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Sauk Valley Community College District #506

Dixon, Illinois

Annual Financial Report

Year Ended June 30, 2025

Sauk Valley Community College

Sauk Valley Community College District #506

Year Ended June 30, 2025

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Financial Section

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Independent Auditor's Report

Board of Trustees
Sauk Valley Community College District #506
Dixon, 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 the Sauk Valley Community College District #506 (the "College"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 the Sauk Valley Community College District #506 as of June 30, 2025, and respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 of America. The financial statements of Sauk Valley College Foundation were not audited in accordance with *Government Audit Standards.* Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sauk Valley Community College District #506 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

We draw attention to Note 1 of the financial statements, the College adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

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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 (GAAP), 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 Sauk Valley Community College District #506's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Sauk Valley Community College District #506’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 Sauk Valley Community College District #506'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.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management discussion and analysis, schedule of share of net pension liability, schedule of pension contributions, schedule of share of net OPEB liability, and schedule of OPEB contributions, as listed in the table of contents, 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 financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental financial information section as listed in the table of contents and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all materiality 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 other information section as listed in the table of contents but does not include the basic financial statements and our auditor's 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 audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2026, on our consideration of the College'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 Sauk Valley Community College District #506's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
March 13, 2026

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Sauk Valley Community College District #506

Management's Discussion and Analysis
For the Year Ended June 30, 2025

Introduction

This section of Sauk Valley Community College District 506's (the College) Annual Financial Report presents management's discussion and analysis (the MD&A) of the College's financial position as of June 30, 2025, and the results of the current year's operations. This MD&A should be read in conjunction with the College's basic financial statements noted in the table of contents. Responsibility for the completeness and accuracy of this information rests with the College.

Using This Annual Report

The College presents its financial statements in a "business-type activity" format, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*. The financial statements focus on the College as a whole and are prepared on the accrual basis of accounting and the economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred in accordance with generally accepted accounting principles. The financial statements consist of four primary parts: (1) Statement of Net Position, (2) Statement of Revenues, Expenses, and Changes in Net Position, (3) Statement of Cash Flows, and (4) Notes to the Financial Statements. Separate columns are presented for the College (which is considered the primary government) and the Sauk Valley College Foundation (the College's discretely presented component unit). Unless otherwise specified, the amounts presented in this MD&A are for the College.

The **Statement of Net Position** is the College's balance sheet. It reflects assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (equity) of the College as of June 30, 2025. Liabilities due within one year, and assets available to pay those liabilities, are classified as current. Other assets and liabilities are classified as noncurrent. Investment assets are carried at fair value. Capital assets, which include the College's land, buildings, improvements, and equipment, are shown net of accumulated depreciation. Net position is grouped in the following categories:

- Net investment in capital assets
- Restricted – Nonexpendable
- Restricted – Expendable
- Unrestricted

Deferred outflows of resources are similar to assets and will be recognized as expenses in future periods. Deferred inflows are similar to liabilities and will be recognized as revenue (or reductions of expense) in future periods.

The **Statement of Revenues, Expenses, and Changes in Net Position** is the College's income statement. It details how net position has increased (or decreased) during the year ended June 30, 2025. Tuition revenue is shown net of scholarship allowances, depreciation is provided for capital assets, and there are required subtotals for net operating income (loss) and net income (loss).

It should be noted that the required subtotal for net operating income (loss) generally will reflect a "loss" for colleges and universities with a substantial amount of state support. This is primarily due to the way operating and non-operating items are defined under GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Operating expenses include virtually all College expenses, except for interest on long-term debt and certain investment management expenses. Operating revenues, however, exclude certain significant revenue streams that the College and other public institutions have traditionally relied upon to fund current operations, including State of Illinois (State) grants and on-behalf payments for employer pension and other post-employment benefits contributions, and non-operating federal grants, such as Pell grants to students.

The **Statement of Cash Flows** details how cash has increased (or decreased) during the year ended June 30, 2025. It breaks out the sources and uses of College cash into the following categories:

- Operating activities
- Noncapital financing activities
- Capital and related financing activities
- Investing activities

Cash flows associated with the College's expendable net position appear in the operating and noncapital financing categories. Capital and related financing activities include payments for capital assets, proceeds from long-term debt, and debt repayments. Purchases and sales of investments are reflected as investing activities.

The **Notes to the Financial Statements**, which follow the financial statements, provide additional details on the numbers in the financial statements. Behind the notes to the financial statements is a section that provides required supplementary information related to pension and other post-employment benefits.

Financial Highlights and Key Trends

Statement of Net Position

Summary of Net Position (in thousands)
June 30,

	2025	Restated* 2024	Increase (Decrease)	Percent Change
Current assets	$25,847	$29,561	($3,714)	(12.6%)
Noncurrent assets:				
Capital assets, net	41,658	38,589	3,069	8.0%
Total assets	67,505	68,150	(645)	(0.9%)
Deferred outflow of resources	764	1,051	(287)	(27.3%)
Total assets and deferred outflows	68,269	69,201	(932)	(1.3%)
Current liabilities	5,601	5,079	522	10.3%
Noncurrent liabilities	7,466	9,696	(2,230)	(23.0%)
Total liabilities	13,067	14,775	(1,708)	(11.6%)
Deferred inflows of resources	8,982	9,730	(748)	(7.7%)
Total liabilities and deferred inflows	22,049	24,505	(2,456)	(10.0%)
Net position:				
Net investment in capital assets	36,246	35,033	1,213	3.5%
Restricted	4,578	4,549	29	0.6%
Unrestricted	5,396	5,114	282	5.5%
Total net position	$46,220	$44,696	$1,524	3.4%

**Fiscal year 2024 was restated for the implementation of GASB Statement No. 101, Compensated Absences.*

The Statement of Net Position provides a snapshot of the College's assets, liabilities, and net position at year-end. The College's total net position as of June 30, 2025, increased by approximately $1.5 million (3.4%) from $44.7 million to $46.2 million.

Total assets at June 30, 2025 were $67.5 million, a decrease of $0.6 million (0.9%) compared to June 30, 2024. Current assets declined by $3.7 million (12.6%), primarily reflecting the planned use of bond proceeds and other available cash resources to fund ongoing capital projects and equipment purchases. This decrease in current assets was partially offset by growth in capital assets.

Capital assets, net of depreciation, increased by $3.1 million (8.0%), rising from $38.6 million to $41.7 million. This increase reflects the College's continued investment in facilities and equipment to support instructional programs and campus infrastructure improvements.

Deferred outflows of resources decreased by $0.3 million (27.3%), primarily reflecting the scheduled amortization of other post-employment benefit related deferrals.

Total liabilities decreased by $1.7 million (11.6%), declining from $14.8 million to $13.1 million. The reduction was primarily driven by scheduled principal payments on the College's outstanding general obligation bonds and

other long-term obligations. Noncurrent liabilities decreased by $2.2 million (23.0%), while current liabilities increased by $0.5 million (10.3%), largely due to the timing of vendor payments and other short-term operating obligations at year-end.

Deferred inflows of resources decreased by $0.7 million (7.7%), reflecting the continued amortization of actuarial adjustments related to OPEB obligations.

Net investment in capital assets increased by $1.2 million (3.5%), reflecting the net effect of capital asset additions and ongoing debt repayments. Restricted net position remained consistent compared to June 30, 2024 with an increase of 0.6%, while unrestricted net position increased by $0.3 million (5.5%), primarily reflecting the use of unrestricted resources to support capital investments and operational needs.

Statement of Revenues, Expenses, and Changes in Net Position

Summary of Revenues, Expenses, and Changes in Net Position (in thousands)
For the Year Ended June 30

	2025	Restated* 2024	Increase (Decrease)	Percent Change
Revenues:				
Tuition and fees	$2,706	$3,088	($382)	(12.4%)
Auxiliary	1,410	1,299	111	8.5%
Property taxes	10,170	9,694	476	4.9%
Personal property replacement tax	632	943	(311)	(33.0%)
State sources	5,962	6,315	(353)	(5.6%)
Federal sources	4,196	4,718	(522)	(11.1%)
Interest income	931	1,061	(130)	(12.3%)
Other	588	2,289	(1,701)	(74.3%)
Total revenues	26,595	29,407	(2,812)	(9.6%)
Expenses:				
Instruction	6,845	7,005	(160)	(2.3%)
Academic support	1,328	1,372	(44)	(3.2%)
Student services	3,051	3,267	(216)	(6.6%)
Public services	1,383	1,363	20	1.5%
Organized research	75	322	(247)	(76.7%)
Auxiliary services	1,442	1,125	317	28.2%
Operations and maintenance	2,260	2,229	31	1.4%
Institutional support	4,906	4,675	231	4.9%
Scholarships, grants and waivers	1,687	2,059	(372)	(18.1%)
Depreciation	1,827	1,448	379	26.2%
Gain/loss on disposal of assets	150	76	74	97.4%
Interest	117	143	(26)	(18.2%)
Total expenses	25,071	25,084	(13)	(0.1%)
Change in net position	$1,524	$4,323	($2,799)	(64.7%)

**Fiscal year 2024 was restated for the implementation of GASB Statement No. 101, Compensated Absences.*

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the College's operating performance during the fiscal year. For the year ended June 30, 2025, the College's net position increased by $1.5 million, compared to an increase of $4.3 million in the prior year.

