Liability	1.7	0.2	1.5	0.0%	0.0	0.2	0.0%
Bonds Payable	38.5	41.0	(2.5)	-6.2%	17.3	23.7	136.8%
Other Postemployement Benefit Liability	5.2	13.2	(8.0)	-60.4%	13.6	(0.5)	-3.3%
TOTAL	46.1	55.2	(9.1)	-16.4%	31.8	23.4	73.7%

Bond and lease payment schedules appear in Note 5 of the Financial Statements. Note 7 explains the Other Postemployment Benefit (OPEB) Liability in detail. The State of Illinois has significantly underfunded post-retirement obligations, which has resulted in "pay as you go" funding. Employees and the College each contribute .5% of eligible salaries to the Comprehensive Health Insurance Plan (CIP), as required by the State. The OPEB liability represents the College's share of the CIP obligations estimated for Kaskaskia College retirees and dependents. This amount is approximately one-half of actuarially determined values. The other half of the liability is the responsibility of the state of Illinois. The College participates in post-retirement plans, but decisions regarding the plans are made at the state level. The decline in this liability in fiscal year 2023 and in fiscal year 2022 is due to changes in actuarial assumptions and the increase in the single discount rate used to measure the total OPEB liability, from 1.92% at June 30, 2021 to 3.69% at June 30, 2022.

Operating Results
For the Years Ended June 30
(In Millions)

	2023	2022 (As Restated)	Increase (Decrease) FY 2023 vs 2022	Percent Change FY 2023 vs 2022	2021	Increase (Decrease) FY 2022 vs 2021	Percent Change FY 2022 vs 2021
Operating Revenue							
Tuition and Fees	5.7	6.0	(0.3)	-5.3%	5.3	0.7	13.5%
Auxiliary	0.6	0.6	0.0	8.8%	1.1	(0.5)	-49.4%
Total	6.3	6.6	(0.3)	-4.1%	6.4	0.2	2.7%
Less Operating Expenses	36.3	43.2	(6.9)	-15.9%	41.4	3.0	7.7%
Net Operating Loss	-30.0	-36.6	6.6	-18.0%	-35.0	(1.6)	4.6%
Nonoperating Revenue							
State Grants and Contracts	15.9	17.2	(1.2)	-7.2%	19.9	(2.7)	-13.8%
Federal Grants and Contracts	8.4	10.0	(1.5)	-15.5%	6.9	3.1	44.6%
Property Tax Revenue	10.9	10.4	0.5	4.8%	10.1	0.3	3.2%
Other Revenue (Expense)	3	-0.5	3.7	-815.8%	0.2	(0.7)	-329.8%
Total	38.6	37.1	1.5	4.0%	37.1	0.0	0.0%
Capital Contributions	0.3	0.1	0.2	211.6%	0.2	(0.1)	-56.2%
Increase in Net Position	8.8	0.6	8.2	1435.2%	2.3	(1.7)	-75.0%
Net Position, beginning of year	44.8	44.3	0.6	1.3%	41.9	2.4	5.6%
Net Position, end of year	53.6	44.8	8.8	19.6%	44.2	0.6	1.4%

The schedule above is prepared from the College's Statements of Revenues, Expenses, and Changes in Net Position. Operating revenue includes activities that have the characteristics of exchange transactions, such as student tuition and fees (net of scholarship discounts and allowances) and sales of goods and services of auxiliary enterprises. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as local property taxes, federal and state appropriations, most grants, and gifts and contributions.

Operating Revenue declined in fiscal year 2023 from 2022, driven by an increase in scholarship allowance. Operating revenue increase in fiscal year 2022 as compared to fiscal year 2021 as evidenced by the $0.7 million increase in tuition and fees due to strong enrollment. This was offset by a decrease in auxiliary revenues decrease caused by the transition to the third-party manager for the bookstore.

Nonoperating revenue increased by $1.5 million in fiscal year 2023 from 2022. This increase in driven by Other Revenue and Expense with an increase in interest income and a decrease loss on disposal of assets in fiscal year 2023 from 2022. It is important to note state grants and contracts remained consistent between fiscal years 2023 and 2022, and increased by $0.6 million between fiscal year 2022 and 2021, when the on-behalf amounts explained below are eliminated.

In addition, federal grants and contracts decreased by $1.5 million primarily due to additional Higher Education Emergency Relief Funds (HEERF) being expended throughout fiscal year 2022 and a smaller portion being spent in fiscal year 2023. These additional grant funds result in increased spending in various categories, including direct student aid, institutional expenditures including capital, services and related items.

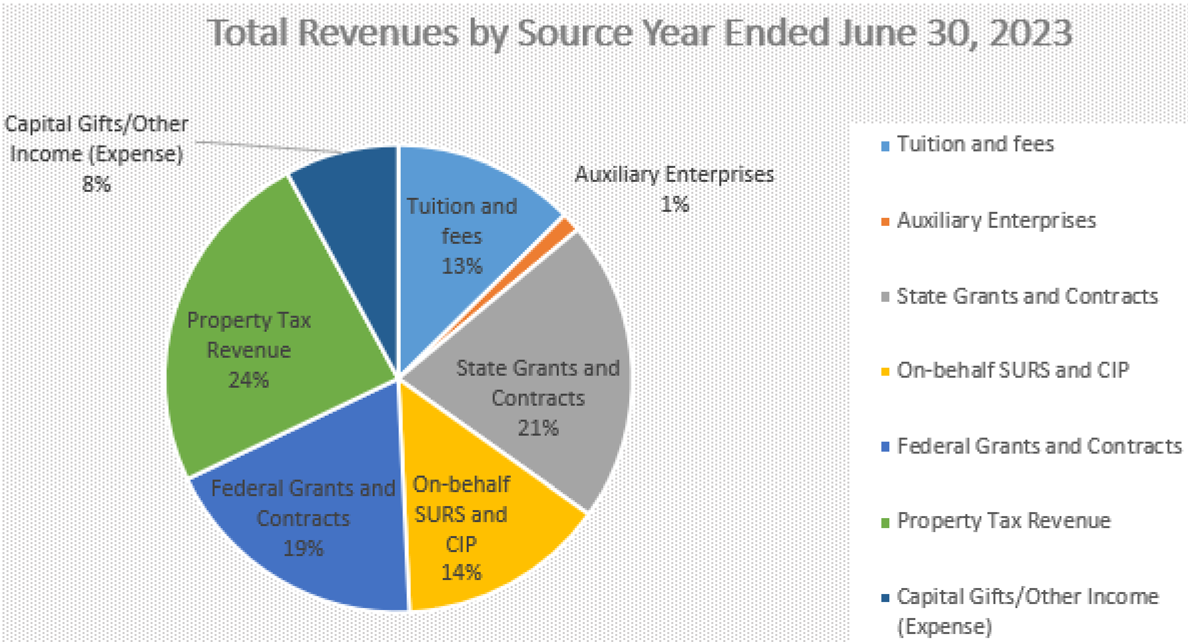
For expenses, the decrease between fiscal year 2022 and fiscal year 2023 is primarily due to the increase of $4.2 in the OPEB adjustment in fiscal year 2023 compared to the adjustment in fiscal year 2022. Another notable difference is a decrease in Financial Aid and Scholarships of $2.4 between fiscal year 2022 and fiscal year 2023 due to the HEERF money being spent down that did flow to students in fiscal year 2022.

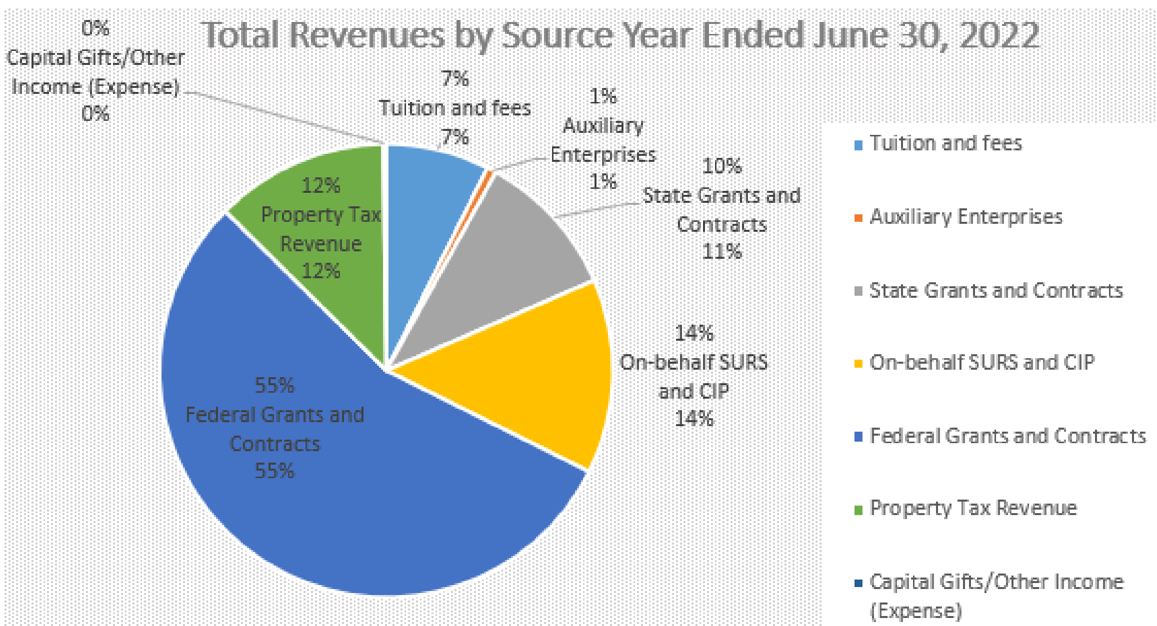
For expenses, the increase between fiscal year 2021 and fiscal year 2022 is primarily due to non-capitalized (HEERF) expenditures, bond issuance costs and the compensation increases.

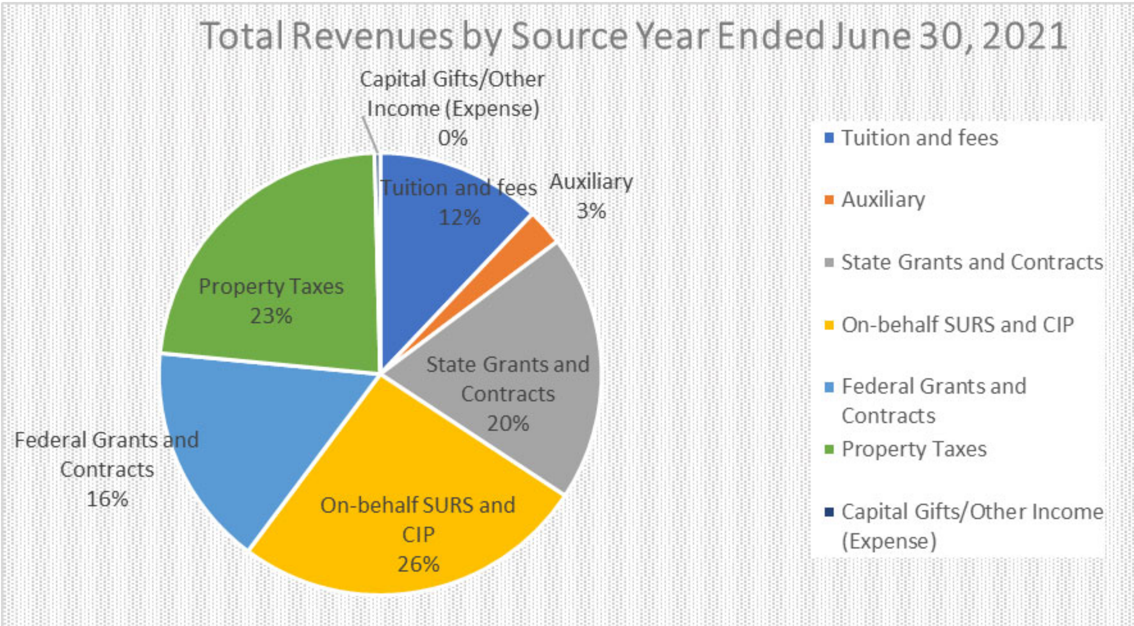
Fiscal year 2023 and fiscal year 2022 operating revenues are more comparable as the effects of the pandemic are fading. Tuition rates for fiscal year 2023 were set the same as fiscal year 2022. Non-operating revenue increased because of an increase in investment revenue of $1.6 million due to strong interest rates during the entire fiscal year. Property tax levy increased $498,000 due to increased valuations on properties in the district. Corporate personal property replacement tax collected in fiscal year 2023 was comparable to collections in fiscal year 2022. Interest expense, which is recorded in nonoperating revenues (expenses) for fiscal year 2023 decreased $568,000 from fiscal year 2022 primarily due to amortization of the bond premium which offsets interest expense.

The pandemic continued to disrupt face to face learning during fiscal 2021, which negatively impacted enrollment and retention contributing to the tuition and fees decline. Also, the reduced headcount on campus resulted in a decline in auxiliary revenue. Non-operating revenue increased because of additional federal grants, primarily HEERF funding, offset by a decline in property tax revenue. The property tax levy decreased because the working cash bond was paid off in the previous year. Other noteworthy variances in fiscal year 2021 include state grants and contracts, which increased by $400,000, and investment revenue declined $300,000. The state grant increase is primarily due to an increase in the State University Retirement System contribution made on-behalf of the College. Investment income declined due to the low interest rate environment.

State grants and contracts include on-behalf amounts of $6.5, $7.8, and $11.1 million for 2023, 2022, and 2021, respectively. These payments reflect the College's portion of the State Universities Retirement System (SURS) pension contributions that are an obligation of the State of Illinois. The State of Illinois makes these payments on the College's behalf, and the College records revenue and corresponding benefit expense for the amount of these payments. The state grants line also reflects the CIP on-behalf contribution explained previously. The revenues and expenses recorded for these payments do not pass through the College; and the College doesn't spend any actual dollars. These on-behalf payments occur annually and amounts may fluctuate significantly.


Total Revenues by Source Year Ended June 30, 2023
Capital Gifts/Other Income (Expense) 8%
Tuition and fees 13%
Auxiliary Enterprises 1%
State Grants and Contracts 21%
On-behalf SURS and CIP 14%
Federal Grants and Contracts 19%
Property Tax Revenue 24%
Tuition and fees
Auxiliary Enterprises
State Grants and Contracts
On-behalf SURS and CIP
Federal Grants and Contracts
Property Tax Revenue
Capital Gifts/Other Income (Expense)


Total Revenues by Source Year Ended June 30, 2022
0% Capital Gifts/Other Income (Expense) 0%
7% Tuition and fees 7%
1% Auxiliary Enterprises 1%
10% State Grants and Contracts 11%
14% On-behalf SURS and CIP 14%
55% Federal Grants and Contracts 55%
12% Property Tax Revenue 12%
Tuition and fees
Auxiliary Enterprises
State Grants and Contracts
On-behalf SURS and CIP
Federal Grants and Contracts
Property Tax Revenue
Capital Gifts/Other Income (Expense)


Total Revenues by Source Year Ended June 30, 2021
Capital Gifts/Other Income (Expense) 0%
Tuition and fees 12%
Auxiliary 3%
State Grants and Contracts 20%
On-behalf SURS and CIP 26%
Federal Grants and Contracts 16%
Property Taxes 23%
Tuition and fees
Auxiliary
State Grants and Contracts
On-behalf SURS and CIP
Federal Grants and Contracts
Property Taxes
Capital Gifts/Other Income (Expense)

Operating expenses provide education and operational support to the College. Any expense not meeting this definition is non-operating. The only non-operating expense the College has is interest. The College's operating expenses are largely funded by non-operating revenue.

Operating Expenses
For the Years Ended June 30
(In Millions)

	2023	2022 (As Restated)	Increase (Decrease) FY 2023 vs 2022	Percent Change FY 2023 vs 2022	2021	Increase (Decrease FY 2022 vs 2021	Percent Change FY 2022 vs 2021
Operating Expenses by Function							
Instruction	12.4	14.5	(2.1)	-14.4%	16.1	(1.6)	-10.0%
Academic Support	3.2	3.4	(0.2)	-7.2%	3.6	(0.2)	-5.6%
Student Services	3.4	3.3	0.1	2.3%	2.8	0.5	17.2%
Public Services	0.1	0.0	0.1	115.6%	0.0	0.0	12.7%
Auxiliary Services	1.6	1.7	(0.1)	-4.3%	2.8	(1.1)	-39.8%
Operations & Maintenance	2.5	3.5	(1.1)	-30.0%	3.6	(0.1)	-1.4%
Instutitional Support	6.4	8.4	(2.0)	-24.2%	6.9	1.5	18.7%
Scholarships, Student Grants, & Waivers	3.9	6.1	(2.2)	-36.3%	3.3	2.8	30.1%
Depreciation Expense	3.0	2.3	0.7	29.0%	2.3	(0.0)	1.5%
Total	36.3	43.3	-6.9	-16.0%	41.5	1.8	7.7%
Operating Expenses by Object							
Salaries	16.2	15.6	0.6	3.8%	15.0	0.6	4.1%
Benefits	5.9	11.0	(5.1)	-46.2%	14.9	(3.9)	-26.2%
Supplies & Other Services	3.6	4.2	(0.7)	-16.3%	4.2	0.0	1.1%
Utilities	1.0	0.9	0.1	10.8%	0.9	0.0	0.7%
Travel	0.5	0.3	0.2	61.4%	0.1	0.2	-19.5%
Scholarships, Student Grants, & Waivers	4.1	6.4	(2.4)	-37.0%	3.3	3.1	95.4%
Depreciation	3.0	2.3	0.7	29.0%	2.3	0.0	0.6%
Other	2.1	2.4	(0.4)	-15.2%	0.8	1.6	1.9%
Total	36.3	43.3	-7.0	-16.0%	41.5	1.8	7.7%

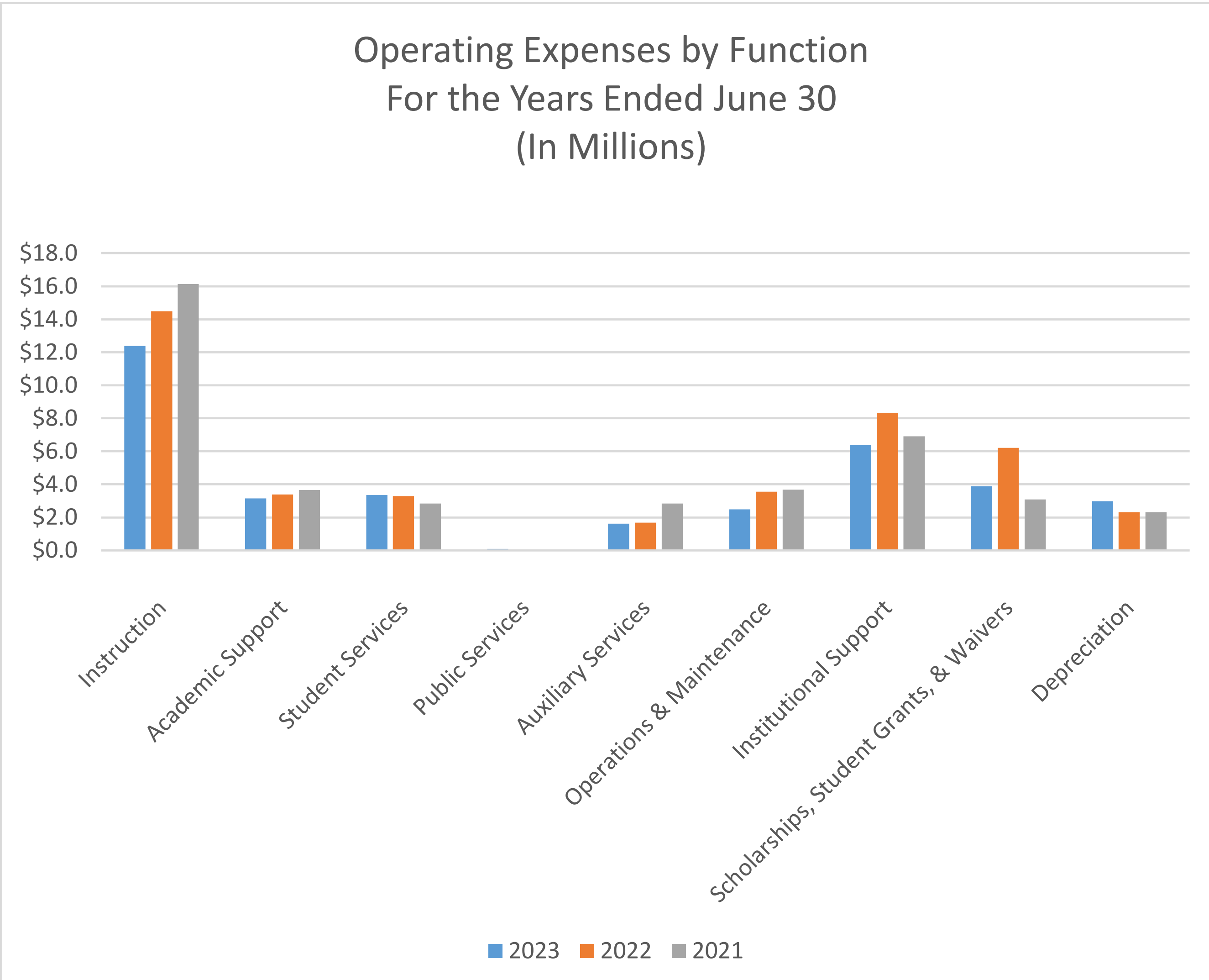
Operating expenses for fiscal year 2023 decreased $7 million from fiscal year 2022.

- Salaries increased due to compensation increases and new grant funded positions.
- Benefits decreased due to the allocation of the OPEB on behalf expense.
- Supplies and Other Services remained level, with a small decrease of $0.7 million.
- Scholarships, Student Grants and Waivers decreased approximately $2.4 million due to less direct aid to students in fiscal year 2023 relating to direct aid to students that passed through the College with HEERF in fiscal year 2022.
- Instruction expenditures decreased due to the allocation of the OPEB benefits.
- Auxiliary services expenditures remain consistent in fiscal year 2023 compared to fiscal year 2022.
- Institutional Support decreased due to the financial expense of bond issuance costs in fiscal year 2022 and no such expenses in fiscal year 2023.

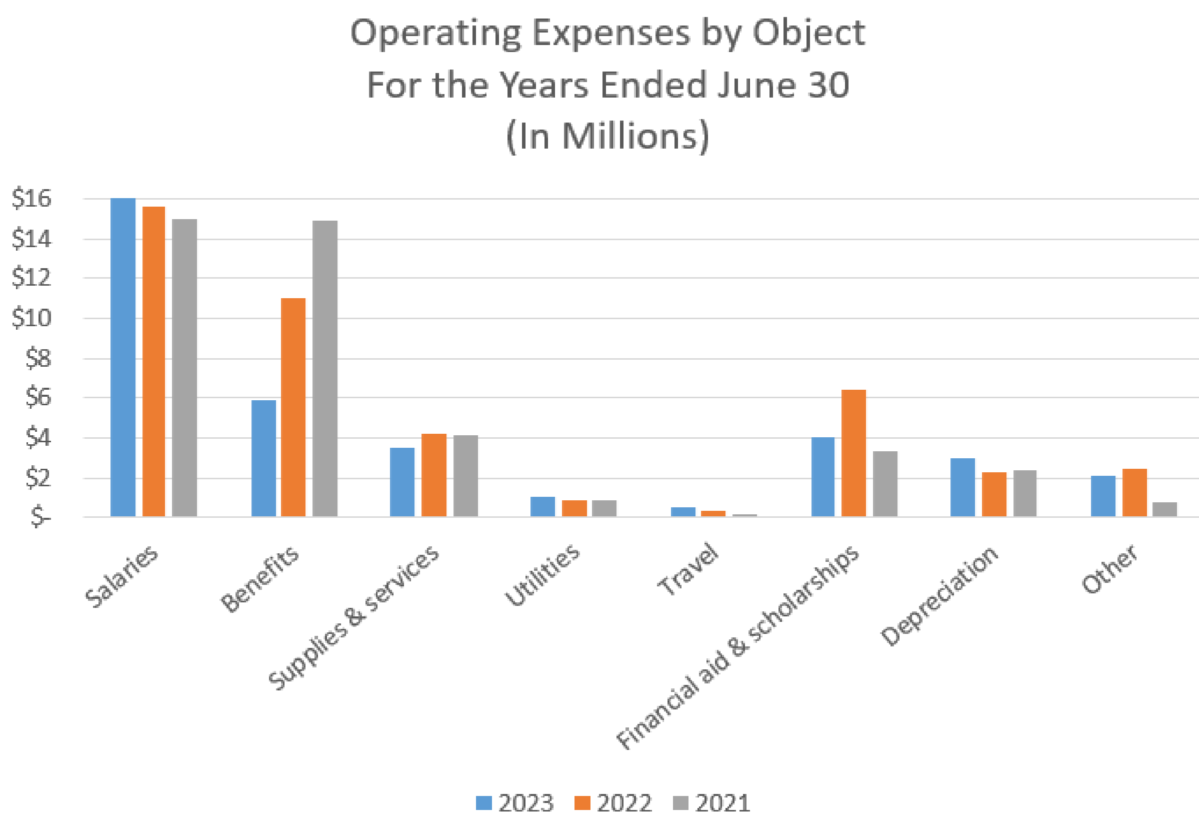
Operating expenses for fiscal year 2022 increased $1.8 million (4.4%) from fiscal year 2021.

- Salaries increased due to compensation increases and new grant funded positions.
- Benefits decreased due to the allocation of the OPEB on behalf expense.
- Supplies and Other Services increase of only $0.1 million is modest due to the transition to the third-party manager of the bookstore, which eliminated those type of instructional material purchases.
- Scholarships, Student Grants, & Waivers increased approximately $2.9 million due to direct aid to students that passed through the College with HEERF. This category also includes all other financial expenses such as the bond issuance costs that occurred in FY 2022 only.
- Other expenses increased due to expenditures for items under our capitalization threshold and improvements that did not meet the guidelines for capitalization and the increase of insurance expense.
- Instruction expenditures decreased due to the allocation of the OPEB benefits.
- Auxiliary services decreased due to the transition to a third-party manager for the bookstore.
- Institutional Support increased due to the financial expenses of bond issuance costs, salary increases, and non-capital HEERF spending.

The following is a graphic illustration of Operating Expenses by Function for Fiscal Year 2023, 2022, and 2021:



Following is a graphic illustration of Operating Expenses by Object for Fiscal Year 2023, 2022 and 2021:



<u>Facts, Decisions or Conditions Significantly Affecting Financial Position</u>

The financial position of the College remains stable. The College experienced continued financial improvement in fiscal year 2023 as evidenced by the improvement in net financial position. The College continues to maneuver through the post-pandemic environment by focusing its efforts on aligning resources and spending with the strategic plan and ancillary plans. The ancillary plans address facility improvements, information technology, strategic enrollment management, and marketing. These plans guide resource allocations in order to focus on the institutional goals of providing a quality educational experience, effectively managing enrollment and resources, maximizing regional integration, and engaging the community.

The notes to the financial statements include additional details and further explanations of data presented in the financial statements. The notes are an integral part of the financial statements and should be included as part of any review or analysis.

Contacting Financial Management

This financial report is designed to provide our stakeholders with a general overview of Kaskaskia Community College District's finances, as well as display accountability and transparency for funds received and spent. If you have questions about this report or need additional information, contact Sara Hanks, Interim Vice-President of Administrative Services and Controller, 27210 College Road, Centralia, IL 62801, telephone (618) 545-3228.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

	2023	2022 (As Restated)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 36,521,645	$ 38,412,712
Assets Held in Trust	1,405,795	914,054
Investments	7,068,000	11,813,904
Accounts Receivable:		
Student Accounts Receivable, Net of Allowance for Doubtful Accounts of $189,124 in 2023 and 2022	926,772	890,417
Government Receivable	1,675,957	1,723,020
Other Receivables	257,415	57,076
Property Taxes Receivable	11,562,949	10,867,983
Inventories	31,464	25,501
Prepaid Expenses	442,964	220,374
Other Assets	-	3,000
Total Current Assets	59,892,961	64,928,041
Noncurrent Assets:		
Capital Assets Not Being Depreciated	10,448,862	5,723,603
Capital Assets, Net of Accumulated Depreciation & Amortization	57,609,686	49,371,209
Total Noncurrent Assets	68,058,548	55,094,812
Total Assets	127,951,509	120,022,853
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Grant-Related Pension Contributions	84,072	57,245
Other Post Employment Benefits	833,615	1,096,111
Total Deferred Outflows of Resources	917,687	1,153,356

See accompanying Notes to Financial Statements.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2023 AND 2022

	2023	2022 (As Restated)
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 3,529,650	$ 3,015,569
Accrued Liabilities	1,592,195	1,772,795
Due to Student Groups	170,880	168,240
Unearned Tuition Revenue	442,825	468,684
Accrued Compensated Absences	248,681	332,205
Lease Liability	42,001	36,038
Subscription Liability	933,501	8,409
Bonds Payable	1,405,000	600,000
Total Current Liabilities	8,364,733	6,401,940
Noncurrent Liabilities:		
Lease Liability	40,650	65,272
Subscription Liability	1,658,482	230,290
Bonds Payable	38,490,891	41,031,413
Accrued Compensated Absences	664,494	683,821
Net Other Postemployment Benefits Liability	5,220,534	13,186,537
Total Noncurrent Liabilities	46,075,051	55,197,333
Total Liabilities	54,439,784	61,599,273
DEFERRED INFLOWS OF RESOURCES		
Subsequent Year's Property Taxes	11,562,946	10,867,983
Net Other Postemployment Benefits Liability	9,229,395	3,887,908
Total Deferred Inflows of Resources	20,792,341	14,755,891
NET POSITION		
Net Investment in Capital Assets	39,804,919	35,259,051
Restricted:		
Capital Projects	661,215	1,041,758
Working Cash	8,484,096	8,484,096
Specific Purposes:		
Bond and Interest	174,157	(363,494)
Grants	66,370	66,382
Audit	98,240	111,940
Liability, Protection, and Settlement	1,879,827	2,494,719
Unrestricted	2,468,247	(2,273,407)
Total Net Position	$ 53,637,071	$ 44,821,045

See accompanying Notes to Financial Statements.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022 (As Restated)
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowance of $6,508,242 and $5,908,533 for Fiscal Years 2023 and 2022, Respectively	$ 5,696,268	$ 6,016,846
Auxiliary Enterprises:		
Bookstore and Cafeteria	606,124	557,450
Total Operating Revenues	6,302,392	6,574,296
EXPENSES		
Operating Expenses:		
Salaries	16,216,149	15,617,110
Benefits	5,914,333	10,996,819
Supplies and Other Services	3,555,382	4,075,697
Utilities	1,004,028	906,109
Travel	540,674	335,162
Financial Aid and Scholarships	4,063,321	6,449,789
Depreciation and Amortization	2,982,802	2,378,937
Other	2,064,103	2,432,884
Total Operating Expenses	36,340,792	43,192,507
OPERATING LOSS	(30,038,400)	(36,618,211)
NONOPERATING REVENUES (EXPENSES)		
Property Tax Revenue	10,925,792	10,427,926
Corporate Replacement Tax Revenue	1,672,508	1,479,712
State Grants and Contracts	15,922,351	17,157,421
Federal Grants and Contracts	8,436,818	9,979,717
Investment Income	1,638,916	(40,015)
Interest Expense	(541,083)	(1,108,799)
Other Nonoperating Revenues (Expenses)	526,033	(802,992)
Total Nonoperating Revenues (Expenses)	38,581,335	37,092,970
CAPITAL CONTRIBUTIONS	273,091	87,621
INCREASE IN NET POSITION	8,816,026	562,380
Net Position - Beginning of Year	44,821,045	44,258,665
NET POSITION - END OF YEAR	$ 53,637,071	$ 44,821,045