Total revenues declined by $2.8 million (9.6%), decreasing from $29.4 million in fiscal year 2024 to $26.6 million in fiscal year 2025.

Several key revenue trends contributed to this decline. Tuition and fee revenue decreased by $0.4 million (12.4%), a reduction driven by a change in methodology to estimate the College's scholarship allowance. Gross tuition and fee revenue increased by $0.5 million due to increases in both enrollment and the tuition and fee rate set by the College. Federal revenue decreased by $0.5 million (11.1%), primarily due to reduced federal grant activity compared to the prior year. Personal Property Replacement Tax (PPRT) revenue continued its downward trend, declining by $0.3 million (33.0%), reflecting statewide reductions in PPRT distributions.

The largest year-over-year change occurred in the "Other" revenue category, which declined by $1.7 million compared to fiscal year 2024. The prior year included several non-recurring revenue items that did not repeat in fiscal year 2025, largely represented by capital contributions from the State of Illinois.

Partially offsetting these declines, property tax revenue increased by $0.5 million (4.9%), reflecting continued growth in the District's Equalized Assessed Valuation (EAV). Auxiliary revenues increased by $0.1 million (8.5%), driven by continued activity in workforce development programs and other auxiliary operations.

Total expenses remained fairly consistent compared to fiscal year 2024 at $25.1 million for both years.

Depreciation expense increased by $0.4 million (26.2%), reflecting the impact of recent capital investments being placed into service. Institutional support expenses increased by $0.2 million (4.9%), reflecting continued investments in administrative services and operational support functions.

Auxiliary services expenses increased by $0.3 million (28.2%), reflecting expanded program activity, including the Sauk Ready Textbook Program.

These increases were partially offset by reductions in scholarships, grants, and waivers, which declined by $0.4 million (18.1%), primarily driven by a change in methodology to estimate the Collège's scholarship allowance, and reductions in organized research expenses.

Overall, the College maintained a positive change in net position, though the increase was smaller than the prior year due primarily to lower revenues rather than significant increases in expenses.

Capital Assets

The College continues to invest in infrastructure, facilities, and instructional equipment to support its educational mission, improve operational efficiency, and maintain the long-term sustainability of its campus assets. As of June 30, 2025, the College's capital assets, net of accumulated depreciation, totaled $41.7 million, representing an increase of approximately $3.1 million (8.0%) compared to the prior year.

During fiscal year 2025, the College completed several significant capital improvement projects aimed at enhancing campus infrastructure, improving energy efficiency, and supporting instructional and student activities. Major projects completed and placed in service during the year included the College's primary backup generator, the West Mall Rotary Plaza, HVAC upgrades, the installation of the SVCC campus letters, and HVAC Chiller Rebuild Phase 1. Several of these projects, including the primary backup generator and HVAC upgrades, were partially funded through the State of Illinois Capital Development Board as deferred maintenance projects.

Additional facility improvements completed during the year included a new roof on the T-1 building, window and door upgrades, gymnasium bleacher replacements, a new press box for the outdoor athletic fields, and gym floor resurfacing. These improvements support both academic programming and the College's community engagement activities.

Several capital projects remained in progress at the end of fiscal year 2025. These include HVAC Chiller Rebuild Phase 2 and the renovation on the second floor of the West Mall to support Information Technology Services (ITS) operations and faculty office space. These projects reflect the College's ongoing efforts to modernize its facilities and improve space utilization to support both instructional and administrative functions.

In addition to facility improvements, the College continued to invest in instructional technology, software, and operational equipment. Major equipment and technology investments during the year included implementation of the Degree Works academic planning system, the purchase of new GE Logic IQ ultrasound equipment for the Sonography program, the acquisition of a new maintenance truck with snow removal equipment, and various furniture updates and instructional technology upgrades across campus.

Capital additions during fiscal year 2025 totaled approximately $4.8 million. These investments support the College's long-term strategic priorities by improving campus infrastructure, strengthening academic programs, and enhancing the learning environment for students.

Depreciation expense for the year totaled approximately $1.8 million, reflecting the continued capitalization of recent campus investments. The College remains committed to maintaining and modernizing its facilities to ensure that its physical assets continue to support student learning, workforce development, and community engagement.

Long-Term Debt Activity

As of June 30, 2025, the College's total outstanding general obligation bond principal was $5.6 million, representing a reduction of $1.8 million from the prior year as a result of scheduled principal payments made during fiscal year 2025. The College continues to follow a structured debt repayment schedule, with its current series of general obligation bonds expected to be fully repaid by fiscal year 2028.

Over the next three fiscal years, the College's remaining debt service requirements include principal payments totaling $5.6 million and interest payments of approximately $0.3 million. These debt service obligations are funded through the College's annual bond and interest property tax levy, ensuring that repayment does not place additional pressure on operating resources.

In addition to bonded debt, the College reported a subscription liability of $0.4 million as of June 30, 2025, associated with subscription-based information technology arrangements recognized under current accounting standards. The subscription liability will be repaid over the remaining term of the related agreements.

The College's general obligation bonded debt is limited by Illinois statute to 2.875% of the Equalized Assessed Valuation (EAV) of taxable property within the College District. The most recent certified EAV for tax year 2024 was $2,580,979,136, resulting in a legal debt limit of approximately $74,203,150.

As of June 30, 2025, the College had $6,013,388 in outstanding obligations subject to the debt limit, consisting of $5,580,000 in general obligation bonds and $433,388 in subscription liabilities. This results in a legal debt margin of approximately $68,189,762, providing the College with substantial remaining borrowing capacity to support future capital investments should the need arise.

The College continues to manage its debt portfolio prudently by steadily reducing outstanding obligations while maintaining the financial flexibility to support future capital improvements that align with its academic mission and long-term strategic priorities. With the current bond series scheduled to be fully repaid by fiscal year 2028, the College is approaching the end of its current debt repayment cycle and remains well positioned to evaluate future capital financing needs as part of its long-term facilities planning process.

Economic and Other Significant Financial Factors that Will Affect the Future

Sauk Valley Community College District 506 continues to operate in an environment shaped by demographic changes, evolving workforce demands, and broader economic conditions. Despite these challenges, the College remains financially stable and well positioned to serve the educational and workforce development needs of the Sauk Valley region. The College's financial position remains strong, highlighted by continued positive changes in net position, declining outstanding debt, and a substantial legal debt margin, which together provide the institution with flexibility to respond to future opportunities and challenges.

Enrollment trends remain an important factor influencing the financial outlook of community colleges throughout Illinois. During fiscal year 2025, the College experienced modest enrollment stabilization following the declines experienced during and after the COVID-19 pandemic. Total full-time equivalent (FTE) enrollment increased by 2.1 percent, while overall student headcount increased by 0.6 percent. Dual credit programs continued to demonstrate strong growth, with credit hours increasing by 6.5 percent and headcount increasing by 4.2 percent, reflecting strong partnerships with regional high schools and continued demand for early college opportunities.

A key driver of the College's long-term enrollment strategy is the Sauk Valley Community College Impact Program, an earned-tuition initiative designed to strengthen college access and community engagement across the district. Participation in the program continues to expand, with more than 1,800 students currently enrolled and participants collectively completing over 100,000 hours of community service. The College anticipates that the first cohort of Impact Program students will become eligible to enroll in Fall 2026, and administration estimates the program could increase traditional student enrollment by approximately 20 percent of recent high school graduates within the district once fully implemented.

Property tax revenue remains the College's largest single source of operating revenue and continues to be influenced by changes in Equalized Assessed Valuation (EAV) within the district. The College has experienced steady growth in EAV in recent years as property values and economic activity within the district continue to expand. Based on preliminary estimates, the College projects approximately 6 percent growth in district EAV between tax years 2024 and 2025, which would provide continued stability for property tax revenues that support the College's operations.

State funding continues to play an important role in the financial structure of Illinois community colleges. In recent years, the State of Illinois has provided modest increases to community college operating grants, reflecting continued support for higher education. While the State's fiscal condition has improved compared to the budget impasse years earlier in the decade, uncertainty remains regarding long-term State budget pressures related to pension funding and other structural obligations.

The College has also experienced continued volatility in Illinois Personal Property Replacement Tax (PPRT) revenues. After reaching elevated levels in recent years, PPRT distributions have declined significantly and are expected to remain variable in future years. As a result, the College continues to take a conservative approach to financial planning and budgeting in order to mitigate potential fluctuations in this revenue source.

The College continues to expand workforce-focused programs designed to meet regional labor market needs. The State-recognized Police Academy, launched in 2023, continues to train an average of three cohorts per year with approximately 33 cadets in each cohort, providing essential training for law enforcement agencies throughout the region. In addition, the College's Diagnostic Medical Sonography program is expected to graduate 12 to 15 students annually once fully implemented, helping address workforce shortages in regional healthcare fields.

Looking ahead, the College will continue to invest in campus infrastructure and instructional resources to support student success and workforce development. The College is currently planning to issue approximately $5.8 million in bonds in May 2026, consisting of $4.8 million for capital investments and $1.0 million for additional working cash. These investments will support the College's long-term facilities and equipment replacement plans while maintaining prudent financial management.

The College's financial outlook remains positive. Continued increases in net position, steady reductions in outstanding debt, and significant remaining legal debt capacity provide the College with a strong financial foundation. Combined with strategic initiatives such as the Impact Program, expanded workforce training programs, and ongoing capital investments, these factors position Sauk Valley Community College to continue fulfilling its mission of providing accessible, high-quality education and workforce training for the communities it serves.

Requests for Information

This Annual Financial Report is designed to provide a general overview of the College's finances for all those with an interest in the topic. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to:

Sauk Valley Community College District 506
Attn: Vice President of Business Services
173 Illinois Route 2
Dixon, IL 61021
Phone number (815) 835-6253

Basic Financial Statements

Sauk Valley Community College District #506

Statement of Net Position

As of June 30, 2025	Primary Institution Business-Type Activities	Component Unit Foundation
Assets		
Current assets:		
Cash and cash equivalents	$ 8,154,327	$ 1,744,729
Certificates of deposit	2,000,000	1,746,000
Investments	6,808,193	9,581,670
Property tax receivable	7,507,910	-
Student tuition receivables, net of allowance	423,191	-
Other receivables	948,896	258,254
Inventory	2,555	-
Prepaid expenses and other assets	2,000	2,866
Total current assets	25,847,072	13,333,519
Noncurrent assets:		
Capital assets	66,707,634	-
Accumulated depreciation and amortization	(25,050,089)	-
Total noncurrent assets	41,657,545	-
Total assets	67,504,617	13,333,519
Deferred outflows of resources		
SURS pension contribution	50,483	-
Other postemployment benefits - CIP	713,885	-
Total deferred outflow of resources	764,368	-
Liabilities		
Current liabilities:		
Accounts payable	2,250,025	-
Unearned tuition revenue	409,810	-
Assets held for others	-	100,264
Accrued compensated absences	729,137	-
Subscription liability, current	321,464	-
Bonds payable, current	1,890,858	-
Total current liabilities	5,601,294	100,264
Noncurrent liabilities:		
Accrued compensated absences	364,568	-
Subscription liability	111,924	-
Bonds payable, net	3,772,745	-
Net OPEB liability	3,216,602	-
Total noncurrent liabilities	7,465,839	-
Total liabilities	13,067,133	100,264
Deferred inflows of resources		
Deferred property taxes	5,242,896	-
Deferred grant revenue	193,136	-
Other postemployment benefits - CIP	3,546,252	-
Total deferred inflow of resources	8,982,284	-
Net position		
Net investment in capital assets	36,245,700	-
Restricted - nonexpendable, scholarships	-	9,136,088
Restricted - expendable:		
Debt service	1,059,552	-
Working cash	2,529,945	-
Audit	16,761	-
Tort liability	971,360	-
Grants and scholarships	-	3,441,059
Unrestricted	5,396,250	656,108
Total net position	$ 46,219,568	$ 13,233,255

See Accompanying Notes to the Financial Statements.

Sauk Valley Community College District #506

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2025	Primary Institution Business-Type Activities	Component Unit Foundation
Operating revenues		
Student tuition and fees, net of scholarship allowances of $2,135,765	$ 2,706,318	$ -
Auxiliary enterprises revenue	1,410,113	-
Contributions	-	552,052
Other	-	401,508
Total operating revenues	4,116,431	953,560
Operating expenses		
Instruction	6,845,273	-
Academic support	1,328,245	-
Student services	3,050,560	-
Public service	1,383,163	-
Organized Research	75,393	-
Auxiliary services	1,441,615	-
Operations and maintenance	2,260,357	-
Institutional support	4,906,176	601,531
Scholarships, student grants, and waivers	1,687,199	264,398
Depreciation and amortization expense	1,826,597	-
Total operating expenses	24,804,578	865,929
Operating (loss) income	(20,688,147)	87,631
Non-operating revenues (expenses)		
Property taxes	10,170,315	-
Corporate personal property replacement tax	632,369	-
State governmental sources	3,001,292	-
On-behalf payments	2,960,181	-
Federal government sources	4,195,705	-
Facilities revenue	105,262	-
Investment income	930,821	1,035,672
Nongovernmental grants and gifts	7,216	-
Other revenue	351,128	-
Gain (loss) on disposal of assets	(149,749)	-
Interest, service charges, and issuance costs	(117,131)	-
Total non-operating revenues (expenses)	22,087,409	1,035,672
Capital contributions	124,652	-
Change in net position	1,523,914	1,123,303
Net position, beginning of year, as previously reported	45,231,462	12,109,952
Change in accounting principle	(535,808)	-
Net position, beginning of year, as restated	44,695,654	12,109,952
Net position, end of year	$ 46,219,568	$ 13,233,255

See Accompanying Notes to the Financial Statements.

Sauk Valley Community College District #506

Statement of Cash Flows

Year Ended June 30, 2025	Primary Institution Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	$ 5,670,898
Payments to suppliers	(7,577,012)
Payments to employees	(11,429,412)
Payments to students for scholarships	(4,677,290)
Auxiliary enterprise changes	1,410,113
Other	506,077
Net cash used in operating activities	(16,096,626)
Cash flows from non-capital financing activities:	
Proceeds from property taxes	9,988,626
Proceeds from grants	683,038
Proceeds from personal replacement taxes	7,537,482
Net cash provided by non-capital financing activities	18,209,146
Cash flows from capital and related financing activities:	
Purchases of capital assets	(4,920,450)
Principal paid on bonds payable	(2,060,154)
Proceeds from issuance of long-term debt	245,185
Interest paid on bonds payable and other long-term obligations	(240,814)
Net cash used in capital and related financing activities	(6,976,233)
Cash flows from investing activities:	
Interest received	935,764
Proceeds from maturities of investment securities	633,418
Purchases of investment securities	(261,141)
Net cash provided by investing activities	1,308,041
Net increase (decrease) in cash and cash equivalents	(3,555,672)
Cash and cash equivalents, beginning of year	11,709,999
Cash and cash equivalents, end of year	$ 8,154,327

Sauk Valley Community College District #506

Statement of Cash Flows (Continued)

Year Ended June 30, 2025	Primary Institution Business-Type Activities
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	$ (20,688,147)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation	1,826,597
State on-behalf payments for fringe benefits	2,960,181
Other non-operating sources	456,390
Change in assets and liabilities:	
Receivables	(71,454)
Prepaid expenses	12,876
Inventories	825
Deferred outflow of resources	286,927
Accounts payable	178,712
Accrued liabilities	120,004
Accrued compensated absences	48,481
Unearned tuition and fees	95,630
OPEB liability	(212,368)
Deferred inflows of resources	(1,111,280)
	$ (16,096,626)
Noncash capital and financing activities:	
Contributions of capital assets	$ 124,652
State on-behalf payments	$ 2,960,181
Total noncash capital and financing activities	$ 2,960,181

See Accompanying Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

Sauk Valley Community College District #506 (the "College") is organized in accordance with the Public Community College Act (110 ILCS 805/). The Board of Trustees (the Board) has the governing responsibilities over all activities related to public post and secondary school education within the College's district. The College receives funding from local, state and federal sources and must comply with the requirements established by these funding source entities. Board members are elected by the public and have overall decision-making authority, the power to designate management authority and primary accountability for fiscal matters.

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

Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations of which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Sauk Valley College Foundation (the Foundation) has a significant relationship with the College and is therefore included as a discretely presented component unit of the College. The Foundation is reported in a separate column in the basic financial statements to emphasize it is legally separate from the College.

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The Board of the Foundation is self-perpetuating. Although the College 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 are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. 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 not-for-profit organization that reports its financial results with accounting guidance prescribed by the Financial Accounting Standard Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences; however, significant note disclosures (see Note 12) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

Financial statements for the Foundation can be obtained at 173 Illinois Route 2, Dixon, Illinois 61021.

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Nonexchange transactions, in which the College receives value without directly giving equal value in return, include property taxes, federal, state, and local grants, and state appropriations. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants and state appropriations 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 for the fiscal year resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

Cash and Equivalents

Cash includes deposits held at banks plus small amounts maintained for a change fund. Cash equivalents are defined as short-term investments readily converted to cash with original maturities of three months or less. The College has deposits with financial institutions, which at times exceed the federally insured limits. Management does not believe this represents any significant risk to the College.