See accompanying Notes to Financial Statements.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022 (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 5,634,054	$ 5,780,089
Payments to Suppliers	(3,911,874)	(3,665,516)
Payments for Utilities	(1,004,028)	(906,109)
Payments for Travel	(540,674)	(335,162)
Payments to Employees	(16,523,787)	(15,296,434)
Payments for Benefits	(1,774,020)	(2,972,769)
Payments for Financial Aid and Scholarships	(4,063,321)	(6,449,789)
Auxiliary Enterprise:		
Bookstore and Cafeteria	606,124	557,450
Other Payments	(2,064,103)	(955,638)
Net Cash Used by Operating Activities	(23,641,629)	(24,243,878)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Tax Revenue	10,925,792	10,427,926
Corporate Replacement Taxes	1,672,508	1,479,712
State and Federal Grants and Contracts	17,856,836	19,354,310
Building Rental Income and Other Income	526,033	(802,992)
Net Cash Provided by Noncapital Financing Activities	30,981,169	30,458,956
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets, Net	(16,006,816)	(5,565,918)
Loss on Disposal of Assets	60,278	1,704,075
Principal Paid on Capital Debt, Leases, and Subscriptions	(1,266,959)	(42,001,090)
Proceeds from Issuance of Bonds/Capital Debt	3,001,584	64,600,285
Interest Paid on Capital Debt, Leases, and Subscriptions	(1,676,605)	(1,175,386)
Capital Gifts, Net	273,091	87,621
Net Cash Provided (Used) by Capital and Related Financing Activities	(15,615,427)	17,649,587
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	1,638,916	(40,015)
(Purchase) Sale of Investments	4,745,904	(11,813,904)
Net Cash Provided by Investing Activities	6,384,820	(11,853,919)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,891,067)	12,010,746
Cash and Cash Equivalents - Beginning of Year	38,412,712	26,401,966
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 36,521,645	$ 38,412,712

See accompanying Notes to Financial Statements.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022 (As Restated)
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$ (30,038,400)	$ (36,618,211)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization Expense	2,982,802	2,378,937
State of Illinois On-Behalf Payments	6,502,333	7,782,828
Changes in Deferred Outflows and Inflows of Resources Related to Other Post Employment Benefits	5,603,980	211,013
(Increase) Decrease in:		
Assets Held in Trust	(491,741)	(663,119)
Receivables	(189,631)	(97,304)
Inventories	(5,963)	(2,894)
Prepaid Expenses	(219,590)	245,082
Deferred Grant-Related Pension Contributions	(26,827)	7,323
Increase (Decrease) in:		
Accounts Payable	514,081	2,689,019
Accrued Liabilities and Due to Student Groups	(280,811)	313,353
Unearned Tuition Revenue	(25,859)	(37,671)
Net Other Postemployment Benefits Liability	(7,966,003)	(452,234)
Net Cash Used by Operating Activities	$ (23,641,629)	$ (24,243,878)
SUPPLEMENTAL SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Assets Acquired through Leases and Subscriptions	$ 2,997,673	$ 395,285
State of Illinois Contributions Provided	$ 6,502,333	$ 11,345,286
State of Illinois Contributions Paid	$ 6,502,333	$ 11,345,286

See accompanying Notes to Financial Statements.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
STATEMENTS OF FINANCIAL POSITION — COMPONENT UNIT
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	$ 702,417	$ 326,678
Investments - Marketable Securities	8,513,334	5,972,947
Investments - Certificates of Deposit	2,020,256	2,713,486
Property and Equipment, Net	664,959	681,125
Other Assets	8,410	13,199
Total Assets	$ 11,909,376	$ 9,707,435
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 1,740	$ 3,009
NET ASSETS		
Without Donor Restrictions	140,732	204,591
With Donor Restrictions	11,766,904	9,499,835
Total Net Assets	11,907,636	9,704,426
Total Liabilities and Net Assets	$ 11,909,376	$ 9,707,435

See accompanying Notes to Financial Statements.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
STATEMENT OF ACTIVITIES — COMPONENT UNIT
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions of Cash and Other Financial Assets	$ 8,693	$ 1,918,539	$ 1,927,232
Contributions of Nonfinancial Assets	69,516	-	69,516
Memberships	-	4,245	4,245
Interest and Dividends	13,390	237,703	251,093
Unrealized Loss on Investments	(1,911)	558,809	556,898
Fundraising Events	90,964	61,762	152,726
Net Assets Released From Prior Year Restrictions	513,989	(513,989)	-
Total Revenue, Gains, and Other Support	694,641	2,267,069	2,961,710
EXPENSES			
Program Expenses:			
Scholarships	303,933	-	303,933
Donations - Kaskaskia College	272,777	-	272,777
Salaries and Wages (In-Kind)	29,940	-	29,940
Supplies	2,811	-	2,811
Program Events	1,971	-	1,971
Depreciation	16,166	-	16,166
Miscellaneous	18,266	-	18,266
Total Program Expenses	645,864	-	645,864
Management and General Expenses:			
Salaries and Wages (In-Kind)	64,097	-	64,097
Professional Fees	15,549	-	15,549
Supplies	2,824	-	2,824
Insurance	3,517	-	3,517
Lobbyist	60,307	-	60,307
Miscellaneous	4,207	-	4,207
Total Management and General Expenses	150,501	-	150,501
Fundraising Expenses:			
Salaries and Wages (In-Kind)	39,309	-	39,309
Supplies	4,260	-	4,260
Printing and Postage	1,877	-	1,877
Meetings and Conferences	13,217	-	13,217
Miscellaneous	1,979	-	1,979
Total Fundraising Expenses	60,642	-	60,642
Cost of Direct Benefit to Donors - Meals and Entertainment	34,839	-	34,839
Total Expenses	891,846	-	891,846
TRANSFER FROM AFFILIATE - KASKASKIA COLLEGE	133,346	-	133,346
CHANGE IN NET ASSETS	(63,859)	2,267,069	2,203,210
Net Assets - Beginning of Year	204,591	9,499,835	9,704,426
NET ASSETS - END OF YEAR	$ 140,732	$ 11,766,904	$ 11,907,636

See accompanying Notes to Financial Statements.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
STATEMENT OF ACTIVITIES — COMPONENT UNIT
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions of Cash and Other Financial Assets	$ 12,543	$ 618,370	$ 630,913
Contributions of Nonfinancial Assets	30,553	-	30,553
Related Party Return of Funds	-	296,997	296,997
Memberships	-	19,874	19,874
Sales of Merchandise, Net	5,970	-	5,970
Interest and Dividends	3,470	310,644	314,114
Unrealized Loss on Investments	(9,500)	(1,283,999)	(1,293,499)
Fundraising Events	-	85,796	85,796
Net Assets Released From Prior Year Restrictions	383,465	(383,465)	-
Total Revenue, Gains, and Other Support	426,501	(335,783)	90,718
EXPENSES			
Program Expenses:			
Scholarships	239,052	-	239,052
Donations - Kaskaskia College	83,239	-	83,239
Salaries and Wages (In-Kind)	23,040	-	23,040
Program Events	668	-	668
Depreciation	16,166	-	16,166
Miscellaneous	5,320	-	5,320
Total Program Expenses	367,485	-	367,485
Management and General Expenses:			
Salaries and Wages (In-Kind)	57,675	-	57,675
Professional Fees	7,400	-	7,400
Supplies	7,593	-	7,593
Insurance	2,868	-	2,868
Lobbyist	45,307	-	45,307
Miscellaneous	1,934	-	1,934
Total Management and General Expenses	122,777	-	122,777
Fundraising Expenses:			
Salaries and Wages (In-Kind)	47,739	-	47,739
Supplies	7,341	-	7,341
Printing and Postage	3,729	-	3,729
Travel	280	-	280
Meetings and Conferences	3,805	-	3,805
Total Fundraising Expenses	62,894	-	62,894
Cost of Direct Benefit to Donors - Meals and Entertainment	22,019	-	22,019
Total Expenses	575,175	-	575,175
TRANSFER FROM AFFILIATE - KASKASKIA COLLEGE	128,454	-	128,454
INCREASE IN NET ASSETS	(20,220)	(335,783)	(356,003)
Net Assets - Beginning of Year	224,811	9,835,618	10,060,429
NET ASSETS - END OF YEAR	$ 204,591	$ 9,499,835	$ 9,704,426

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kaskaskia Community College District #501 (the District) is a Community College in southern Illinois. The District provides academic classes to students in the area as well as community education classes in some of the outlying cities. The District contains all/part of the following counties: Bond, Clinton, Fayette, Jefferson, Madison, Marion, Montgomery, St. Clair, and Washington.

The accounting policies of the District conform to U.S. generally accepted accounting principles 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 Government Accounting Standards Board (GASB) pronouncements.

Financial Reporting Entity

The District is governed by an elected eight-member board of trustees. As required by U.S. generally accepted accounting principles, these financial statements present the financial position and results of operations of Kaskaskia Community College District #501 (the primary government).

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its discretely presented component unit, Kaskaskia College Foundation (the Foundation).

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

The Foundation is a private nonprofit organization that reports its financial results under Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC). Most significant to the Foundation's operations and reporting model are Accounting for Contributions Received and Contributions Made and Financial Reporting for Not-for-Profit Organizations under the ASC topic, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. A summary of the more significant accounting policies and notes related to the Foundation are with Note 11.

Separate financial statements of the Foundation are available. Requests should be made to Ms. Judy Hemker, Vice President of Administrative Services of the District, at 1-618-545-3105.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the District's basic financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. All significant intra-agency and intra-fund transactions have been eliminated. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes; federal, state, and local grants; state appropriations; and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principles

In 2023, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement establishes that a subscription-based information technology arrangement results in a right-to-use subscription asset and a corresponding subscription liability. It provides criteria for outlays other than subscription payments, including implementation costs of subscription-based information technology arrangements and requires note disclosures.

As a result of the implementation the District restated ending net position for 2022 for the addition of subscription assets and subscription liabilities and the corresponding annual subscription payment activity. This resulted in an increase in subscription assets of $330,000, an increase in subscription liabilities of $240,000 and a resulting increase of $90,000 to the June 30, 2022 ending net position.

Cash Equivalents

For purposes of the statements of cash flows, the District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Assets Held in Trust

As of June 30, 2023 and 2022, the District had $1,405,795 and $914,054, respectively, invested in mutual funds that are held in trust with the Capital Development Board.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are reported at fair value in accordance with guidelines defined by GASB Statement No. 72. Bank deposits and certificates of deposit are recorded at cost. Investment income consists of interest earned on bank deposits and certificates of deposit.

Certificates of deposit are stated at cost, which approximates fair value. Fair value for investment securities is based on quoted market prices. Income is recognized on the accrual basis of accounting. The District invests in the Illinois Funds Money Market Fund, which is an external investment pool that is not SEC registered. The Illinois Funds Money Market Fund is regulated by the State Treasurer's Office and the Treasury Management Investment Fund, Liquid Asset Fund Money Market, and Government Money Market Fund are managed by financial institutions and, therefore, regulated by the Comptroller of the Currency for Collective Investment Funds. The fair value of the position in the external investment pools is the same as the value of the pool shares.

The District is allowed to invest its funds in accordance with the Illinois Public Community College Act and the Investment of Public Funds Act. The District's policy limits investments to bonds, notes, Treasury bills, and other securities issued and/or guaranteed by the United States Government or its agencies, interest-bearing savings accounts, certificates of deposit or time deposits, or commercial paper of U.S. corporations with assets exceeding $500 million.

Accounts Receivable

Accounts receivable are uncollateralized student obligations, which generally require payment or a payment plan to be in place prior to the start of the semester. Accounts receivable are stated at the invoice amount.

Account balances not paid by mid-term are considered delinquent. Outstanding balances at the end of the term may prevent students from registering for future semesters. Payments of accounts receivable are applied to the earliest unpaid invoice.

The carrying amount of accounts receivable 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 specific student accounts and the aging of the accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the 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 District is using the Illinois Debt Recovery program handled by the state of Illinois to collect past balances that have been written off or remain past due.

Inventories

Inventories are stated at the lower of cost or market with cost determined on the first-in, first out (FIFO) basis.

Prepaid Expenses

Prepaid expenses represent current expenditures which benefit future periods.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets include property and plant and equipment. 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. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed. Assets are depreciated using the straight-line method over the estimated useful lives of the assets. The District capitalizes net interest expense on funds used during construction. Assets are depreciated using the straight-line method over the following useful lives:

Land Improvements	20 Years
Buildings	50 Years
Machinery and Equipment	5 to 20 Years
Infrastructure	50 Years
Right-to Use and Subscription Assets	Varies Based on Term

Deferred Outflows of Resources

Deferred outflows are defined as a consumption of net position by the District that is applicable to a future reporting period, and should be reported as having a similar impact on net position as assets. For the District, pension payments related to federal grants and payments related to postemployment benefits other than pensions and made subsequent to the liability measurement date are considered to be deferred outflows.

Deferred Inflows of Resources

The District's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The District will not recognize the related revenue until a future event occurs. The District has two types of these items. One occurs related to revenue recognition. This occurs because property tax receivables are recorded in the current year. The other occurs because of the postemployment benefits other than pensions.

Unearned Revenues and Expenses

Summer session revenues and expenses are reported as revenues are earned and expenses are incurred. Revenue received for summer school prior to June 30 is classified as unearned tuition revenue. Waiver expenses incurred prior to June 30 are reported as prepaid items.

Leases

The District is a party as lessee for various non-cancellable long-term leases of equipment. The corresponding lease payables are recorded in an amount equal to the present value of the expected future minimum lease payments discounted by an applicable interest rate.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-Based Information Technology Arrangements

The District contracts subscription-based information technology for operating activities for various terms under long-term, noncancelable agreements. The agreements expire at various dates through 2027.

Compensated Absences

District employees are entitled to certain compensated absences based on their classification. Employees may carry up to a maximum of 60 days of vacation time. Accrued vacation is payable on termination or change in employee classification. The District has no commitment for accumulated sick leave and no liability is recorded. Employees who retire are given credit for unused sick leave towards years of service in the State Universities Retirement System.

Retiree Health Insurance Obligation

Financial reporting information pertaining to the District's participation in the Community College Health Insurance Security Fund (CCHISF or Fund) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

For purposes of measuring the retiree health insurance obligation, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and benefits expense, information about the net position of the Community College Health Insurance Security Fund and additions to/deductions from the Fund net position has been determined on the same basis as they are reported by the Fund. 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.

Net Position

The District's net position is classified as follows:

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

Restricted Net Position – This includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or restrictions that are imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted 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 are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the governing board to meet current expenses for any purpose.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenues

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, and (b) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as (a) local property taxes, (b) state grants and contract, (c) federal grants and contracts, and (d) gifts and contributions.

Pensions

Financial reporting information pertaining to the District's participation in the State Universities Retirement System of Illinois (SURS or System) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.*

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 and additions to/deductions from SURS' plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of financial reporting, the state of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a nonemployer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the nonemployer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the nonemployer is the only entity with a legal obligation to make contributions directly to a pension plan. The state of Illinois is considered a nonemployer contributing entity. Participating employers are considered employer-contributing entities.

Property Taxes

The District's property taxes are levied each year on all taxable real property located in the District. The levy becomes an enforceable lien against the property as of January 1 of the levy year. Property taxes are recorded on an accrual basis of accounting. The District records the 2022 levy payable in 2023 as property taxes receivable, less any amounts collected prior to June 30, 2023, and a deferred inflow of resources, as this levy is intended to finance the District's 2022-2023 fiscal year. The amounts accrued from year to year will vary based upon the tax collections of the respective counties.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Unit

Net Asset Classification

The financial statements of the District's discretely presented component unit are required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- Net assets without donor restrictions include all resources available for use by the board of directors in carrying out the activities of the Foundation in accordance with its Articles of Incorporation and Bylaws.
- Net assets with donor restrictions are only expendable for the purposes specified by the donor or through the passage of time. When a restriction expires, (when a stipulated time restriction ends or purposed restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenue

The District's discretely presented component unit reports 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 statements of activities as net assets are released from restrictions.

NOTE 2 CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy relative to demand deposits is that the District will maintain funds only in financial institutions that are members of the FDIC system and that a selected financial institution must be capable of posting all insurance and collateral as required at any time the District has funds on deposit with that institution. At June 30, 2023 and 2022, the bank balance of the District's deposits, which primarily consists of demand deposits, was $12,961,396 and $9,783,806, respectively. At June 30, 2023 and 2022, all deposits were covered by federal depository insurance or by collateral held by the District's agent in the District's name.

The carrying values of the District's deposits were as follows at June 30:

	2023	2022
Cash and Cash Equivalents	$ 12,895,113	$ 12,614,409

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The money market funds as of June 30, 2023 and 2022 (Illinois Funds of $17,784,909 and $16,389,420, respectively; Illinois School District Liquid Asset Fund of $14,316,896 and $10,321,757, respectively) are considered to be cash equivalents in the financial statements. The Illinois Funds is a Local Government Investment Pool operated by the Illinois State Treasurer's Office.

Credit Risk

The Board of Trustees has authorized the District to invest funds in accordance with the Illinois Community College Act and the Investment of Public Funds Act, with the exception that investments are not permitted in short-term obligations of U.S. corporations. The District's investment policy states that all transactions involving the funds and related activity of any funds shall be administered in accordance with the provisions of the canons of the "prudent person rule" The "prudent person rule" means that investments are made as a prudent person would be expected to act, with discretion and intelligence, to conform with legal requirements, seek reasonable income, preserve capital, maintain liquidity, and, in general, avoid speculative investments.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Illinois School District Liquid Asset Fund Plus and the Illinois Funds are not subject to custodial credit risk.

Concentration of Credit Risk

The District may be invested in a single institution so long as such funds do not exceed 50% of the institution's capital structure, unless approved by the treasurer. At June 30, 2023 the District invested $7,068,000 in certificate of deposits. At June 30, 2022, the District did not have any certificates of deposit.

Interest Rate Risk

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

The State Treasurer maintains the Illinois Funds Money Market at cost and fair value through daily adjustment in the interest earnings. The State Treasurer also maintains the weighted average duration of the pool at less than 112 days. The fair value of the District's investment in the fund is the same as the value of the pool shares. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. The pool maintains a Standard & Poor's AAA rating. The District's investments in the Illinois Funds are not required to be categorized because these are not securities. The relationship between the District and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship.

Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Investment Act, 30 ILCS 235.

NOTE 3 PROPERTY TAXES

The District's property tax is levied each year on all taxable real estate located in the District. The District's boundaries overlap nine counties, with each serving as a local taxing authority for the District. The levy applicable to fiscal year 2023 was adopted in November 2022 and the levy applicable to fiscal year 2022 was adopted November 2021 and attached as an enforceable lien on property as of January 1. Collection dates vary according to the schedules of the individual counties with disbursements to the District normally made within 30 days of collection.

Following are the tax rates permitted and the actual rates levied per $100 of assessed valuation:

		Actual Percent	
	Maximum Rate	2022 Levy	2021 Levy
Education	0.1750%	0.1685%	0.1725%
Education - Equity Tax	0.0333	0.0321	0.0401
Operations and Maintenance	0.0750	0.0722	0.0738
Bond and Interest	Unlimited	0.1293	0.1257
Audit	0.0050	0.0010	0.0031
Liability Insurance and Social Security	Unlimited	0.0988	0.0935
Health-Life Safety	0.0500	0.0481	0.0492
Total		0.5500%	0.5579%

Property taxes attach as an enforceable lien on property as of January 1. The District's property tax is levied each year at the time the budget for the ensuing year is passed and is extended against the assessed valuation of the District on January 1. Accordingly, at June 30, 2023 and 2022, the District had $11,562,946 and $10,867,983, respectively, of property tax classified as deferred inflows of resources.

NOTE 4 CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2023 are summarized below:

	Balance June 30, 2022	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2023
Capital Assets Not Being Depreciated or Amortized:				
Land	$ 1,528,703	$ -	$ -	$ 1,528,703
Construction in Progress	4,152,900	11,783,013	(7,057,752)	8,878,161
Artwork	42,000	-	-	42,000
Total Capital Assets Not Being Depreciated or Amortized	5,723,603	11,783,013	(7,057,752)	10,448,864
Capital Assets Being Depreciated or Amortized:				
Land Improvements	3,555,655	944,745	-	4,500,400
Buildings	69,909,503	5,244,885	-	75,154,388
Machinery and Equipment	7,081,198	1,902,691	(5,715)	8,978,174
Infrastructure	3,828,205	136,337	-	3,964,542
Right-to-Use Assets	139,116	-	(22,052)	117,064
Subscription Assets	395,285	2,997,673	-	3,392,958
Total Capital Assets Being Depreciated or Amortized:	84,908,962	11,226,331	(27,767)	96,107,526
Less Accumulated Depreciation and Amortization:				
Land Improvements	2,613,439	118,700	-	2,732,139
Buildings	25,943,616	1,714,574	-	27,658,190
Machinery and Equipment	5,118,107	403,026	(5,715)	5,515,418
Infrastructure	1,752,572	118,136	-	1,870,708
Right-to-Use Assets	44,138	13,261	(16,998)	40,401
Subscription Assets	65,881	615,105	-	680,986
Total Accumulated Depreciation and Amortization	35,537,753	2,982,802	(22,713)	38,497,842
Capital Assets, Net	$ 55,094,812	$ 20,026,542	$ (7,062,806)	$ 68,058,548

The construction in progress relates to various renovation projects. In relation to construction in progress, the District has $10,284,223 in future construction commitments as of June 30, 2023.

NOTE 4 CAPITAL ASSETS (CONTINUED)

Changes in capital assets for the year ended June 30, 2022 (as restated) are summarized below:

	Balance June 30, 2021	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2022
Capital Assets Not Being Depreciated or Amortized:				
Land	$ 1,645,388	$ -	$ (116,685)	$ 1,528,703
Construction in Progress	902,701	4,491,855	(1,241,656)	4,152,900
Artwork	42,000	-	-	42,000
Total Capital Assets Not Being Depreciated or Amortized	2,590,089	4,491,855	(1,358,341)	5,723,603
Capital Assets Being Depreciated or Amortized:				
Land Improvements	3,555,409	43,894	(43,648)	3,555,655
Buildings	70,888,770	397,494	(1,376,761)	69,909,503
Machinery and Equipment	6,326,297	956,717	(201,816)	7,081,198
Infrastructure	3,796,466	42,746	(11,007)	3,828,205
Right-to-Use Assets	139,116	-	-	139,116
Subscription Assets	-	395,285	-	395,285
Total Capital Assets Being Depreciated or Amortized:	84,706,058	1,836,136	(1,633,232)	84,908,962
Less Accumulated Depreciation and Amortization:				
Land Improvements	2,540,110	113,121	(39,792)	2,613,439
Buildings	24,560,520	1,685,678	(302,582)	25,943,616
Machinery and Equipment	4,916,687	373,861	(172,441)	5,118,107
Infrastructure	1,648,152	115,031	(10,611)	1,752,572
Right-to-Use Assets	18,774	25,364	-	44,138
Subscription Assets	-	65,881	-	65,881
Total Accumulated Depreciation and Amortization	33,684,243	2,378,936	(525,426)	35,537,753
Capital Assets, Net	$ 53,611,904	$ 3,949,055	$ (2,466,147)	$ 55,094,812

Capital asset additions reconcile to the purchases of capital assets in the statements of cash flows as follows:

	2023	2022
Total Additions Per Note Above	$ 23,009,344	$ 6,327,991
Transfer of CIP Into Service	(7,002,528)	(762,073)
Purchase of Capital Assets Per Statements of Cash Flows	$ 16,006,816	$ 5,565,918

NOTE 5 LONG-TERM DEBT

A summary of changes in long-term liabilities for the years ended June 30, 2023 and 2022 is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Accrued Compensated Absences	$ 1,016,026	$ 139,907	$ (242,758)	$ 913,175	$ 248,681
Lease Payable	101,310	21,006	(39,665)	82,651	42,001
Subscription Payable	238,699	2,980,578	(627,294)	2,591,983	933,501
Bonds Payable	34,683,000	-	(600,000)	34,083,000	1,405,000
Bond Premium	6,948,413	-	(1,135,522)	5,812,891	-
Total	$ 42,987,448	$ 3,141,491	$ (2,645,239)	$ 43,483,700	$ 2,629,183

	As Restated				
	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Accrued Compensated Absences	$ 952,526	$ 89,806	$ (26,306)	$ 1,016,026	$ 332,205
Lease Payable	145,814	-	(44,504)	101,310	36,038
Subscription Payable	-	395,285	(156,586)	238,699	8,409
Bonds Payable	19,293,000	57,190,000	(41,800,000)	34,683,000	600,000
Bond Premium	-	7,015,000	(66,587)	6,948,413	-
Total	$ 20,391,340	$ 64,690,091	$ (42,093,983)	$ 42,987,448	$ 976,652

General Obligation Bonds

General Obligation Community College Bonds, Series 2006

Original issue of $9,315,000, dated April 1, 2006. The bonds provide for serial retirement of principal each December with interest payable on June 1 and December 1 of each year starting December 1, 2007, at an average interest rate of 4.68%. The maturity date of the bonds is December 1, 2021. On March 2, 2012, $4,050,000 of the outstanding balance was advanced refunded with Obligation Community College Bonds, Series 2012. During fiscal year 2022 the remaining series of bonds matured and were paid in full.

General Obligation Community College Bonds, Series 2012

Original issue of $17,610,000, dated March 2, 2012, maturing December 1, 2019 through December 1, 2028 with an average interest rate of 4.86% to provide $12,500,000 for the acquisition and construction of major capital facilities, to advance refund $400,000 of the outstanding Protection, Health, and Safety Bonds, Series 2001, with an interest rate of 4.85% and to advance refund $4,050,000 of the General Obligation Community College Bonds, Series 2006, with an average interest rate of 4.44%. The net proceeds related to the refunding of $4,895,991 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2001 and portion of the Series 2006 being refunded. As a result, the Series 2001 bonds and part of the Series 2006 bonds are considered to be defeased and the liability for those bonds has been removed from the statements of net position.

NOTE 5 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

General Obligation Bonds (Alternative Revenue Source), Series 2018

On September 13, 2018, the District issued General Obligation Refunding Bonds (Alternative Revenue Source), Series 2018, in the amount of $2,133,000. Principal installments are due serially on December 1, 2019 through 2028. Interest is payable on the first day of June and December each year. Interest rate is 2.79%. The proceeds of the bonds were used to currently refund a portion of the District's outstanding General Obligation Community College Bonds, Series 2009, and pay costs associated with the issuance of the Bonds. As of June 30, 2023, the outstanding balance is $1,358,000.

General Obligation Debt Certificates, Series 2021

On October 5, 2021, the District issued General Obligation Debt Certificates, Series 2021, in the amount of $24,070,000. The certificates were issued in the aggregate principal amount of $24,070,000 and are due on June 1, 2041. The first interest payment is due June 1, 2022. Initial interest rate is .35% through February 9, 2022, to reset at 4.00% on February 10, 2022. The proceeds of the certificates will be used to complete capital projects in and for the District, including, but not limited to, modernization of classrooms, renovations to District offices and facilities and replacement of the gymnasium, including, in connection with said work, acquisition of all land or rights in land, mechanical, electrical, and other services necessary, useful or advisable thereto, and pay costs associated with the issuance of the Certificates. The certificates were fully redeemed on February 1, 2022 with proceeds of the Series 2022 bonds.

General Obligation Bonds, Series 2022

On February 1, 2022, the District issued General Obligation Bonds, Series 2022, in the amount of $33,120,000. Principal installments are due serially on December 1, 2022 through 2037. Interest is payable on the first day of June and December each year, with December 1, 2022 as the first interest payment date. Interest rate ranges from 4.00% to 5.00%. The proceeds of the bonds were used to refund the District's outstanding General Obligation Community College Bonds, Series 2012, redeem the General Obligation Debt Certificates, Series 2021 and pay costs associated with the issuance of the Bonds. As of June 30, 2023, the outstanding balance is $32,725,000.

Leases

The District has entered into several lease agreements as of June 30, 2023 The agreements expire at various dates through 2027.

NOTE 5 LONG-TERM DEBT (CONTINUED)

Subscription Obligations

The District contracts subscription-based information technology for operating activities for various terms under long term, non-cancelable agreements. The agreements expire at various dates through 2027.

At June 30, 2023, the annual requirements to retire all bonds payable, including principal and interest, and meet noncancelable lease and subscription obligations were as follows:

Year Ending June 30,	Bonds Payable	Leases Payable	Subscription Payable	Total
2024	$ 2,901,428	$ 43,986	$ 1,030,358	$ 3,975,772
2025	2,967,444	34,446	706,447	3,708,337
2026	3,022,056	5,827	524,277	3,552,160
2027	3,080,084	1,457	518,701	3,600,242
2028	3,131,222	-	-	3,131,222
2029-2033	15,580,335	-	-	15,580,335
2034-2038	15,928,301	-	-	15,928,301
Less: Interest	(12,527,870)	(3,065)	(187,800)	(12,718,735)
Total	$ 34,083,000	$ 82,651	$ 2,591,983	$ 36,757,634

Bonded debt matures as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 1,405,000	$ 1,496,428	$ 2,901,428
2025	1,540,000	1,427,444	2,967,444
2026	1,670,000	1,352,056	3,022,056
2027	1,810,000	1,270,084	3,080,084
2028	1,950,000	1,181,222	3,131,222
2029-2033	11,223,000	4,357,335	15,580,335
2034-2038	14,485,000	1,443,301	15,928,301
Total	$ 34,083,000	$ 12,527,870	$ 46,610,870

Interest costs charged to operations consist of the following for the years ended June 30:

	2023	2022
Interest Charged to Operations	$ 420,415	$ 1,096,260

Direct Placement

All of the general obligation bonds originate from direct placement, which means that they were issued to a single purchaser. There were no assets pledged as collateral. There are also no finance-related consequences in the unlikely event that the College is unable to pay the remaining principal.

NOTE 6 DEFINED BENEFIT PENSION PLAN

General Information About the Pension Plan

Plan Description

The District contributes to the State University Retirement System of Illinois (SURS or System), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the state of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the state of Illinois' financial reporting entity and is included in the state's 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 6 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 comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions

The state of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2022 and 2023, respectively, was 12.32% and 12.83% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Net Pension Liability

SURS reported a net pension liability (NPL) of $29,078,053,857 at June 30, 2022 and $28,528,477,079 at June 30, 2021. The net pension liabilities were measured as of June 30, 2022 and 2021, respectively.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the District as of June 30, 2023 and 2022 was $-0-. The proportionate share of the State's net pension liability associated with the District was $98,196,879 or 0.3377% at June 30, 2023 and $93,910,041 or 0.3292% as of June 30, 2022. This amount is not recognized in these financial statements. The net pension liability and total pension liability as of June 30, 2023 and 2022 was determined based on the June 30, 2021 and 2020 actuarial valuations rolled forward, respectively. The basis of allocation used in the proportionate share of net pension liability is the actual pensionable contributions made to SURS during fiscal year 2022 and 2021.

Pension Expense

At June 30, 2022 and 2021, SURS reported a collective net pension expense of $1,903,314,699 and $2,342,460,058, respectively.

Employer Proportionate Share of Pension Expense

The District's proportionate share of collective pension expense is 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 2022 and 2021. As a result, the District recognized on-behalf revenue and pension expense of $6,427,513 and $7,710,910 for the fiscal years ended June 30, 2023 and 2022, respectively.

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.

SURS Collective Deferred Outflows and Deferred Inflows of Resources:

June 30, 2022	Deferred Outflows of Resources	Deferred Outflows of Resources
Difference Between Expected and Actual Experience	$ 31,973,496	$ 28,674,599
Changes in Assumption	279,362,441	982,954,268
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	31,628,935	-
Total	$ 342,964,872	$ 1,011,628,867

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

June 30, 2021	Deferred Outflows of Resources	Deferred Outflows of Resources
Difference Between Expected and Actual Experience	$ 113,467,689	$ -
Changes in Assumption	776,968,084	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,283,514,660
Total	$ 890,435,773	$ 2,283,514,660

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

Year Ending June 30,	Net Deferred Outflows of Resources
2023	$ (332,941,204)
2024	(528,966,820)
2025	(249,290,775)
2026	442,534,804
2027	-
Thereafter	-
Total	$ (668,663,995)

Employer Deferral of Pension Expense

The District paid $84,072 and $57,245 in federal, trust or grant contributions for the fiscal year ended June 30, 2023 and 2022, respectively. These contributions were made subsequent to the pension liability measurement dates of June 30, 2022 and 2021 and are recognized as deferred outflows of resources as of June 30, 2023 and 2022, respectively.