Investments

Investment securities are stated at fair value based on quoted market prices. Income is recognized on the accrual basis of accounting. The types of investments allowed are regulated by Illinois State laws and include municipal bonds, fixed income mutual funds, U.S. Government or Illinois obligations, insured deposits or other investments of state or national banks, Federal National Mortgage Association obligations, Illinois Funds, and agreements collateralized by securities or mortgages in an amount at least equal to the fair value of the funds deposited.

Receivables

All property tax, student tuition and governmental claims and grant receivables are expected to be received within one year. Governmental claims and grants are from state and federal funding agencies. The College has a reserve of $556,039 for uncollectible student tuition and fees for the year ended June 30, 2025.

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

The College's property taxes are levied each calendar year on all taxable real property located in the College's district. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board's resolution, property tax levies are allocated 50 percent for each of the two fiscal years after the levy year. Accordingly, the College estimates 50 percent of property taxes extended for the 2024 tax year and collected in calendar year 2024 are recorded as revenue in fiscal year 2025. The remaining 50 percent of revenues related to tax year 2024 has been deferred and will be recorded as revenue in fiscal year 2026. The 50 percent allocation is an approximation based on tax collections in prior years.

Property taxes are collected by the County Collectors and are submitted to the County Treasurers, who remit to the taxing bodies their respective share of collections. Taxes levied in one year become due and payable in two installments during the following year, generally on June 1st and September 1st. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1, immediately following the levy year.

Inventories

Inventories consist of supplies held in the storeroom for internal use. Inventories are recorded at the lower of cost or market, on a first-in, first-out basis. The cost is recorded as an expense at the time individual inventory items are utilized or sold.

Capital Assets

Capital assets include property, equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their 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 asset lives are not capitalized. Gains and losses realized upon retirement or disposition of capital assets are recognized in Statement of Revenues, Expenses, and Changes in Net Position as incurred. Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

	Capitalization Threshold	Years
Land	$0	Non-Depreciable
Land improvements	$25,000	20
Buildings	$25,000	40
Building improvements	$25,000	20
Infrastructure	$25,000	20
Intangible - software	$25,000	5
Intangible - indefinite life	$5,000	Non-Depreciable
Artwork	$5,000	Non-Depreciable
Equipment	$5,000	6
Vehicles	$5,000	5
IT equipment	$5,000	4

Note 1: Summary of Significant Accounting Policies (Continued)

Unearned Tuition and Fee Revenue

Tuition and fee revenues received prior to the end of the fiscal year that are related to the subsequent fiscal year.

Long-term Debt

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and are recorded in other assets or liabilities.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation leave. Liabilities for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the College and its employees, are accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the College and its employees are accounted for in the period in which such services are rendered or in which such events take place. Support staff, professional staff, and administrators earn from 1 to 2 days of vacation per month of employment. All vacation earned must be taken within 18 months of the close of the fiscal year during which the vacation time has been earned. Sick leave accrues at the rate of .423 days per pay period (biweekly). An employee will not be paid for unused sick leave when termination or resignation from the College occurs.

Amounts have been recorded consistent with the compensated absences reporting standards of GASB Statement No. 101, Compensated Absences, including an accrual for accumulated sick leave and vacation in the year-ended compensated absence liability.

Subscription Based Information Technology Arrangements

The College is a party to multiple noncancelable subscription based information technology arrangements (SBITAs). If the contract provides the College the right to use the present service capacity and the right to direct the use of the identified asset, it is considered to be or contain a SBITA. Subscription-based assets and liabilities are recognized at the agreement commencement date based on the present value of the future payments over the expected contract term. The SBITA asset is also adjusted for any prepayments made and capitalizable initial implementation costs as incurred.

The SBITA liability is initially and subsequently recognized based on the present value of its future payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable payments due to subsequent changes in an index or rate are recorded as an adjustment to expense in the period in which they are incurred.

Note 1: Summary of Significant Accounting Policies (Continued)

Subscription Based Information Technology Arrangements (Continued)

The discount rate used is the implicit rate in the SBITA contract, if it is readily determinable, or the College's incremental borrowing rate.

For all underlying classes of assets, the College does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

For SBITAs or groups of SBITAs whose net present value is less than $5,000, the College has elected to recognize the payments as an expense in the period incurred.

Other Post-Employment ("OPEB") Obligations

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and to OPEB expense, information about the plan net position of the College Insurance Plan ("CIP") and additions to/deductions from CIP's plan net position has been determined on the same basis as they are reported by CIP. For this purpose, OPEB payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report separate sections, deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow (revenue) or outflow (expense) of resources until that time.

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

The deferred contributions to SURS represent the federal, trust, or grant contributions made by the College to SURS subsequent to the pension liability measurement date. The contributions will be recognized as an expense in the next fiscal year.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time. Deferred revenue, which is derived from property taxes, are deferred and recognized as an inflow of resources in the period that the amounts become available.

Other postemployment benefits (OPEB) expense, as well as deferred outflows of resources and deferred inflows of resources related to OPEB, should be recognized for the employers' (and non-employer contributing entity's) proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB.

Other than differences between projected and actual investment earnings, deferred inflows and outflows of resources are recognized in OPEB expense beginning in the current period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive), determined as of the beginning of the measurement period.

Classification of Revenues and Expenses

Operating revenues include activities that have the characteristics of exchange transactions, such as student tuition and fees and sales and service fees. Revenue from exchange transactions is recognized when earned. Student tuition and fees are recorded on the statement of revenues, expenses, and changes in net position, net of scholarship allowance and student aid. Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as local property taxes, state appropriations, most federal, state and local grants and interest. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Federal Direct Loan programs. Federal programs are audited in accordance with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Uniform Guidance Compliance Supplement. The College elected to use the 10% de minimis indirect cost rate during the year ended June 30, 2025.

On-Behalf Payments for Fringe Benefits

For financial reporting purposes, the State of Illinois and its community colleges are under a special funding situation for State Universities Retirement Systems (pension) and College Insurance Plan (OPEB). A special funding situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to a pension or OPEB plan that is used to provide benefits to the employees of another entity (the College). The College recognizes its proportionate share of the State's pension or OPEB expense relative to the College's employees as nonoperating revenue and operating expense, with the expense further allocated to the related function performed by the employees. In fiscal year 2025, the College recognized nonoperating revenue and operating expense of $2,960,181.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Universities Retirement System (SURS) and additions/deductions to/from SURS fiduciary 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 financial reporting purposes, the State of Illinois (State) and its public universities and community colleges are under a special funding situation. This situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity (the College) and the non-employer (the State) is the only entity with a legal obligation to make contributions directly to a pension plan. The College recognizes its proportionate share of the State's pension expense relative to the College's employees as non-operating revenue and pension expense, with the expense further allocated to the related function by employees.

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

The College's net position is classified as follows:

Net investment in capital assets – This represents the College's total investment in capital assets, net of accumulated depreciation and related debt.

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in fund equity during the reporting period. Material estimates that are particularly susceptible to significant change in the near term relate to depreciation on capital assets, allowance for doubtful accounts, and the fair value of investments. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncement

GASB Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The adoption of this guidance resulted in a restatement of the beginning net position for the year ended June 30, 2024. See Note 13 for the details of the restatement.

Note 2: Cash, Deposits, and Investments

The College's cash and deposits throughout the year and at year-end consisted of demand deposit accounts, certificates of deposit, and money markets. The College classified these accounts between cash and deposits on the statements of net position according to liquidity and intended use.

As of June 30, 2025, the carrying value of cash and deposits consist of the following:

Cash on hand	$ 14,838
Deposits with financial institutions	6,423,404
Cash equivalents - highly liquid short term investments	3,716,085
Total	$ 10,154,327

The College is allowed to invest in securities as authorized by the Illinois Public Community College Act and the Illinois Investment of Public Funds Act.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. The College's investment policy limits investment maturities to remain sufficiently liquid to meet all operating requirements as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk – investments – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The College's investment policy minimizes credit risk by limiting investments to those which are rated with the 3 highest classifications established by Moody's or Standard and Poor's.