Assumptions and Other Inputs

Actuarial Assumptions

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

Inflation	2.25%
Salary Increases	3.00 to 12.75%, Including Inflation
Investment Rate of Return	6.50%

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the Pub-2010 employee and retiree gender distinct tables with projected generational mortality and 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(ies). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2021, these best estimates are summarized in the following table:

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

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

Discount Rate

A single discount rate of rate of 6.39% and 6.12% was used at June 30, 2022 and 2021, respectively, to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and 6.50% at June 30, 2022 and 2021, respectively, and a municipal bond rate of 3.69% and 1.92% at June 30, 2022 and 2021, respectively (based on the weekly rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022 and 2021). 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 2076, and the municipal bond rate was applied to all benefit payments after that date.

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.12% and 6.49% at June 30, 2022 and 2021, respectively, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percentage-point lower or 1 percentage-point higher:

	1% Decrease 5.39%	Current Single Discount Rate Assumption 6.39%	1% Increase 7.39%
June 30, 2022	$ 35,261,802,968	$ 29,078,053,857	$ 23,928,731,076

	1% Decrease 5.12%	Current Single Discount Rate Assumption 6.12%	1% Increase 7.12%
June 30, 2021	$ 35,000,704,353	$ 28,528,477,079	$ 23,155,085,730

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

Changes of Benefit Terms

There was no benefit changes recognized in the total pension liability as of June 30, 2022 or 2021.

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions and Other Inputs (Continued)

Changes of Assumptions

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

- Salary Increase: Change assumption to service-based rates, ranging from 3.00% to 12.75% based on years of service, with underlying wage inflation of 2.25%.
- Investment Return: Decrease the investment return assumption to 6.50%. This reflects maintaining an assumed real rate of return of 4.25% and decreasing the underlying assumed price inflation to 2.25%.
- Effective Rate of Interest: Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.50%.
- Normal/Early Retirement Rates: Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Turnover Rates: Change in rates to produce slightly lower expected turnover for most members, while maintaining pattern of decreasing termination rates as years of service increase.
- Mortality Rates: Change from the RP-2014 to the Pub-2010 mortality tables to reflect the latter’s higher applicability to public pensions. Update the projection scales from the MP-2017 to the MP-2020 scale.
- Disability Rates: Establish separate rates for members in academic positions and non-academic positions and maintain separate rates for males and females.
- Plan Election: Change plan election assumptions to 75% Tier 2 and 25% Retirement Savings Plan (RSP) for non-academic members. Change plan election assumptions to 55% Tier 2 and 45% (RSP) for academic members.

NOTE 7 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information About the OPEB Plan

Plan Administration

The District participates in the Illinois Community College Health Insurance Security Fund (CCHISF) (also known as the College Insurance Program, CIP). CIP is a nonappropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole benefit of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiemployer defined benefit postemployment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the state of Illinois, excluding the City Colleges of Chicago. The Department of Central Management Services (the Department) administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts. Separate financial statements, including required supplementary information, may be obtained from the Department at7 15 Stratton Office Building, Springfield, Illinois, 62706.

Plan Membership

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

Benefits Provided

Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State University's Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes $5,000.

NOTE 7 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

General Information About the OPEB Plan (Continued)

Contributions

The Act requires every active contributor (employee) of SURS to contribute .5% of covered payroll and every community college district to contribute .5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires 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 for the years ended June 30, 2023 and 2022 were $74,820 and $71,918, respectively. The College's contributions for fiscal years ended June 30, 2023 and 2022 were $74,820 and $71,918, respectively.

Illinois Community College Health Insurance Security Fund – OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The District reported a liability of $5,220,534 and $13,186,537 as of June 30, 2023 and 2022, respectively. This amount is the District's proportional share of the net OPEB liability. The State of Illinois is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Illinois' proportionate share of the net OPEB liability associated with the District totaled $5,220,534 and $13,186,537, respectively. The net OPEB liability was measured as of June 30, 2022 and 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 and 2020, respectively, with procedures performed to roll forward the total OPEB liability to the June 30, 2022 and 2021 measurement dates. 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, 2022 and 2021, the District's proportion was 0.762611% and 0.759798%, respectively, which represents an increase of 0.002813% and 0.011551%, respectively.

For the years ended June 30, 2023 and 2022, the District recognized OPEB expense of ($2,287,201) and ($169,304), respectively, for its proportionate share of the OPEB expense. In addition, the district recognized an additional ($2,237,403) and ($108,867), respectively, as OPEB expense (and revenue) for its proportionate share of the state of Illinois' contribution to the plan.

NOTE 7 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Illinois Community College Health Insurance Security Fund – OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods:		
Differences Between Expected and Actual Experience	$ 41,241	$ 2,174,514
Changes of Assumptions	-	7,037,116
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	-	270
Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	717,554	17,495
Total Deferred Amounts to be Recognized in OPEB Expense in Future Periods	758,795	9,229,395
OPEB Contributions Made Subsequent to the Measurement Date	74,820	-
Total Deferred Amounts Related to OPEB	$ 833,615	$ 9,229,395

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods:		
Differences Between Expected and Actual Experience	$ 83,449	$ 963,780
Changes of Assumptions	-	2,519,046
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	-	380
Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	940,744	404,703
Total Deferred Amounts to be Recognized in OPEB Expense in Future Periods	1,024,193	3,887,909
OPEB Contributions Made Subsequent to the Measurement Date	71,918	-
Total Deferred Amounts Related to OPEB	$ 1,096,111	$ 3,887,909

NOTE 7 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Illinois Community College Health Insurance Security Fund – OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Year Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2024	$ (1,818,945)
2025	(1,889,901)
2026	(1,895,316)
2027	(1,625,094)
2028	(1,241,344)
Total	$ (8,470,600)

The total CIP plan's net OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

- Inflation – 2.25%
- Salary increases – depends on service and ranges from 12.75% at less than one year of service to 3.50% at 34 or more years of service. Salary increase includes a 3.00% wage inflation assumption.
- Investment rate of return – 0%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates – Trend rates for plan year 2023 are based on actual premium increases. For non-Medicare costs, trend rates start at 8.00% for the plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033, and 5.86% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.

Mortality rates for retirement and beneficiary annuitants were based on the Pub-2010 and PubT-2010 Healthy Retiree Mortality Tables. Disabled Annuitants:, Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-2010 and PubT-2010 Employee Mortality Tables. Tables are adjusted for SURS experience All tables reflect future mortality improvements using Projection Scale MP-2020 as of the valuation date.

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

NOTE 7 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Illinois Community College Health Insurance Security Fund – OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 1.92% as of June 30, 2021 and 3.69% as of June 30, 2022.

Sensitivity of the District's Proportional Share of the Net OPEB Liability to Changes in the Single Discount Rate

The following presents the District's proportionate share of the CIP plan's net OPEB liability, as well as what the District's proportionate share of the plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Sensitivity of Net OPEB Liability as of June 30, 2023
to the Single Discount Rate Assumption

	1% Decrease (2.69)%	Current Single Discount Rate Assumption (3.69)%	1% Increase (4.69)%
Net OPEB Liability	$ 5,714,801	$ 5,220,531	$ 4,797,859

Sensitivity of Net OPEB Liability as of June 30, 2022
to the Single Discount Rate Assumption

	1% Decrease (0.92)%	Current Single Discount Rate Assumption (1.92)%	1% Increase (2.92)%
Net OPEB Liability	$ 15,023,348	$ 13,186,544	$ 11,600,296

NOTE 7 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Sensitivity of the District's Proportional Share of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates.

The following presents the District's proportionate share of the CIP's plan net OPEB liability, calculated using the healthcare cost trend rates, as well as what the District's proportionate share of the CIP's plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

Sensitivity of Net OPEB Liability as of June 30, 2022
to the Healthcare Cost Trend Rate Assumption

	1% Decrease	Healthcare Cost Trend Rate (a)	1% Increase
Net OPEB Liability	$ 4,665,344	$ 5,220,531	$ 5,898,922

(a) Pre-Medicare per capita costs: 9.18% in 2024, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039. Post-Medicare per capita costs: 2.98%, 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 5.86% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2039.

Sensitivity of Net OPEB Liability as of June 30, 2022
to the Healthcare Cost Trend Rate Assumption

	(a) 1% Decrease	Healthcare Cost Trend Rate Rate Assumption	(b) 1% Increase
Net OPEB Liability	$ 10,865,503	$ 13,186,544	$ 16,295,105

(a) One percentage point decreasing in healthcare trend rates are 7.00% in 2023 decreasing to an ultimate trend rate of 3.25% in 2038.

(b) One percentage point increasing in healthcare trend rates are 9.00% in 2023 decreasing to an ultimate trend rate of 5.25% in 2038.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District has purchased commercial insurance to cover these risks. Settlements have not exceeded insurance coverages for each of the past three fiscal years.

NOTE 9 COMPENSATED ABSENCES

At June 30 employees had earned but unused annual vacation, which at salary rates in effect at the end of the year totaled $1,016,026 and $952,526, respectively. For sick leave, the District operates under a personnel 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.

	2023	2022
Beginning Balance	$ 1,016,026	$ 952,526
Additions	139,907	89,806
Deletions	(242,758)	(26,306)
Ending Balance	$ 913,175	$ 1,016,026

NOTE 10 COMPONENT UNIT

Kaskaskia College Foundation (the Foundation) is a nonprofit corporation, organized under the authority of a charter issued by the Secretary of State of Illinois on October 29, 1964, for the following purposes:

- Foster and assist in maintaining an area Community College, as defined by the laws of the state of Illinois, in an area composed of Community College District #501, and to receive, hold, and administer gifts of money or property, real or personal, for such purposes;

- Assist in developing and increasing the facilities of such Community College for broader opportunities for and service to its students and patrons, and to the citizens of the state of Illinois, by encouraging gifts of money, property, works of art, historical papers and documents, museum specimens and other material having educational, artistic or historical value, and by other proper means as may seem advisable;

- Receive, hold and administer such gifts with the primary object of serving purposes other than those for which such area Community College school district, and the state of Illinois, ordinarily make sufficient appropriations; to receive gifts for and establish, maintain and administer scholarships; to administer gifts, grants or loans of money or property, real or personal; whether made by or for the benefit of public governmental bodies, local, state or national, or by or for the benefit of corporations or natural persons, and whether in the form of conventional express trusts or otherwise.

NOTE 10 COMPONENT UNIT (CONTINUED)

The following is a summary of the more significant accounting policies and notes to the financial statements for the component unit:

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are initially recorded at their fair value. Unconditional gifts expected to be collected in more than one year are initially recorded at their fair value determined by risk adjusted rate at the date the promise is made. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

An allowance for uncollectible contributions receivable is determined based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Income Taxes

The Foundation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income tax expense is included in the accompanying financial statements.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Investment income is reported net of external and direct internal expenses.

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

NOTE 10 COMPONENT UNIT (CONTINUED)

Investments (Continued)

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2 – Inputs to the valuation methodology include:

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

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Equity securities and mutual funds listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

Debt securities consisting of corporate bonds and government agency debt obligations are generally valued at the most recent price of the equivalent quoted yield for such securities, or those of comparable maturity, quality, and type. Debt securities are generally classified within Level 2 of the valuation hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the component units believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 10 COMPONENT UNIT (CONTINUED)

Investments (Continued)

Following is a description of the nature of the categories of mutual funds by major security type.

Equity Funds: This asset class is generally comprised of investment options that invest in shares of ownership in large to small companies.

Fixed Income Funds: This asset class is generally comprised of investment options in bonds, or debt, of a company or governmental entity.

The following tables set forth by level, within the fair value hierarchy, the component unit's assets at fair value as of June 30:

	2023			
	Level 1	Level 2	Level 3	Total
Corporate Bonds	$ -	$ 2,273,765	$ -	$ 2,273,765
Mutual Funds:				-
Money Market	215,279	-	-	215,279
EFT's	1,972,783	-	-	1,972,783
Bond	329,488	-	-	329,488
Equity	3,722,019	-	-	3,722,019
Total Assets at Fair Value	$ 6,239,569	$ 2,273,765	$ -	$ 8,513,334

	2022			
	Level 1	Level 2	Level 3	Total
Corporate Bonds	$ -	$ 1,211,699	$ -	$ 1,211,699
Mutual Funds:				-
Money Market	211,582	-	-	211,582
EFT's	1,238,578	-	-	1,238,578
Bond	409,997	-	-	409,997
Equity	2,901,091	-	-	2,901,091
Total Assets at Fair Value	$ 4,761,248	$ 1,211,699	$ -	$ 5,972,947

NOTE 11 COMMITMENTS AND CONTINGENCIES

Compliance with Laws and Regulations

The District is from time to time subject to various claims, legal actions, and inquiries relating to compliance with environmental and other governmental laws and regulations arising in the ordinary course of business. Although it is difficult to quantify the potential impact of these claims, management believes that the ultimate settlement of these matters will not adversely affect the District's future financial condition or results of operations as the District has the ability to levy funds through local real estate taxes specifically for these purposes. Accordingly, management does not believe that a reserve for the future effect, if any, of these matters on the financial condition or results of operations of the District is necessary at June 30, 2023 and 2022 as it is not possible to determine with any degree of probability the level of future expenditures for these matters.

Federal and State Grants

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

Litigation

As of June 30, 2023, the District is a party to a number of lawsuits arising in the normal course of operations. While the results of litigation cannot be predicted with certainty, management believes that the final outcome of such litigation will not have a materially adverse effect on the financial statements of the District.

NOTE 12 FUNCTIONAL EXPENSES

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

	2023	2022
Instruction	$ 12,391,019	$ 14,445,934
Academic Support	3,153,527	3,390,861
Student Services	3,358,406	3,275,338
Public Services	97,623	45,172
Auxiliary Services	1,614,086	1,682,907
Operations and Maintenance of Plant	2,486,864	3,543,759
Institutional Support	6,368,209	8,227,749
Scholarships, Student Grants, and Waivers	3,888,256	6,201,850
Depreciation Expense	2,982,802	2,378,937
Total	$ 36,340,792	$ 43,192,507

REQUIRED SUPPLEMENTARY INFORMATION

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
REQUIRED SUPPLEMENTARY INFORMATION
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

State Universities Retirement System (SURS)
Last 10 Fiscal Years*

	Measurement Period, June 30								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion Percentage of the Collective Net Pension Liability	- %	- %	- %	- %	- %	- %	- %	- %	- %
District's Proportionate Amount of the Collective Net Pension Liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability Associated with District	98,196,879	93,910,041	100,793,591	93,282,791	86,635,348	79,883,267	101,001,267	95,635,510	84,529,792
Total	$ 98,196,879	$ 93,910,041	$ 100,793,591	$ 93,282,791	$ 86,635,348	$ 79,883,267	$ 101,001,267	$ 95,635,510	$ 84,529,792
District's Defined Benefit Covered Payroll	$ 12,710,967	$ 12,607,168	$ 12,260,866	$ 11,779,688	$ 11,296,986	$ 11,105,140	$ 14,093,871	$ 14,752,158	$ 14,153,659
Proportion of Collective Net Pension Liability Associated with the District as a Percentage of its Covered Payroll	772.54%	744.89%	822.08%	791.90%	766.89%	719.34%	716.63%	648.28%	597.23%
SURS Plan Net Pension as a Percentage of the Total Pension Liability	43.65%	45.45%	39.05%	40.71%	41.27%	42.04%	39.57%	42.37%	44.39%

Schedule of District Contributions
Last 10 Fiscal Years*

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 84,072	$ 57,245	$ 64,568	$ 47,802	$ 29,301	$ 22,749	$ 28,502	$ 44,375	$ 65,260	$ 61,261
Contributions in Relation to the Contractually Required Contribution	(84,072)	(57,245)	(64,568)	(47,802)	(29,301)	(22,749)	(28,502)	(44,375)	(65,260)	(61,261)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 15,746,437	$ 15,162,909	$ 14,820,231	$ 14,427,726	$ 13,504,051	$ 12,888,389	$ 12,623,049	$ 15,726,548	$ 16,460,388	$ 15,897,153
Contributions as a Percentage of Covered Payroll	0.53%	0.38%	0.44%	0.33%	0.22%	0.18%	0.23%	0.28%	0.40%	0.39%
On-Behalf Payments for Community College Health Insurance Program	$ 74,820	$ 71,918	$ 70,645	$ 68,814	$ 64,111	$ 60,878	$ 59,539	$ 73,512	$ 75,404	$ 71,686

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

See accompanying Notes to Required Supplementary Information.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017
District's Proportion of the Net OPEB Liability	0.762611%	0.759798%	0.748247%	0.714210%	0.697124%	0.686268%
Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net OPEB Liability Associated with Employer	$ 5,220,534	$ 13,186,537	$ 13,638,771	$ 13,488,143	$ 13,142,545	$ 12,350,206
District's Proportionate Share of the Net OPEB Liability	$ 5,220,534	$ 13,186,537	$ 13,638,771	$ 13,488,143	$ 13,142,545	$ 12,515,035
District's Covered-Employee Payroll	$ 15,162,909	$ 14,820,231	$ 14,427,726	$ 13,504,051	$ 12,888,389	$ 12,623,049
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	34.43%	88.98%	94.53%	99.88%	101.97%	99.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(22.03)%	(6.38)%	(5.07)%	(4.13)%	(3.54)%	(2.87)%

Note: Information is not available prior to 2017. Additional years will be added to future reports as schedules are intended to show 10 years of historical data.

See accompanying Notes to Required Supplementary Information.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
COMMUNITY COLLEGE HEALTH INSURANCE SECURITY FUND
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

Fiscal Year Ending June 30,	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 74,820	$ 71,918	$ 70,645	$ 68,814	$ 64,111	$ 60,878	$ 60,102
Contributions in Relation to the Contractually Required Contribution	(74,820)	(71,918)	(70,645)	(68,814)	(64,111)	(60,878)	(60,102)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered-Employee Payroll	$ 15,746,437	$ 15,162,909	$ 14,820,231	$ 14,427,726	$ 13,504,051	$ 12,888,389	$ 12,623,049
Contributions as a Percentage of Covered-Employee Payroll	0.475155%	0.474302%	0.476679%	0.476957%	0.474754%	0.472348%	0.476129%

Note: Information is not available prior to 2017. Additional years will be added to future reports as schedules are intended to show 10 years of historical data.

See accompanying Notes to Required Supplementary Information.

NOTE 1 CHANGES IN BENEFIT TERMS

In the June 30, 2021 and 2020 actuarial valuations, there were no changes of benefit terms.

NOTE 2 CHANGES OF ASSUMPTIONS

In the June 30, 2021 actuarial valuation, the following OPEB-related assumption changes were made:

- The discount rate was changed from 1.92% at June 30, 2021 to 3.69% at June 30, 2022.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2021, projected plan cost for plan year-end June 30, 2022, premium changes through plan year-end June 30, 2022, and expectation of future trend increases after June 30, 2022.
- Per capita claim costs for plan year-end June 30, 2022 were updated based on projected claims and enrollment experience through June 30, 2022 and updated premium rates through plan year-end 2023.
- Healthcare plan participation rates by plan were updated based on observed experience.
- Effective as of January 1, 2023, projected per capita claim costs reflect the newly established zero premium MAPD plan. Based on discussions with CMS, the MAPD costs are zero for calendar years 2023 through 2027, increase to $42 per member per month in calendar year 2028, and increases ratably to $102 per member per month in calendar year 2032. After 2032, costs increase according to the assumed trend rates.

In the June 30, 2020 actuarial valuation, the following OPEB-related assumption changes were made:

- The discount rate was changed from 2.45% at June 30, 2020 to 1.92% at June 30, 2021.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2020, projected plan cost for plan year-end June 30, 2021, premium changes through plan year-end June 30, 2021, and expectation of future trend increases after June 30, 2021.
- Per capita claim costs for plan year-end June 30, 2021 were updated based on projected claims and enrollment experience through June 30, 2021 and updated premium rates through plan year-end 2022.
- Healthcare plan participation rates by plan were updated based on observed experience.

SUPPLEMENTARY FINANCIAL INFORMATION

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
ASSESSED VALUATIONS AND TAXES LEVIED — GOVERNMENTAL FUND TYPES
LEVY YEARS 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022 Levy	2021 Levy
ASSESSED VALUES AS EQUALIZED	$ 2,120,040,421	$ 1,948,496,443
TAX RATES (Per $100 of Assessed Valuation)		
Education Fund	0.1685%	0.1725%
Education Fund - Equity Tax	0.0321	0.0401
Operations and Maintenance Fund	0.0722	0.0739
Bond and Interest Fund	0.1293	0.1258
Audit Fund	0.0010	0.0031
Liability, Protection, and Settlement Fund	0.0988	0.0936
Protection, Health, and Safety	0.0481	0.0493
Total	0.5500%	0.5583%
TAXES EXTENDED		
Education Fund	$ 3,542,475	$ 3,357,502
Education Fund - Equity Tax	674,122	780,877
Operations and Maintenance Fund	1,518,205	1,438,922
Bond and Interest Fund	2,718,267	2,448,727
Audit Fund	20,439	61,117
Liability, Protection, and Settlement Fund	2,078,208	1,821,533
Protection, Health, and Safety	1,012,179	959,305
Total	$ 11,563,895	$ 10,867,983

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS — GOVERNMENTAL FUND TYPES
LEVY YEARS 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

Levy Year	Assessed Valuation	Combined Rate	Taxes Extended	Total Collected to June 30, 2022	Collected During Year Ended June 30, 2023	Total Collected to June 30, 2023	Percent Collected June 30, 2023	Allowance for Uncollectible Taxes	Balance After Allowance
2022	$ 2,120,040,421	0.0055	$ 11,563,895	$ -	$ -	$ -	- %	$ -	$ 11,563,895
2021	1,948,496,443	0.0056	10,867,983	-	10,867,983	10,867,983	100.00	-	-
Total				$ -	$ 10,867,983	$ 10,867,983		$ -	$ 11,563,895

	2022 Taxes Extended		
	Uncollected June 30, 2022	Allowance For Uncollectible Taxes	Balance After Allowance
Education Fund	$ 3,542,475	$ -	$ 3,542,475
Education Fund - Equity Tax	674,122	-	674,122
Operations and Maintenance Fund	1,518,205	-	1,518,205
Bond and Interest Fund	2,718,267	-	2,718,267
Audit Fund	20,439	-	20,439
Liability, Protection, and Settlement Fund	2,078,208	-	2,078,208
Protection, Health, and Safety	1,012,179	-	1,012,179
Total	$ 11,563,895	$ -	$ 11,563,895

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
SCHEDULE OF DEBT MATURITIES
JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Amounts Due During Year			Unpaid Principal
Year Ending June 30,	Principal	Interest	Total	Balance
2023	$ 1,405,000	$ 1,496,428	$ 2,901,428	$ 32,678,000
2024	1,540,000	1,427,444	2,967,444	31,138,000
2025	1,670,000	1,352,056	3,022,056	29,468,000
2026	1,810,000	1,270,084	3,080,084	27,658,000
2027	1,950,000	1,181,222	3,131,222	25,708,000
Thereafter	25,708,000	5,800,635	31,508,635	-
Total	$ 34,083,000	$ 12,527,870	$ 46,610,870	

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
SCHEDULE OF LEGAL DEBT MARGIN
JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

Assessed Valuation - 2022 Levy	$ 2,120,040,421
Debt Limit - 2.875% of Assessed Valuation	$ 60,951,162
Less Bonded Indebtedness	34,083,000
Legal Debt Margin	$ 26,868,162

CURRENT INSURANCE COVERAGE
(UNAUDITED)

KANE
INSURANCE AGENCY

Kaskaskia Community College District #501

Insurance Policies 2022 - 2023

Coverage	Company	Policy Number	Policy Term	Description
Blanket Building	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$138,322,783 $10,000 Deductible
Blanket Contents	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$19,131,059 $10,000 Deductible
Business Income	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$1,000,000
Earthquake	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$5,000,000 $100,000 or 5% Deductible (Whichever is greater)
Flood	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$5,000,000 $100,000 Deductible
Equipment Breakdown	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$100,000,000 $10,000 Deductible
Inland Marine	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	*Communication Equipment* $5,920 Deductible $1,000 *Mobile Equipment Greater Than $10,000* $261,813 Deductible $1,000 *Mobile Equipment Less than $10,000* $114,600 Deductible $1,000 *EDP Equipment* $3,350,000 Deductible $1,000 *Musical Instruments* $105,000 Deductible $1,000 *Unmanned Aircraft* $20,110 Deductible $1,000

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
CURRENT INSURANCE COVERAGE (UNAUDITED)
JUNE 30, 2023

Coverage	Company	Policy Number	Policy Term	Description
Fine Arts	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$1,000,0000
General Liability	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$1,000,000 Each Occurrence $3,000,000 Aggregate $1,000,000 Person & Advertising Injury Aggregate $1,000,000 Products-Completed Operations Aggregate
Medical Expense	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$5,000 Each Person $50,000 Each Occurrence
Sexual Abuse Liability	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$1,000,000
Employee Benefits	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$1,000,000 $1,000,000 Aggregate Deductible $5,000
Employment Practice	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$1,000,000
Law Enforcement Liability Aggregate	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$1,000,000 Each Occurrence $3,000,000 Annual
Violent Event Response Coverage	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$500,000 Per Event $500,000 Annual Aggregate
Crime	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	*Employee Dishonesty* $500,000 Deductible $1,000 *Forgery or Alteration* $500,000 Deductible $1,000 *Outside the Premise* $500,000 Deductible $1,000 *Inside Premise* $500,000 Deductible $1,000
Educators Legal Liability	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$1,000,000 Occurrence $1,000,000 Aggregate $5,000 Deductible
Commerical Auto Liability	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$1,000,000 Bodily Injury & Property Damage
Auto Medical	ICRMT	P13-1000236-2223-01	12/1/22 – 12/1/23	$5,000 Each Person $25,000 Each Occurrence
Garagekeepers	ICRMT	P13-1000236-2223-01	12/1/22-12/1/22	$100,000 Per Occurrence
Excess Liability	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	$15,000,000
Workers Comp	ICRMT	P13-1000236-2223-01	12/1/22 – 12/1/23	$2,500,000
Cyber Liability	ICRMT	P13-1000236-2223-01	12/1/22-12/1/23	See Attached Details

COVERAGE SUMMARY: CYBER LIABILITY

COVERAGE

	LIMITS
Cyber Liability Coverage - Claims Made	
Each Claim	$1,000,000
Annual Aggregate	$1,000,000

Retroactive Date: **12/01/2021**

Deductible: $5,000

Coverage Include:

Third Party Liability Insuring Agreements
(Claims Made and Reported Coverage)

	Each **Claim**	Aggregate
Multimedia Liability Coverage	$1,000,000	$1,000,000
Security and Privacy Liability Coverage	$1,000,000	$1,000,000
Privacy Regulatory Defense and Penalties Coverage	$1,000,000	$1,000,000
PCI DSS Liability Coverage	$1,000,000	$1,000,000

First Party Insuring Agreements
(Event Discovered and Reported Coverage)

	Each **Claim**	Aggregate
Breach Event Costs Coverage	$1,000,000	$1,000,000
BrandGuard® Coverage	$1,000,000	$1,000,000
System Failure Coverage	$1,000,000	$1,000,000
Cyber Extortion Coverage	$250,000	$250,000

	Each **Claim**	Aggregate
Cyber Crime Coverage		
A. Financial Fraud Sublimit	$100,000	$100,000
B. Telecommunications and Utilities Fraud Sublimit	$100,000	$100,000
C. Phishing Fraud Sublimits		
1. Your Phishing Fraud Loss Sublimit	$100,000	$100,000
2. Client Phishing Fraud Loss Sublimit	$100,000	$100,000
3. Phishing Fraud Aggregate Sublimit (C.1. & C.2. combined)		$1,000,000
Cyber Crime Aggregate Limit (A., B., & C. combined)		$1,000,000

UNIFORM FINANCIAL STATEMENTS

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
UNIFORM FINANCIAL STATEMENT NO. 1 — ALL FUNDS SUMMARY
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Restricted Fund	Debt Service Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Auxiliary Enterprise Activities	Total
FUND BALANCE - BEGINNING OF YEAR	$ 14,516,428	$ 79,291	$ 23,177,409	$ (363,495)	$ 66,384	$ 8,484,096	$ 111,939	$ 2,494,717	$ 67,378	$ 48,634,147
REVENUES										
Local Tax Revenue	4,182,632	1,445,310	963,564	2,450,553	-	-	61,096	1,822,637	-	10,925,792
Corporate Replacement Tax	1,672,508	-	-	-	-	-	-	-	-	1,672,508
ICCB Grants	8,242,805	-	1,243,046	-	1,507,043	-	-	-	-	10,992,894
All Other State Revenue	24,115	-	-	-	640,412	-	-	-	-	664,527
Federal Revenue	156,507	-	-	-	8,270,772	-	-	-	9,539	8,436,818
Student Tuition and Fees	12,055,944	-	-	140,522	-	-	-	-	8,044	12,204,510
On-Behalf CIP	-	-	-	-	74,820	-	-	-	-	74,820
On-Behalf SURS	-	-	-	-	6,427,513	-	-	-	-	6,427,513
All Other Revenue	1,032,679	241,486	1,051,869	26,948	4,957	-	3,954	100,855	581,416	3,044,164
Total Revenues	27,367,190	1,686,796	3,258,479	2,618,023	16,925,517	-	65,050	1,923,492	598,999	54,443,546
EXPENDITURES										
Current:										
Instruction	10,012,543	-	-	-	4,749,385	-	-	-	-	14,761,928
Academic Support	2,884,509	-	-	-	683,113	-	-	61,245	-	3,628,867
Student Services	1,307,001	-	-	-	2,479,837	-	-	-	-	3,786,838
Public Services	23,984	-	-	-	86,262	-	-	-	-	110,246
Auxiliary Services	-	-	-	-	278,783	-	-	-	1,512,877	1,791,660
Operations and Maintenance	-	2,862,218	11,458,913	-	527,359	-	-	943,442	-	15,791,932
Institutional Support	3,388,876	-	-	2,155,372	2,961,162	-	78,750	1,533,699	-	10,117,859
Scholarships, Student	-	-	-	-	-	-	-	-	-	-
Grants, and Waivers	5,323,974	-	-	-	5,159,752	-	-	-	-	10,483,726
Total Expenditures	22,940,887	2,862,218	11,458,913	2,155,372	16,925,653	-	78,750	2,538,386	1,512,877	60,473,056
Other Financing Sources (Uses)										
Net Operating Transfers	(2,166,300)	1,177,000	-	75,000	-	-	-	-	914,300	-
FUND BALANCE - END OF YEAR	$ 16,776,431	$ 80,869	$ 14,976,975	$ 174,156	$ 66,248	$ 8,484,096	$ 98,239	$ 1,879,823	$ 67,800	$ 42,604,637

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
UNIFORM FINANCIAL STATEMENT NO. 2 —
SUMMARY OF CAPITAL ASSETS AND FIXED DEBT
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Balance June 30, 2022	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2023
FIXED ASSETS				
Sites and Improvements	$ 5,084,358	$ 944,745	$ -	$ 6,029,103
Buildings, Additions, and Improvements	73,737,708	5,381,222	-	79,118,930
Equipment	7,615,599	4,900,364	(27,767)	12,488,196
Other Fixed Assets	4,194,900	11,783,013	(7,057,752)	8,920,161
Total	90,632,565	23,009,344	(7,085,519)	106,556,390
Less: Accumulated Depreciation:	(35,537,753)	(2,982,802)	22,713	(38,497,842)
Net Fixed Assets	$ 55,094,812	$ 20,026,542	$ (7,062,806)	$ 68,058,548
FIXED DEBT				
Bonds Payable	$ 34,683,000	$ -	$ (600,000)	$ 34,083,000
OPEB Liability	13,186,537	-	(7,966,003)	5,220,534
Other Fixed Liabilities	1,356,035	3,001,584	(769,810)	3,587,809
Total Fixed Debt	$ 49,225,572	$ 3,001,584	$ (9,335,813)	$ 42,891,343