As of June 30, 2025, the College had the following investments with stated maturities:

		Investment Maturities (in Years)			
	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Money market mutual funds*	$ 105,924	$ 105,924	$ -	$ -	$ -
Local government investment pool*	3,610,161	3,610,161	-	-	-
Certificate of deposit (brokered)	217,007	-	217,007	-	-
Fixed income mutual funds	6,591,186	6,591,186	-	-	-
Totals	$ 10,524,278	$ 10,307,271	$ 217,007	$ -	$ -

*Cash equivalents on statement of net position

Note 2: Cash, Deposits, and Investments (Continued)

As of June 30, 2025, the College had the following investments with stated ratings:

		Investment Ratings by Standard & Poor's			
	Total	**AAA**	**AA+**	**A**	**Unrated**
Money market mutual funds*	$ 105,924	$ 105,924	$ -	$ -	$ -
Local government investment pool*	3,610,161	3,610,161	-	-	-
Certificate of deposit (brokered)	217,007	-	-	-	217,007
Fixed income mutual funds	6,591,186	-	-	-	6,591,186
Totals	$ 10,524,278	$ 3,716,085	$ -	$ -	$ 6,808,193

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that in the event of a financial institution's failure, the College's deposits may not be returned to it. The College's policies require deposits in excess of the federally insured amounts be collateralized at the rate of 110% of such deposits. As of June 30, 2025, the bank balances of the College's deposits were $7,221,694. The College had pledged securities of $5,470,380, FDIC coverage of $1,751,314, and $0 was uncollateralized.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of a financial institution failure, the College will not be able to recover the value of its investments that are in the possession of an outside party. The College's investment policy requires that all securities be held in appropriate third-party safekeeping. Safekeeping is to be documented by an approved written agreement. At June 30, 2025, none of the College's investment securities are subject to custodial credit risk.

Concentration Risk

Concentration risk is the risk associated with having more than 5 percent of investments in any issuer, other than the U.S. Government. The College has no investments that represent 5 percent or more of the total investments.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The College does not have a foreign currency risk policy. The College does not have any investments with foreign currency risk exposure.

Note 2: Cash, Deposits, and Investments (Continued)

Fair Value Measurement

Current accounting standards establish a 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). The three levels of fair value hierarchy, as described under current accounting standards, are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets.

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 of liabilities in inactive markets; or
- inputs other than quotes prices that are observable for the asset or liability

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

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

The following table presents the College's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2025:

		Fair Value Measurements at Reporting Date Using		
	Total	**(Level 1)**	**(Level 2)**	**(Level 3)**
Assets measured at fair value on a recurring basis:				
Certificate of deposit (brokered)	$ 217,007	$ -	$ 217,007	$ -
Fixed income mutual funds	6,591,186	6,591,186	-	-
Total investments	$ 6,808,193	$ 6,591,186	$ 217,007	$ -

Note 3: Capital Assets

Capital asset balances and activity for the year ended June 30, 2025, were as follows:

	Balance 7/1/2024	Increases	Decreases	Transfers/ Adjustments	Balance 6/30/2025
Capital assets, not being depreciated:					
Land	$ 162,651	$ -	$ -	$ -	$ 162,651
Construction in progress	4,027,877	3,752,858	(122,512)	(5,946,514)	1,711,709
Equipment in progress	125,733	212,223	-	(251,466)	86,490
Library Collection - Nonexpendable	34,569	-	-	-	34,569
Other Fixed Assets	6,905	-	-	-	6,905
Total capital assets, not being depreciated	4,357,735	3,965,081	(122,512)	(6,197,980)	2,002,324
Capital assets, being depreciated:					
Land improvements	4,271,006	-	(28,723)	1,468,372	5,710,655
Buildings	41,806,301	519,830	-	4,418,129	46,744,260
Equipment	10,030,480	285,197	-	311,479	10,627,156
Library Collection - Expendable	48,142	11,508	-	-	59,650
SBITA Assets	1,326,600	263,485	(26,496)	-	1,563,589
Total capital assets, being depreciated	57,482,529	1,080,020	(55,219)	6,197,980	64,705,310
Accumulated depreciation:					
Land improvements	1,487,072	123,000	(1,486)	-	1,608,586
Buildings	12,724,359	901,294	-	-	13,625,653
Equipment	8,534,308	444,619	-	-	8,978,927
Library Collection - Expendable	4,849	5,389	-	-	10,238
SBITA Assets	500,887	352,294	(26,496)	-	826,685
Total accumulated depreciation	23,251,475	1,826,596	(27,982)	-	25,050,089
Capital assets, net	$ 38,588,789	$ 3,218,505	$ (149,749)	$ -	$ 41,657,545

Note 4: Debt

The following is a summary of the College's long-term and short-term debt transactions for the year ended June 30, 2025:

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025	Current Portion
Long-term debt:					
General obligation bonds	$ 7,350,000	$ -	$ 1,770,000	$ 5,580,000	$ 1,830,000
Bond premiums	181,067	-	97,464	83,603	60,858
Subscription liability	478,357	245,185	290,154	433,388	321,464
Compensated absences	1,045,230	48,475	-	1,093,705	729,137
Totals	$ 9,054,654	$ 293,660	$ 2,157,618	$ 7,190,696	$ 2,941,459

Details on the debt as of June 30, 2025, are as follows:

1. The College issued General Obligation Bonds Series 2021A dated July 27, 2021 in the amount of $4,395,000 to refund the Series 2021 General Obligation Debt Certificates. The Series 2021A issue provided for serial retirement of principal on December 1 of each year starting in 2021 through 2027 with interest due February 1 and August 1, with an interest rate of 4.00%. 79.3% of the proceeds were used for the purchase of capital assets. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 1,120,000	$ 91,400	$ 1,211,400
2027	1,165,000	46,600	1,211,600
Totals	$ 2,285,000	$ 138,000	$ 2,423,000

2. The College issued General Obligation Bonds Series 2022A dated August 23, 2022 in the amount of $4,620,000 to refund the Series 2022 General Obligation Debt Certificates. The Series 2022A issue provided for serial retirement of principal on December 1 of each year starting in 2022 through 2028 with interest due February 1 and August 1, with an interest rate of 2.36%. 88.9% of the proceeds were used for the purchase of capital assets. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 710,000	$ 77,762	$ 787,762
2027	725,000	61,006	786,006
2028	1,860,000	43,896	1,903,896
Totals	$ 3,295,000	$ 182,664	$ 3,477,664

Note 4: Debt (Continued)

3. Ellucian banner modernization subscription agreement dated September 2021 in the original principal amount of $758,328, due in annual installments in various amounts including imputed interest at 2.267%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 181,749	$ 4,120	$ 185,869
Totals	$ 181,749	$ 4,120	$ 185,869

4. Blackboard subscription agreement dated September 2022 in the original principal amount of $84,220, due in annual installments in various amounts including imputed interest at 2.518%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 17,014	$ 872	$ 17,886
2027	17,621	444	18,065
Totals	$ 34,635	$ 1,316	$ 35,951

5. Canvas subscription agreement dated July 2021 in the original principal amount of $141,524, due in annual installments in various amounts including imputed interest at 2.103%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 38,453	$ 809	$ 39,262
Totals	$ 38,453	$ 809	$ 39,262

6. Ellucian TEM subscription agreement dated September 2022 in the original principal amount of $45,601, due in annual installments in various amounts including imputed interest at 3.212%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 22,887	$ 735	$ 23,622
Totals	$ 22,887	$ 735	$ 23,622

Note 4: Debt (Continued)

7. Navigate360 subscription agreement dated March 2024 in the original principal amount of $181,716, due in annual installments in various amounts including imputed interest at 2.312%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 43,493	$ 3,186	$ 46,679
2027	45,900	2,180	48,080
2028	48,403	1,119	49,522
Totals	$ 137,796	$ 6,485	$ 144,281

8. Omni CMS subscription agreement dated July 2023 in the original principal amount of $17,868, due in annual installments in various amounts including imputed interest at 2.901%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 17,868	$ 432	$ 18,300
Totals	$ 17,868	$ 432	$ 18,300

The annual requirements to amortize all debt outstanding as of June 30, 2025, including interest, are as follows:

During the year ending June 30:	General Obligation Bonds	Compensated Absences	SBITAs	Total Principal	Interest	Total Principal and Interest
2026	$ 1,830,000	$ 729,137	$ 321,464	$ 2,880,601	$ 179,316	$ 3,059,917
2027	1,890,000	364,568	63,521	2,318,089	110,230	2,428,319
2028	1,860,000	-	48,403	1,908,403	45,015	1,953,418
Totals	$ 5,580,000	$ 1,093,705	$ 433,388	$ 7,107,093	$ 334,561	$ 7,441,654

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2025, is $74,203,150. General obligation debt and subscription liability at June 30, 2025, total $6,013,388 resulting in a legal debt margin of $68,189,762.

Note 5: Defined Benefit Pension Plans

General Information about the Pension Plan

Plan description – The College's contributes to the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State's Annual Comprehensive Financial Report (ACFR) as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.surs.org.

Benefits provided - A traditional benefit plan was established in 1941. Public Act 90-0448 (effective January 1, 1998) established an alternative defined benefit program known as the portable benefit package. Tier 1 of the traditional and portable plan refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2024 can be found in Financial Section of SURS ACFR.