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
UNIFORM FINANCIAL STATEMENT NO. 3 — OPERATING PURPOSES FUNDS
REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local Government:			
Property Taxes	$ 4,182,632	$ 1,445,310	$ 5,627,942
Corporate Personal Property Replacement Tax	1,672,508	-	1,672,508
Total Local Government	5,855,140	1,445,310	7,300,450
State Government:			
ICCB Base Operating Grants	2,744,253	-	2,744,253
ICCB Equalization Grants	4,963,450	-	4,963,450
ICCB Career and Technical Education	373,676	-	373,676
ICCB Performance Grant	9,805	-	9,805
Other ICCB Grants Not Listed Above	151,622	-	151,622
Department of Corrections	24,115	-	24,115
Total State Government	8,266,921	-	8,266,921
Federal Government	156,507	-	156,507
Student Tuition and Fees:			
Tuition	10,318,451	-	10,318,451
Fees	1,725,574	-	1,725,574
Other Student Assessments	11,921	-	11,921
Total Student Tuition and Fees	12,055,946	-	12,055,946
Other Sources:			
Sales and Service Fees	96,452	-	96,452
Facilities Revenue	16,700	39,808	56,508
Investment Income	828,139	2,478	830,617
Nongovernmental Grants	-	-	-
Other	91,388	199,200	290,588
Total Other Sources	1,032,679	241,486	1,274,165
Total Operating Revenues	27,367,193	1,686,796	29,053,989
Nonoperating Item			
Loan Proceeds	-	-	-
Adjusted Revenue	$ 27,367,193	$ 1,686,796	$ 29,053,989

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
UNIFORM FINANCIAL STATEMENT NO. 3 — OPERATING PURPOSES FUNDS
REVENUES AND EXPENDITURES (CONTINUED)
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
By Program:			
Instruction	$ 10,012,543	$ -	$ 10,012,543
Academic Support	2,884,509	-	2,884,509
Student Services	1,307,001	-	1,307,001
Public Services	23,984	-	23,984
Operations and Maintenance	-	2,862,218	2,862,218
Institutional Support	3,388,876	-	3,388,876
Scholarships, Student Grants, and Waivers	5,323,974	-	5,323,974
Total Expenditures by Program	22,940,887	2,862,218	25,803,105
Operating Transfers Out	2,166,300	(1,177,000)	989,300
Total Expenditures and Transfers Out	$ 25,107,187	$ 1,685,218	$ 26,792,405
By Object:			
Salaries	$ 12,377,065	$ 864,196	$ 13,241,261
Employee Benefits	2,662,617	323,732	2,986,349
Contractual Services	1,164,092	314,175	1,478,267
General Materials and Supplies	856,802	233,330	1,090,132
Conference and Meeting Expenses	243,820	7,406	251,226
Fixed Charges	59,248	1,863	61,111
Utilities	56,758	947,268	1,004,026
Capital Outlay	236,511	17,245	253,756
Scholarships, Student Grants, and Waivers	5,323,974	-	5,323,974
Total Expenditures by Object	22,980,887	2,709,215	25,690,102
Operating Transfers Out	2,166,300	(1,177,000)	989,300
Total Expenditures and Transfers Out	$ 25,147,187	$ 1,532,215	$ 26,679,402

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
UNIFORM FINANCIAL STATEMENT NO. 4 —
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

RESTRICTED PURPOSES FUND REVENUES BY SOURCES

State Government:	
ICCB - Adult Ed	$ 210,938
ICCB - Other	1,243,552
Department of Corrections	529,628
CIP On-Behalf Payments	74,820
SURS On-Behalf Payments	6,427,513
Other	163,336
Total State Government	8,649,787
Federal Government:	
Department of Education	7,625,766
Department of Health and Human Services	298,004
Other	347,005
Total Federal Government	8,270,775
Other Sources	5,091
Total Restricted Purposes Fund Revenues by Sources	$ 16,925,653

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
UNIFORM FINANCIAL STATEMENT NO. 4 —
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES (CONTINUED)
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

EXPENDITURES	
By Program:	
Instruction	$ 4,749,385
Academic Support	683,113
Student Services	2,479,837
Public Services	86,262
Auxiliary Services	278,783
Operations and Maintenance	527,359
Institutional Support	2,961,162
Scholarships, Student Grants, and Waivers	5,159,752
Total Expenditures by Program	$ 16,925,653
By Object:	
Salaries	$ 1,478,715
Employee Benefits	6,885,590
Contractual Services	559,080
General Materials and Supplies	453,975
Travel and Conference/Meeting Expenses	157,533
Fixed Charges	9,418
Capital Outlay	2,289,754
Scholarships, Student Grants, and Waivers	5,091,588
Total Expenditures by Object	$ 16,925,653

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
UNIFORM FINANCIAL STATEMENT NO. 5 —
CURRENT FUNDS — EXPENDITURES BY ACTIVITY
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

INSTRUCTION	
Instructional Programs	$ 14,761,928
Other (Including SURS/CIP On-Behalf)	-
Total Instruction	14,761,928
ACADEMIC SUPPORT	
Academic Computing Support	1,833,207
Academic Administration and Planning	1,090,240
Other (Including SURS On-Behalf)	705,420
Total Academic Support	3,628,867
STUDENT SERVICES	
Admissions and Records	403,168
Counseling and Career Services	523,133
Financial Aid Administration	220,193
Other (Including SURS On-Behalf)	2,640,344
Total Student Services	3,786,838
PUBLIC SERVICES	
Customized Training (Instructional)	92,104
Other (Including SURS On-Behalf)	18,142
Total Public Services/Continuing Education	110,246
AUXILIARY SERVICES	1,791,660
OPERATIONS AND MAINTENANCE	
Maintenance	461,632
Custodial Services	684,943
Grounds	288,331
Campus Security	814,636
Transportation	33,627
Utilities	796,312
Administration	130,387
Other (Including SURS On-Behalf)	1,123,151
Total Operations and Maintenance	4,333,019

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
UNIFORM FINANCIAL STATEMENT NO. 5 —
CURRENT FUNDS — EXPENDITURES BY ACTIVITY (CONTINUED)
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

INSTITUTIONAL SUPPORT	
Executive Management	$ 628,442
Fiscal Operations	959,140
Community Relations	12,264
Board of Trustees	56,455
General Institutional	3,075,229
Institutional Research	-
Other (Including SURS On-Behalf)	3,230,957
Total Institutional Support	7,962,487
SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS	10,483,726
Total Current Fund Expenditures	$ 46,858,771

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

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
RECONCILIATION OF THE UNIFORM FINANCIAL STATEMENT NO.1
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

Total fund balances - Uniform Financial Statement Number 1	$ 42,604,637
Amounts reported in the basic financial statements for net position differ for the following reasons:	
Capital assets used in College activities are not current financial resources, thus not reported on the uniform financial statements.	
Added to Noncurrent Assets	68,058,548
Some of the College's liabilities reported in the statement of net position do not require the use of current financial resources, and thus are not reported on the uniform financial statements.	
Added to Current and Noncurrent Liabilities	(48,714,406)
OPEB amounts made subsequent to the OPEB liability measurement date are required to by reported as deferred outflows and inflows on the statement of net position	
Added to Deferred Outflows - Other Post Employment Benefits	833,615
Added to Deferred Inflows - Other Post Employment Benefits	(9,229,395)
Operating Revenues must be reported net of a calculated scholarship allowance in accordance with GASB standards	
Deducted from Student Tuition and Fees	(5,582,669)
Deducted from Financial Aid and Scholarships	5,582,669
Pension payments related to federal grants and made subsequent to the pension liability measurement date are required to be reported as deferred outflows on the statement of net position.	
Added to Deferred Grant Related Pension Contributions and deducted from Benefit Expense	84,072
Net Position per the Statement of Net Position	$ 53,637,071

CERTIFICATION OF CHARGEBACK REIMBURSEMENT

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
CERTIFICATION OF CHARGEBACK REIMBURSEMENT
YEAR ENDED JUNE 30, 2023

Kaskaskia College, District #501
06/30/2023

CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2024

ALL FISCAL YEAR 2023 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1. Education Fund	$ 22,761,697	
2. Operations and Maintenance Fund	2,769,537	
3. Operations and Maintenance Fund-Restricted	196,169	
4. Bond and Interest Fund	-	
5. Public Building Commission Rental Fund	-	
6. Restricted Purposes Fund	9,455,360	
7. Audit Fund	78,750	
8. Liability, Protection, and Settlement Fund	2,105,813	
9. Auxiliary Enterprises Fund (subsidy only)	914,300	
10. TOTAL NONCAPITAL EXPENDITURES (SUM OF LINES 1-9)		$ 38,281,627
11. Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	$ 3,316,822	
12. TOTAL COSTS INCLUDED (line 10 plus line 11)		$ 41,598,449
13. Total certified semester credit hours for FY 2023	61,358.00	
14. PER CAPITA COST (line 12 divided by line 13)		$ 677.96
15. All FY 2023 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	$ 11,085,381	
16. FY 2023 state and federal grants per semester credit hour (line 15 divided by line 13)		$ 180.67
17. District's average ICCB grant rate (excluding equalization grants) for FY2024		47.52
18. District's student tuition and fee rate per semester credit hour for FY2024		160.00
19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)		$ 289.78

Approved: Sara Hanks — 4/24/2024
Controller and Interim VP of Administrative Services — Date

Approved: — 4/24/2024
Chief Executive Officer — Date

ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS SECTION

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

Board of Trustees
Kaskaskia Community College District #501
Centralia, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Adult Education and Family Literacy Grant Program of Kaskaskia Community College District #501 (the District), which comprise the statement of net position as of June 30, 2023, and the related statement of revenues, expenses, and changes in net position for the year then ended, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy Grant Program as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

The financial statements of the Adult Education and Family Literacy Grant Program are intended to present the net position and changes in net position of only that portion of the business-type activities of the District that is attributable to the Adult Education and Family Literacy Grant Program. These financial statements do not purport to, and do not, present fairly the statement of net position of the District as of June 30, 2023, or the statement of revenues, expenses, and changes in net position of the District for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Adult Education and Family Literacy Grant Program's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Adult Education and Family Literacy Grant Program's financial statements. The supplementary schedule, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
May 7, 2024

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

Board of Trustees
Kaskaskia Community College District #501
Centralia, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Adult Education and Family Literacy Grants Program of Kaskaskia Community College District #501 (the District), which comprise the statement of net position as of June 30, 2023, and the related statement of revenues, expenditures, and changes in net position for the year then ended, and the related notes to the state grants financial statements, and have issued our report thereon dated May 7, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that Kaskaskia Community College District #501 failed to comply with the terms or conditions of the grant policy guidelines of the Illinois Community College Board'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 with the above-referenced terms or conditions of the grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the board of trustees and management of Kaskaskia Community College District #501 and the Illinois Community College Board and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
May 7, 2024

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM —
STATEMENT OF NET POSITION
JUNE 30, 2023

	State Basic	Performance	Total
ASSETS	$ -	$ -	$ -
LIABILITIES	$ -	$ -	$ -
NET POSITION	$ -	$ -	$ -

See accompanying Notes to ICCB State Grant Financial Statements.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM —
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

	State Basic	Performance	Total
REVENUES			
State Sources	$ 157,129	$ 53,809	$ 210,938
EXPENDITURES			
Salaries	108,666	38,489	147,155
Employee Benefits	15,694	8,299	23,993
Contractual Services	-	767	767
General Materials and Supplies	25,547	3,478	29,025
Travel and Meetings	1,872	991	2,863
Scholarships, Grants and Waivers	5,350	1,785	7,135
Total Expenditures	157,129	53,809	210,938
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
Net Position - Beginning of Year	-	-	-
NET POSITION - END OF YEAR	$ -	$ -	$ -

See accompanying Notes to ICCB State Grant Financial Statements.

NOTE 1 ADULT EDUCATION AND FAMILY LITERACY GRANT PROGRAMS

State Basic Grant

Grant is 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 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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying statements include only those transactions resulting from the ICCB Adult Education and Family Literacy Grants. These transactions have been accounted for in the Restricted Purposes Fund.

Basis of Accounting

The statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
SUPPLEMENTARY SCHEDULE
ADULT EDUCATION AND FAMILY LITERACY GRANTS PROGRAM
YEAR ENDED JUNE 30, 2023

	Expenditures of ICCB Grant Funds Only	Percentage of ICCB Grant Funds Only
STATE BASIC		
Instruction (45% Minimum Required)	$ 72,807	46.34%
General Administration (15% Maximum Allowed)	4,580	2.91

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT ON ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

Board of Trustees
Kaskaskia Community College District #501
Centralia, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Semester Credit Hours (the Schedules) of Kaskaskia Community College District #501 (the District) for the year ended June 30, 2023. The District's management is responsible for the preparation and presentation of the Schedules in accordance with the guidelines of the Illinois Community College Board's Fiscal Management Manual. Our responsibility is to express an opinion on the Schedules based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedules are in accordance with the guidelines of the Illinois Community College Board's Fiscal Management Manual, in all material respects. An examination involves performing procedures to obtain evidence about the Schedules. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Schedules for the year ended June 30, 2023, are presented in accordance with the guidelines of the Illinois Community College Board's Fiscal Management Manual, in all material respects.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
May 7, 2024

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
YEAR ENDED JUNE 30, 2023

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
CATEGORIES								
Baccalaureate	3,308.0	-	13,981.0	-	15,562.5	-	32,851.5	-
Business Occupational	445.0	-	2,383.0	-	3,621.0	8.0	6,449.0	8.0
Technical Occupational	630.5	-	4,413.0	-	4,943.0	-	9,986.5	-
Health Occupational	853.5	-	3,816.5	-	4,074.5	1.5	8,744.5	1.5
Remedial Development	195.0	-	772.0	-	576.0	-	1,543.0	-
Adult Basic Education/Adult Secondary Education	9.0	290.0	-	665.0	11.0	799.0	20.0	1,754.0
Total Credit Hours Certified	5,441.0	290.0	25,365.5	665.0	28,788.0	808.5	59,594.5	1,763.5

	Attending In-District Unrestricted	Attending In-District Restricted	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Reimbursable Semester Credit Hours (All Terms)	51,152.5	1,680.5	1,373.5	54,206.5

	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	13,681.0	1,714.0

District Prior Year Equalized Assessed Valuation $ 2,120,040,421

	Summer	Fall	Spring	Total
CORRECTIONAL CREDIT HOURS				
Baccalaureate	80.0	202.0	216.0	498.0
Business Occupational	16.0	20.0	4.0	40.0
Technical Occupational	315.0	717.0	438.0	1,470.0
Health Occupational	-	-	-	-
Remedial Development	-	-	-	-
Adult Basic Education/Adult Secondary Education	-	-	-	-
Total Correctional Credit Hours Certified	411.0	939.0	658.0	2,008.0

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
RECONCILIATION OF SEMESTER CREDIT HOURS
YEAR ENDED JUNE 30, 2023

	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
CATEGORIES						
Baccalaureate	32,851.5	32,851.5	-	-	-	-
Business Occupational	6,449.0	6,449.0	-	8.0	8.0	-
Technical Occupational	9,986.5	9,986.5	-	-	-	-
Health Occupational	8,744.5	8,744.5	-	1.5	1.5	-
Remedial Development	1,543.0	1,543.0	-	-	-	-
Adult Basic Education/ Adult Secondary Education	20.0	20.0	-	1,754.0	1,754.0	-
Total Credit Hours	59,594.5	59,594.5	-	1,763.5	1,763.5	-
CORRECTIONAL CREDIT HOURS						
Baccalaureate	498.0	498.0	-	-	-	-
Business Occupational	40.0	40.0	-	-	-	-
Technical Occupational	1,470.0	1,470.0	-	-	-	-
Health Occupational	-	-	-	-	-	-
Remedial Development	-	-	-	-	-	-
Total Correctional Credit Hours	2,008.0	2,008.0	-	-	-	-

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)	Difference
In-District	52,833.0	52,833.0	-
Out-of-District on Chargeback or Contractual Agreement	1,373.5	1,373.5	-
Total	54,206.5	54,206.5	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual Credit	13,681.0	13,681.0	-
Dual Enrollment	1,714.0	1,714.0	-
Total	15,395.0	15,395.0	-

Tuition is charged on the basis of residency classification as defined below:

The Kaskaskia College Board of Trustees has established a policy on residence which authorizes the administration to implement guidelines, consistent with existing law, for classifying students as Illinois In-District, Illinois Out-of-District, Out-of-State, and International. This policy considers residence to be that permanent domicile established for a purpose independent of attendance at a school as a student.

The word residence is generally interpreted to have no fixed meaning in the law, but may have a variety of meanings dependent on the context with which it is employed. The courts have generally held that, unless defined by Statute, an administrative body can define the term residence.

The Kaskaskia College guidelines for determining residency are delineated in the paragraphs which follow:

1. Tuition rates for Kaskaskia College are established by the Board of Trustees and vary according to the residence of the student. Residence is considered to be that permanent domicile established for a purpose independent of attendance as a student. The assessment of tuition and fees for any given semester is based on the residence classification of the student as of the first day of classes for that semester. Each student is required to pay the appropriate fees according to his/her classification.

2. Residency is determined according to the circumstances that exist at the time the application is filed for admission to the College. An applicant may be required to submit additional documented information to support the residence declaration given by the student on the application.

3. For the purpose of this policy, marriage is regarded as effecting emancipation of minors, whether male or female.

4. The initial classification of a student will remain in effect for all subsequent semesters unless such classification is changed by the Office of Admissions and Records.

   A student may enter a request with the Coordinator of Student Records for a change in residency status. The Coordinator of Student Records will determine the appropriateness of the request. Unresolved problems shall be referred to the Vice President of Student Services.

Four factors which are primary and essential among the elements in determining a change of residence are:

1. Physical abandonment of the previous permanent residence.

2. Intention not to return to previous residence.

3. Physical presence in the new permanent residence for which admission is sought.

4. Intent to make that location a new permanent residence.

State guidelines indicate that to qualify as an Illinois Resident Student for state funding purposes in an Illinois public community college, the student must meet one of the following two requirements:

1. If unemancipated, at least one parent, stepparent, or court appointed guardian of the student must be a legal resident in Illinois.

2. If emancipated, be a legal resident of the state of Illinois and have lived in Illinois in some capacity other than as a student at a post-secondary education institution or a resident of a state or federal correctional institution for a period of at least thirty (30) days prior to enrolling at the community college, unless evidence is presented that the student has permanently relocated for purposes other than attending school.

Evidence of legal residency must be based on actual residency in Illinois and at least one of the following:

1. Ownership and/or occupancy of a home in the state of Illinois.

2. An Illinois driver's license.

3. Illinois automobile license registration.

4. An Illinois voter's registration card.

5. Employment in the state of Illinois.

6. Payment of Illinois income taxes.

7. A document pertaining to the student's past on existing status as an Illinois student (i.e., high school record).

8. Other non-self-serving documentation.

Kaskaskia College has established the following classifications of permanent residence for the purpose of attendance as a Kaskaskia College student:

1. Illinois in-district student: An Illinois resident student as defined above, whose permanent domicile is within the boundaries of Community College District #501, 30 days prior to enrollment, for a purpose independent of attendance as a student. A resident of a state or federal correctional institution shall not be classified as a resident of the District.

2. Illinois out-of-district student: An Illinois resident student as defined above, whose permanent domicile is established outside of Community College District #501 and within the state of Illinois.

3. Out-of-state student: A student whose permanent domicile is within the United States or its territories, but who does not qualify as an Illinois resident student.

4. International student: A student whose permanent domicile is established outside of the United States and its territories, who holds a current passport, a valid 1-94, and an F-1 student visa as a result of receiving an 1-20 form issued by Kaskaskia College. International students who hold a permanent residence visa or become a naturalized citizen may qualify for appropriate residency status and will be considered on an individual basis.

Appeal for Status Review

1. The classification or reclassification of any student for tuition purposes may, upon written request of the student, be appealed. The written appeal must be filed with the Coordinator of Student Records within 30 days after the student is notified of the original classification, and must include reasons for the appeal and a complete statement of the facts upon which the appeal is based. All supporting documents, affidavits, or other evidence should be attached to the written appeal. Failure to file such an appeal within the specified time limit shall constitute a waiver to all claims of reconsideration for that semester. The appeal may then be filed for any subsequent semester.

2. Consistent with the general intent and purpose of these regulations, the committee may uphold or reverse the decision of the classifying official. The decision of the committee in all cases shall be binding on the College and the student. Unresolved problems shall be referred to the Dean of Enrollment Services.

Interpretative Guidelines

Unemancipated Dependent Student or Spouse

1. An unemancipated, dependent student, or dependent spouse may qualify for Illinois In-District classification without meeting the 30 day requirement if his/her presence in the District results from the establishment by parent, guardian, or spouse of their permanent residence in the District provided that such domicile was established for reasons other than to allow the student to gain Illinois In-District classification.

2. In the case of divorce or separation of the parents, the student shall qualify if either parent meets the requirements.

3. Temporary transfer of parent or guardian:

    a. Dependents of persons who have maintained their permanent residence in the College District for at least six months immediately prior to a temporary transfer by their employer to a location outside the District shall be eligible for Illinois In-District classification provided they enroll in the College within two years from the time of the transfer.

    b. Said persons must have maintained their permanent residence in the District by means of a continuous voting record in the District, filing State income tax returns, and/or other appropriate actions.

Military Personnel

1. Illinois In-District tuition and fee rates will be allowed to all military personnel and their dependents who are citizens of the United States while they are stationed and present in the College District in connection with that service.

2. Military personnel who are subsequently assigned to temporary duty outside the College District shall continue to qualify as Illinois In-District for tuition and fee classification. In instances when military personnel are transferred to another location, this special arrangement to pay Illinois In-District rates shall terminate for them and their dependents at the end of the semester in which the student is enrolled.

ANNUAL STATE OF ILLINOIS FINANCIAL COMPLIANCE SECTION

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
CONSOLIDATED YEAR-END FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

CSFA Number	Program Name	State	Federal	Other	Total
684-01-1625	Adult Ed	$ 210,939	$ 153,093	$ -	$ 364,032
684-00-0825	Base Operating	2,754,877	-	-	2,754,877
586-18-0409	Child & Adult Food	-	9,539	-	9,539
444-80-1250	ChildCare Assistance	-	-	-	-
684-00-0820	CTE Formula	373,676	-	-	373,676
684-00-0465	CTE Basic Grant	-	365,509	-	365,509
684-00-0826	Equalization	4,963,450	-	-	4,963,450
684-00-2727	CARES-GEER	-	109,447		109,447
601-00-0748	IL Coop Work Study	-	-	-	-
684-01-1670	Innovative Bridge	34,725	-	-	34,725
684-01-2213	WEI	841,138	-	-	841,138
684-05-2866	ECACE	-	327,805	-	327,805
684-00-2576	Perkins Reserve	-	146,041	-	146,041
684-05-2840	CURES College Bridge Program	-	182,384	-	182,384
601-00-1592	Nursing School Grant	54,435	-	-	54,435
	Other Grants	479,079	6,974,873	111,091	7,565,043
	All Other Costs Not Allocated	-	-	18,248,691	18,248,691
	Total	$ 9,712,319	$ 8,268,691	$ 18,359,782	$ 36,340,792

ANNUAL FINANCIAL COMPLIANCE SECTION

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

Board of Trustees
Kaskaskia Community College District #501
Centralia, 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 of Kaskaskia Community College District #501 (the District) and its discretely presented component unit, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 7, 2024. The financial statements of the District's discretely presented component unit 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 Kaskaskia College Foundation.

Report on 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
May 7, 2024

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

Board of Trustees
Kaskaskia Community College District #501
Centralia, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kaskaskia Community College District #501's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Kaskaskia Community College District #501's major federal programs for the year ended June 30, 2023. Kaskaskia Community College District #501's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kaskaskia Community College District #501 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Kaskaskia Community College District #501 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Kaskaskia Community College District #501's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Kaskaskia Community College District #501's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Kaskaskia Community College District #501's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Kaskaskia Community College District #501's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Kaskaskia Community College District #501's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of Kaskaskia Community College District #501's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Kaskaskia Community College District #501's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Kaskaskia Community College District #501's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Kaskaskia Community College District #501's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002 and 2023-003, to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on Kaskaskia Community College District #501's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Kaskaskia Community College District #501's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
May 7, 2024

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education				
Direct:				
Student Financial Assistance Cluster:				
Federal Pell Grant Program	84.063*	N/A	$ -	$ 3,695,702
Federal Pell Grant Program - Administrative Allowance	84.063*	N/A	-	4,820
Total			-	3,700,522
Federal Supplemental Educational Opportunity Grants	84.007*	N/A	-	73,106
Federal Work Study Program	84.033*	N/A	-	68,164
Total			-	141,270
Total Student Financial Assistance Cluster (Direct)			-	3,841,792
Child Care Access Means Parents in School	84.335	N/A	-	40,117
TRIO Cluster	84.042	N/A	-	267,259
Title III	84.031	N/A	-	441,836
Higher Education Emergency Relief Fund (HEERF):				
COVID-19 - HEERF Student Aid Portion	84.425E*	N/A	-	14,625
COVID-19 - HEERF Institutional Portion	84.425F*	N/A	-	2,114,918
COVID-19 - HEERF Strengthening Institutions Program	84.425M*	N/A	-	117,154
Total			-	2,246,697
Pass-Through Illinois Community College Board:				
COVID-19 - Governor's Emergency Education Relief Grant	84.425C*	684-00-2455	-	109,447
Vocational Educational Basic Grants to States:				
Carl D. Perkins Vocational Education Grant	84.048	684-00-0465	-	370,870
Carl D. Perkins CTE Reserve	84.048	684-00-2576	-	146,041
Total Vocational Educational Basic Grants to States			-	516,911
Adult Education State Grants:				
Federal Adult Education - Basic	84.002	684-00-0464	-	153,093
Total Education Stabilization Fund			-	2,356,144
Total U.S. Department of Education			-	7,617,152
U.S. Department of Agriculture				
Rural Business Development Grant	10.351		-	62,495
Pass-Through Illinois Board of Higher Education:				
Child Nutrition	10.558	586-18-0409	-	9,539
Total U.S. Department of Agriculture			-	72,034

See accompanying Notes to Schedule of Expenditures of Federal Awards

KASKASKIA COMMUNITY COLLEGE DISTRICT #501
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Commerce				
Pass-Through Illinois Manufacturing Excellence Center				
Manufacturing Extension Partnership	11.611	70NANB21H010	$ -	$ 47,674
Manufacturing Extension Partnership	11.611	70NANB23H049	-	21,704
Total U.S. Department of Commerce			-	69,378
U.S. Department of Labor				
Pass-Through Madison County Employment and Training Dept.				
Workforce Innovation and Opportunity Act	17.278	2021-SCL-003	-	5,298
U.S. Department of Health & Human Services				
Pass-Through IICCB				
Child Care and Development Block Grant (ECACE)	93.575	684-05-2866	-	327,805
U.S. Department of Treasury				
Pass-Through IICCB				
CURES-College Bridge Program	21.027	684-05-2840	-	182,384
Total Expenditures of Federal Awards			$ -	$ 8,274,051

* Major Program

See accompanying Notes to Schedule of Expenditures of Federal Awards

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Kaskaskia Community College District #501 (the District) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of operations of the District, it is not intended to and does not present the net position, revenues, expenses, and changes in net position, or cash flows of the District.

NOTE 2 ADDITIONAL INFORMATION

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

As of and during the year ended June 30, 2023, the District did not receive any noncash federal assistance, federal insurance, or loan guarantees.

NOTE 3 INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 BACKGROUND INFORMATION ON GRANT ACTIVITY

Restricted Adult Education Grants/Federal AL #84.002

<u>Federal Basic</u>: Grant awarded to Adult Education and Family Literacy providers to assist adults in becoming literate and obtain the knowledge and skills necessary for employment and self-sufficiency; to assist adults who are parents in obtaining the educational skills necessary to become full partners in the educational development of their children; and to assist adults in completing a secondary school education.

Restricted Vocational Education Grants to State (Perkins)/Federal AL #84.048

Grant awarded to community colleges as a result of the Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins III). This grant is intended to help accomplish the new vision of vocational and technical education for the 21st century. The central goals of this new vision are improving student achievement and preparing students for postsecondary education, further learning, and careers. The grant allows community colleges to focus on those programs and student populations they feel will allow for the greatest improvement in overall performance while assuring success for all students in career and technical education programs.

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? _____ yes __x__ no
   - Significant deficiency(ies) identified? _____ yes __x__ none reported

3. Noncompliance material to financial statements noted? _____ yes __x__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? _____ yes __x__ no
   - Significant deficiency(ies) identified? __x__ yes _____ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __x__ yes _____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.007, 84.033 and 84.063	Student Financial Assistance Cluster
84.425E, 84.425F, 84.425M, and 84.425C	Higher Education Emergency Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? _____ yes __x__ no

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

2023 – 001

Federal Agency: US Department of Education

Federal Program Name: Student Financial Assistance Cluster

Assistance Listing Number: 84.063, 84.007, & 84.033

Federal Award Identification Number and Year: P063P221353-2023, P007A221190-2023, & P033A221190-2023

Award Period: July 1, 2022 to June 30, 2023

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: 34 CFR 668.21(a) states that the institution must return all title IV, HEA program funds that were credited to the student's account at the institution or disbursed directly to the student for the payment period. The institution must return those funds no later than 30 days after the date that the institution becomes aware that the student will not or has not begun attendance. Per 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: The College incorrectly calculated and did not return funds timely for Return to Title IV (R2T4) calculations. The College also did not have formal procedures in place to review the Return to Title IV calculations.

Questioned costs: None

Context: During our testing of 11 R2T4 calculations, we identified that 3 had mechanically incorrect calculations by using the incorrect number of scheduled break days. Also, during our testing, we identified 1 instance of payment returned later than 45 days after determination of withdrawal. Furthermore, we were unable to identify a formal control procedure related to Return to Title IV transactions.

Cause: The College was using the incorrect number of scheduled break days for Spring Semester.

Effect: The College could return incorrect amounts based off of their calculations, which could effect student repayment amounts based off of amount earned.

Repeat Finding: No

Recommendation: We recommend that the College review policies and procedures related to R2T4 calculations to ensure calculations are performed correctly and timely.

Views of responsible officials: Management agrees with the finding and has developed a plan to correct the finding.

2023 – 002

Federal Agency: US Department of Education

Federal Program Name: Education Stabilization Fund

Assistance Listing Number: 84.425F

Federal Award Identification Number and Year: P425F204449 2023

Award Period: July 1, 2022 to June 30, 2023

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: Per Uniform Guidance 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. Per Uniform Guidance 2 CFR 180.300 nonfederal entities entering into covered transactions must verify the party is not suspended or debarred from conducting business by the federal government. This can be performed by: Checking SAM exclusions, collecting a certification from the party, or adding a clause or condition to the covered transaction.

Condition: The College did not maintain documentation indicating the date the SAM check was completed to determine if this was before entering into a covered transaction.

Questioned costs: None

Context: A monthly process to review the SAM exclusions list is compared to a listing of vendors with expenditures exceeding $25,000; however documentation of the date of this check is not maintained.

Cause: The College did not have a control in place to ensure the SAM exclusion check was performed before entering a covered transaction.

Effect: The College could enter a covered transaction with an entity that is suspended or disbarred.

Repeat Finding: No

Recommendation: We recommend that the College evaluate its procedures and implement an additional control to ensure verification checks are occurring prior to entering into contract with a vendor.

Views of responsible officials: Management agrees with the finding and has developed a plan to correct the finding.

2023-003

Federal Agency: US Department of Education

Federal Program Name: Student Financial Assistance Cluster

Assistance Listing Number: 84.063, 84.007, & 84.033

Federal Award Identification Number and Year: P063P221353-2023, P007A221190-2023, & P033A221190-2023

Award Period: July 1, 2022 to June 30, 2023

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure accuracy and completeness of NLSDS enrollment reporting.

Condition & Context: The College did not have a formal documented review process in place to ensure NSLDS enrollment files were reviewed prior to submitting to the National Student Clearinghouse.

Questioned costs: None.

Cause: The review process is currently undocumented and is only communicated verbally.

Effect: Failure to properly review NSLDS enrollment reporting files could result in inaccurate or incomplete data being transmitted.

Repeat Finding: No.

Recommendation: The College should implement formal review procedures to document that the NSLDS enrollment files reviews are being performed to correct errors in a timely manner and to minimize the likelihood of errors going undetected.

Views of responsible officials: Management agrees with this finding.

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