Contributions - The State is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The normal cost for fiscal year 2024 and fiscal year 2025, respectively, was 12.53% and 11.98% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

Note 5: Defined Benefit Pension Plans (Continued)

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

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 2024. At June 30, 2024, SURS defined benefit plan reported a NPL of $30,230,907,727.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the NPL to be recognized for the College in fiscal year 2024 is $0. The proportionate share of the State's NPL associated with the College at June 30, 2024 is $61,077,619 or 0.2020%. The College's proportionate share changed by (0.0067)% from 0.2088% since the last measurement date on June 30, 2023. This amount is not recognized in the College's financial statements. The NPL and total pension liability as of June 30, 2024 was determined based on the June 30, 2023, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2023.

Defined Benefit Pension Expense

For the year ending June 30, 2024, SURS defined benefit plan reported a collective net pension expense of $1,996,285,670.

Employer Proportionate Share of Defined Benefit Pension Expense

The employer proportionate share of collective defined benefit pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2023. As a result, the College recognized revenue and defined benefit pension expense of $4,033,236 from this special funding situation during the year ended June 30, 2025.

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

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

Note 5: Defined Benefit Pension Plans (Continued)

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

Fiscal year ended June 30, 2024 (measurement date)	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 305,114,071	$ -
Changes in assumption	483,809,428	-
Net difference between projected and actual earnings on pension plan investments	-	27,577,324
Totals	$ 788,923,499	$ 27,577,324

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

Fiscal year ended June 30, 2024 (measurement date)	Net Deferred Outflows (Inflows) of Resources
2025	$ 126,531,380
2026	756,545,086
2027	(49,545,529)
2028	(72,184,762)
Total	$ 761,346,175

College's Deferral of Fiscal Year 2025 Contributions

The College paid $50,483 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2025. These contributions were made subsequent to the pension liability measurement date of June 30, 2024, and are recognized as deferred outflows of resources as of June 30, 2025.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period June 30, 2017 through June 30, 2020. The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.15% to 15.00%, including inflation
Investment rate of return	6.50%

Mortality rates were based on the Pub-2010 employee and retiree gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

Note 5: Defined Benefit Pension Plans (Continued)

The long-term expected rate of return on defined benefit pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2024, these best estimates are summarized in the following table:

Asset Class	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	36.0 %	7.13 %
Stabilized Growth		
Core Real Assets	8.0 %	5.06 %
Public Credit Fixed Assets	6.5 %	4.10 %
Private Credit	2.5 %	7.36 %
Non-Traditional Growth		
Private Equity	11.0 %	10.92 %
Non-Core Real Assets	4.0 %	9.09 %
Inflation Sensitive		
U.S. TIPS	5.0 %	2.12 %
Principal Protection		
Core Fixed Income	10.0 %	1.34 %
Crisis Risk Offset		
Systematic Trend Following	10.0 %	2.90 %
Alternative Risk Premia	3.0 %	2.62 %
Long Duration	2.0 %	2.84 %
Long Volatility/Tail Risk	2.0 %	(1.22)%
Totals	100 %	5.63 %
Inflation		2.80 %
Expected Arithmetic Return		**8.43 %**

Note 5: Defined Benefit Pension Plans (Continued)

Discount Rate. A single discount rate of 6.35% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50%, and a municipal bond rate of 3.97% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2024). 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 SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.35% , as well as what the State's NPL 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 5.35%	Current Single Discount Rate Assumption 6.35%	1% Increase 7.35%
$ 36,700,168,358	$ 30,230,907,727	$ 24,839,790,537

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

Note 6: Defined Contribution Pension Plan

General Information about the Pension Plan

Plan Description. The College contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State of Illinois (State) makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is governed by Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.surs.org. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

Note 6: Defined Contribution Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided. A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2024, can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

Contributions. All employees who have elected to participate in the RSP are required to contribute 8.0% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.6% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.6% contribution for employee earnings paid from "trust, federal, and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

Forfeitures. Employees are not vested in employer contributions to the RSP until they have attained five years of service credit. Should an employee leave SURS-covered employment with less than five years of service credit, the portion of the employee's RSP account designated as employer contributions is forfeited. Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee's own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a portion of the State's contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and may be amended by the State's General Assembly.

Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense

For the year ended June 30, 2024, the State's contributions to the RSP on behalf of individual employers totaled $96,741,887. Of this amount, $89,857,115 was funded via an appropriation from the State and $6,884,772 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2024. The College's share of pensionable contributions was 0.1523%. As a result, the College recognized revenue and defined contribution pension expense of $147,353 from this special funding situation during the year ended June 30, 2025, of which $10,487 constituted forfeitures.

Note 7: Other Post-Employment Benefits

Plan Administration - The Community College Health Insurance Security Fund (CCHISF) (also known as The College Insurance Program, "CIP") is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

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

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

Contributions - Beginning July 1, 2023 through June 30, 2024, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.75% of the salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.75% of the salary paid to its full-time employees who participate in the plan. Beginning July 1, 2024 and through June 30, 2026, the contribution rate shall be a percentage of salary to be determined by the Department, which in each fiscal year shall not exceed a 0.1 percentage point increase in the amount of salary actually required to be contributed for the previous fiscal year. Beginning July 1, 2026, the active member and employer contribution rates shall not exceed 105% of the percentage of salary actually required to be contributed for the previous fiscal year. The State Pension Funds Continuing Appropriate Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1071 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

Note 7: Other Post-Employment Benefits (Continued)

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

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2024. CIP reported a net OPEB liability at June 30, 2024 of $665,190,300.

Employer Proportionate Share of Net OPEB Liability

The amount of the proportionate share of the net OPEB liability to be recognized for the College in fiscal year 2025 is $3,216,602 or 0.4836%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0019%. The proportionate share of the State's net OPEB liability associated with the College is $3,216,602. The total proportionate share of the net OPEB liability associated with the College is $6,433,204. The net OPEB liability and total OPEB liability as of June 30, 2024 was determined based on the June 30, 2023 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2024.

OPEB Expense

At June 30, 2024, CIP reported a collective net OPEB expense (income) of $(252,150,464).

Employer Proportionate Share of OPEB Expense

The employer proportionate share of collective OPEB expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported OPEB contributions made to CIP during fiscal year 2024. As a result, the College recognized on-behalf revenue and expense of $(1,220,408) for the fiscal year ended June 30, 2025. Additionally, the College recognized OPEB expense of $(1,069,747) for the fiscal year ended June 30, 2025.

Note 7: Other Post-Employment Benefits (Continued)

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

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods.

The College's Deferred Outflows and Deferred Inflows of Resources by Sources:

Fiscal year ended June 30, 2024 (measurement date)	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 40,779	$ 969,147
Changes in assumption	23,786	2,337,056
Net difference between projected and actual earnings on OPEB plan investments	0	1,595
Changes in proportion and differences between employer contributions and share of contributions	559,220	238,454
Total deferred amounts to be recognized in pension expense in future periods	623,785	3,546,252
OPEB contributions made subsequent to the measurement date	90,100	0
Totals	$ 713,885	$ 3,546,252

The College reported $90,100 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Fiscal year ending June 30	Net Deferred Outflows (Inflows) of Resources
2026	$ (487,078)
2027	(487,078)
2028	(487,078)
2029	(487,078)
2030	(487,078)
2031	(487,077)
Total	$ (2,922,467)

Note 7: Other Post-Employment Benefits (Continued)

Assumptions and Other Inputs

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on age and service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increase includes a 3.00% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare cost trend rates	Trend rates for plan year 2024 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trends rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030, and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.
Asset Valuation Method	Market value

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2020.

Note 7: Other Post-Employment Benefits (Continued)

Discount Rate. Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed income municipal bonds with the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.97% as of June 30, 2024 and 3.86% as of June 30, 2023. The increase in the single discount rate from 3.86% to 3.97% caused the total OPEB liability to decrease by approximately $6.3 million from 2023 to 2024.

Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.97% at June 30, 2024, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.97%) or lower (2.97%) than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2024 to the Single Discount Rate Assumption

	1% Decrease (2.97%)	Current Single Discount Rate Assumption (3.97%)	1% Increase (4.97%)
Net OPEB liability	$ 3,514,184	$ 3,216,602	$ 2,961,834

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower.

Sensitivity of Net OPEB Liability as of June 30, 2024 to the Healthcare Cost Trend Rate Assumption

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	$ 2,890,100	$ 3,216,602	$ 3,612,134

(a) Current healthcare trend rates Pre-Medicare per capita costs: 9.02% in 2025, 8.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 15.00% from 2026 to 2030, 7.00% in 2031 decreasing ratably to an ultimate trend rate of 4.25% in 2041.

Note 7: Other Post-Employment Benefits (Continued)

(b) One percentage point decrease in current healthcare trend rates Pre-Medicare per capita costs: 8.02% in 2025, 7.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 14.00% from 2026 to 2030, 6.00% in 2031 decreasing ratably to an ultimate rate of 3.25% in 2041.

(c) One percentage point increase in current healthcare trend rates Pre-Medicare per capita costs: 10.02% in 2025, 9.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 16.00% from 2026 to 2030, 8.00% in 2031 decreasing ratably to an ultimate rate of 5.25% in 2041.

Note 8: Risk Management

The College is exposed to various risks of loss related to torts, property damage and general business risks. To cover such risks, the College participates in the Illinois Community College Risk Management Consortium (Consortium), which was established in 1981 by several Chicago area community colleges as a means of reducing the cost of general liability insurance. The Consortium is a public entity risk pool currently operating as a common risk management and insurance program for the member colleges. The main purpose of the Consortium is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. No settlement has exceeded coverage since establishment of the Consortium. In 1992, the Consortium added statutory worker's compensation coverage. In fiscal year 2025, the College paid approximately $177,304 to the Consortium for property, liability and worker's compensation protection. Since the Consortium requests initial payments to cover substantially any losses to be incurred for that policy year, the College anticipates no further liabilities for incurred losses.

Note 9: Commitments and Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applied amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the College expects such amounts, if any, to be insignificant.

Construction Commitments. In February 2025, the College entered into a professional services agreement with Nicam Construction to construct the 2nd floor renovation for $1,934,581. As of June 30, 2025 total costs incurred are approximately, $740,231. The estimated completion date for this project is fiscal year 2026.

Note 10: Impact of Pending Accounting Principles

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The College has not determined the effect of this Statement.

GASB Statement No. 104, *Disclosures in Certain Capital Assets*, mandates the disclosure of specific types of capital assets, including lease, intangible, subscription, and assets held for sale, in the capital asset note disclosures. This aims to enhance consistency and comparability in financial reporting among governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The College has not determined the effect of this Statement.

GASB Statement No. 105, *Subsequent Events*, improves the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026. The College has not determined the effect of this Statement.

Note 11: Related Party Transactions

The College has the following related party transactions for fiscal year ended June 30, 2025:

Related Party	Location	Nature	Revenue (Expense)	Asset (Liability)
Sauk Valley College Foundation	Dixon, IL	In-kind (space and salaries)	($310,681)	
Sauk Valley College Foundation	Dixon, IL	Scholarships and Awards	$264,398	

Note 12: Component Unit

The following are the significant accounting policies and footnotes related to the component unit which do not conflict with the College.

Summary of Significant Accounting Policies

Nature of Business

Sauk Valley College Foundation (the Foundation) was formed under the General Not-For-Profit Foundation Act of the State of Illinois on November 4, 1965. The Foundation has been approved by the Commissioner of Internal Revenue as an exempt organization under Section 501 of the Internal Revenue Code. Contributions to the Foundation qualify as charitable contributions for federal income tax purposes.

The Foundation was established to assist in carrying out the educational functions of Sauk Valley Community College. The Foundation provides funds by campaign or by other means for scholarships and fellowships for students, and endowments for the College for items having educational, artistic, historical, literary, or other cultural value.

Note 12: Component Unit (Continued)

Basis of Accounting
The Foundation follows the accrual basis of accounting, recognizing revenue when earned and recording expenses when the liability is incurred.

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

Net assets without donor restrictions: net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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

Cash and Cash Equivalents
The Foundation considers all liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.

Concentrations of Credit Risk
Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and certificates of deposits. As of June 30, 2025, the bank balances of the Foundation's deposits were $3,490,728, and $602,456 exceeded federally insured limits. The Foundation has not experienced any losses in these accounts and does not believe to any significant credit risk related to cash and cash equivalents.

Certificates of Deposit
The Foundation holds non-brokered certificates of deposit which are carried at cost. These securities are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major rating agencies, and have a long history of no credit losses. Based on this analysis, the Organization believes it will collect all amounts owed on these securities and has not recognized an allowance for credit losses and these securities.

Investments and Investment Earnings
Investments consist primarily of assets invested in alternative investments. Alternative investments are measured at the net asset value per share as a practical expedient in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Note 12: Component Unit (Continued)

Pledges Receivable

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge. As of June 30, 2025 the Foundation recorded a discount of $11,485.

Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. If balances are estimated to be uncollectible, the carrying amounts of pledge receivable are reduced by those allowances. Management determined there was no allowance for uncollectible pledges as of June 30, 2025.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional and natural classification basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Foundation allocates its salaries and benefits in the basis of time and effort, and records actual costs incurred for other expenses. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Use of Estimates

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

Contributions and Revenues

Contributions are recognized when the donor or grantor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions received are recorded as support with donor restrictions or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. If a restriction is met in the same period that the contribution is received, the contribution is reported as net assets without donor restrictions.

Note 12: Component Unit (Continued)

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.

- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. 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.

The Foundation reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed Nonfinancial Assets

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributed services are recognized in the financial statements, if the services (a) create or enhance a non-financial asset or (b) be specialized skills, provided by entities or persons possessing those skills that would be purchased if not donated. These amounts are included in the financial statements as contributed nonfinancial asset revenues and expenses. For the year ended June 30, 2025, the Foundation received contributed administrative services totaling $310,681 from the College and contributed goods of $$5,611. Contributed services are valued based on the allocable salaries and benefits paid to the personnel for their time contributed. These goods and services contributed have been allocated in the statement of activities wholly as management and general.

The Foundation also receives contributed services generally in the form of contributed time by volunteers. However, these contributed services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services.

Note 12: Component Unit (Continued)

Assets Held for Others

In March 2021, the Foundation entered into an agreement with the Whiteside Area Career Center (WACC) to be the fiduciary agent for the Creating Entrepreneurial Opportunities (CEO) Program. This program prepares youth to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities. The Foundation will hold contributions in a designated account and disburse funds as requested by WACC.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Foundation is classified as public charity. The Foundation is also exempt from state income tax.

The Foundation assesses whether it is more likely than not that a tax position will be sustained upon examination of the technical merits or the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of the tax position is not recognized in the financial statements. The Foundation recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits.

Forms 990 filed by the Foundation are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return.

Subsequent Events

The Foundation has evaluated subsequent events through December 2, 2025 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2025 have been incorporated herein.

Liquidity and Availability of Financial Assets

The Foundation's primary sources of support are contributions, fundraising and income from investing its endowment. Most of that support is required to be used in accordance with the purpose restrictions imposed by the donors. The following table reflects the Foundation's financial assets as of June 30, 2025, reduced by amounts not available for general expenditures:

Total financial assets	$ 13,330,653
Less those unavailable for general expenditure within one year due to:	
Funds held for others	100,264
Purpose restrictions	3,441,059
Perpetual endowments	9,136,088
Financial assets available to meet cash needs for general expenditures within one year	$ 653,242

Note 12: Component Unit (Continued)

Investments

Investments are presented in the financial statements in the aggregate at fair value. Investments are composed of the following as of June 30, 2025:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Brokered certificates of deposit	$ 543,601	$ 540,000	$ 3,601
Money market funds	263,611	263,611	-
Mutual funds	3,423,882	3,373,458	50,424
Exchange traded funds	4,132,942	3,924,297	208,645
Annuities	1,217,634	1,200,000	17,634
Totals	$ 9,581,670	$ 9,301,366	$ 280,304

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended June 30, 2025:

	Without Donor Restriction	With Donor Restriction	Total
Interest and dividends	$ 13,819	$ 133,825	$ 147,644
Unrealized gains (losses)	-	808,569	808,569
Realized gains (losses)	100,000	-	100,000
Investment fees	(20,541)	-	(20,541)
Totals	$ 93,278	$ 942,394	$ 1,035,672

Endowment Funds

The Foundation's endowment consists of approximately 60 donor-restricted individual funds established to be maintained permanently with earnings to be used for a variety of purposes.

The Foundation follows the laws prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA establishes law for the management and investment of donor-restricted endowment funds.

Note 12: Component Unit (Continued)

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent any explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classified as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those assets have been appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed in UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate earnings on donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purpose of the Foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation; and
7. The investment policies of the Foundation

Investment income generated by the Foundation's endowment funds are used to benefit each endowment's intended purpose and accordingly, investment losses are recognized in the Foundation's unrestricted net assets.

The endowment net asset composition by type of fund as of June 30, 2025 is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 11,700,665	$ 11,700,665

Changes in endowment net assets as of June 30, 2025 are as follows:

Note 12: Component Unit (Continued)

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ -	$ 10,280,486	$ 10,280,486
Investment return:			
Interest income	-	122,591	122,591
Net appreciation (realized and unrealized) on investments	-	908,569	908,569
Total investment return	-	1,031,160	1,031,160
Contributions	-	652,519	652,519
Appropriation of endowment assets for expenditure	-	(263,500)	(263,500)
Totals	$ -	$ 11,700,665	$ 11,700,665

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. The Foundation had no individual donor-restricted endowment fund deficiencies at June 30, 2025.

Return Objectives and Risk Parameters

The Foundation has adopted investment policies to maximize total return (appreciation and income) and to achieve a specified income level while minimizing credit risk and avoiding excessive market risk. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a specified period(s), as well as the earnings on those funds which have not yet been appropriated. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve the principal and provide liquidity of amounts over the principal while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investments returns are achieved through both capital appreciation (realized and unrealized and current yield (interest and dividends). The Foundation's policy is that its investments should consist of a high-quality portfolio of securities following "the Prudent Man rule." Management believes this strategy will help to achieve the Foundation's long-term return objectives within prudent risk constraints. While this is the long-term strategy, on a short-term basis the Foundation chose to invest in highly liquid, short-term securities.

Note 12: Component Unit (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's spending policy is that income from donor-restricted funds will be spent on the intended service, program, or purpose, within a reasonable time period.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30, 2025:

Subject to expenditure for specified purpose:		
Student scholarships, awards and College support	$	876,482
Endowment subject to spending policy and appropriation		11,700,665
Net assets with donor restrictions	$	12,577,147

The Foundation reports gifts or cash 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 the purpose of the restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the year ended June 30, 2025 for scholarships, awards and College support totaled $326,922.

The Foundation also reclassified $87,871 of without donor restricted funds to with donor restrictions to transfer the profits from the special events related to the impact program and due to change in donor restrictions.

Pledges Receivable

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. The breakdown of pledges receivable as of June 30, 2025, is as follows:

Impact program	$	236,623
Unrestricted		3,383
Pledges receivable	$	240,006
Amounts due in:		
Less than one year	$	126,406
Due in more than one year		125,085
Less allowance for uncollectible pledges		(11,485)
Pledges receivable	$	240,006

Note 12: Component Unit (Continued)

Assets Held for Others

The Foundation is holding assets for others as a fiduciary agent. According to GAAP, since the Foundation is acting as a fiduciary agent, no revenues or expenses are recorded for receipts and payments of pass-through monies. Assets held for others at year end are recorded as a payable to organization that controls the assets.

Transactions in funds held for others are summarized as follows:

	WACC CEO Program
Balance, beginning of year	$ 94,840
Add (deduct):	
Contributions	160,919
Program expenses	(155,495)
Change in funds held for others	5,424
Balance, end of year	$ 100,264

Fair Value of Financial Instruments

Current accounting standards establish a 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). The three levels of fair value hierarchy, as described under current accounting standards, are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation 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; or 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.

Note 12: Component Unit (Continued)

The following table presents the Foundation's fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2025:

		Nonrecurring Fair Value Measurements at Reporting Date Using		
	Total	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a nonrecurring basis				
Money market funds	$ 263,611	$ 263,611	$ -	$ -
Exchange traded funds	4,132,942	4,132,942	-	-
Mutual funds	3,423,882	3,423,882	-	-
Annuities	1,217,634	-	1,217,634	-
Brokered certificates of deposit	543,601	-	543,601	-
Total investments	$ 9,581,670	$ 7,820,435	$ 1,761,235	$ -

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value.

Money market funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Exchange traded funds: Investments in equity vehicles are comprised of corporate stocks and daily traded mutual funds. Securities held in corporate stocks and daily traded mutual funds are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Annuities: Valued at fair market value of annuities held at year end as provided by the broker.

Brokered certificates of deposit: Investments in certificates of deposit securities are classified as Level 2 as they are determined using similar benchmark quoted securities.

Note 12: Component Unit (Continued)

Related Parties

The Foundation is a component unit of Sauk Valley Community College District 506 for financial reporting purposes. The financial balances and activities included in these financial statements are, therefore, also included in the College's financial statements. The College provides office space and support services for the Foundation. The estimated fair value of such in-kind benefits to the Foundation was $310,681 for the year ended June 30, 2025 and is recognized as both a revenue and expense in the statement of activities. The Foundation paid the College $264,398 for scholarships and awards during the year ended June 30, 2025.

Note 13: Accounting Changes and Error Corrections

The College adopted GASB Statement No. 101, Compensated Absences (GASB 101) as of July 1, 2024. The objective of this Statement is to better meet the needs of the financial statement users by improving the accounting and financial reporting for compensated absences by governments. The College retroactively implemented GASB 101.

Net position as previously reported at July 1, 2024	$ 45,231,462
Change in accounting principle:	
Compensated absence accrued for sick leave as of July 1, 2024	(535,808)
Total prior period adjustment	(535,808)
Net position as restated, July 1, 2024	$ 44,695,654

Required Supplementary Information

Sauk Valley Community College District #506

Schedule of Share of Net Pension Liability

Last Ten Fiscal Years

Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion percentage of the collective net pension liability	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Proportion amount of the collective net pension liability	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	$ 61,077,619	$ 61,474,307	$ 59,981,628	$ 53,722,260	$ 57,660,201	$ 54,079,894	$ 50,507,501	$ 48,210,253	$ 48,793,621	$ 46,145,300
Employer covered payroll	$ 8,894,862	$ 8,095,927	$ 7,985,241	$ 7,711,562	$ 7,021,309	$ 6,829,004	$ 6,586,952	$ 6,703,531	$ 6,808,741	$ 7,068,559
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	686.66 %	759.32 %	751.16 %	696.65 %	821.22 %	791.91 %	766.78 %	719.18 %	716.63 %	652.82 %
SURS plan net position as a percentage of total pension liability	44.06 %	44.06 %	43.65 %	45.45 %	39.05 %	40.71 %	41.27 %	42.04 %	39.57 %	42.37 %

See Accompanying Notes to Required Supplementary Information.

Sauk Valley Community College District #506

Schedule of Pension Contributions

Last Ten Fiscal Years

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Federal, trust, grant and other contribution	$ 50,483	$ 83,507	$ 51,692	$ 82,854	$ 100,174	$ 60,487	$ 45,900	$ 48,230	$ 33,963	$ 30,773
Contribution in relation to required contribution	50,483	83,507	51,692	82,854	100,174	60,487	45,900	48,230	33,963	30,773
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Employer covered payroll	$ 9,208,498	$ 8,894,862	$ 8,095,927	$ 7,985,241	$ 7,711,562	$ 7,021,309	$ 6,829,004	$ 6,586,952	$ 6,703,531	$ 6,808,741
Contribution as a percentage of covered payroll	0.55 %	0.94 %	0.64 %	1.04 %	1.30 %	0.86 %	0.67 %	0.73 %	0.51 %	0.45 %

See Accompanying Notes to Required Supplementary Information.

Sauk Valley Community College District #506

Schedule of Share of Net OPEB Liability

Last Ten Fiscal Years

(schedule to be built prospectively from 2016)

Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion percentage of the collective net OPEB liability	0.48 %	0.49 %	0.50 %	0.47 %	0.43 %	0.42 %	0.42 %	0.43 %	0.40 %	
Proportion amount of the collective net OPEB liability	$ 3,216,602	$ 3,428,970	$ 3,394,613	$ 8,210,540	$ 7,804,644	$ 8,003,973	$ 7,956,259	$ 7,902,056	$ 7,311,338	
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	$ 3,216,602	$ 3,428,970	$ 3,394,613	$ 8,210,540	$ 7,804,644	$ 8,003,973	$ 7,956,259	$ 7,797,981	$ 7,311,338	
Total collective net OPEB liability associated with the College	$ 6,433,204	$ 6,857,940	$ 6,789,226	$ 16,421,080	$ 15,609,288	$ 16,007,946	$ 15,912,518	$15,700,037	$14,622,676	
College's covered payroll	$ 8,894,862	$ 8,095,927	$ 7,985,241	$ 7,711,562	$ 7,021,309	$ 6,829,004	$ 6,586,952	$ 6,703,531	$ 6,808,741	
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	72.32 %	84.71 %	85.02 %	212.94 %	222.31 %	234.41 %	241.58 %	234.21 %	214.76 %	
College insurance plan net position as a percentage of total OPEB liability	(18.45)%	(17.87)%	(22.03)%	(6.38)%	(5.07)%	(4.13)%	(3.54)%	(2.87)%	(2.15)%	

Note: The College implemented GASB No. 75 in fiscal year 2017. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

Sauk Valley Community College District #506

Schedule of OPEB Contributions

Last Ten Fiscal Years

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 90,100	$ 76,882	$ 48,016	$ 46,764	$ 43,987	$ 39,378	$ 38,044	$ 36,854	$ 37,593	$ 36,410
Contribution in relation to the required statutorily	90,100	76,882	48,016	46,764	43,987	39,378	38,044	36,854	37,593	36,410
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0			
District's covered payroll	$ 9,208,498	$ 8,894,862	$ 8,095,927	$ 7,985,241	$ 7,711,562	$ 7,021,309	$ 6,829,004	$ 6,586,952	$ 6,703,531	$ 6,808,741
Contribution as a percentage of covered payroll	0.98 %	0.86 %	0.59 %	0.59 %	0.57 %	0.56 %	0.56 %	0.56 %	0.56 %	0.53 %

See Accompanying Notes to Required Supplementary Information.

Sauk Valley Community College District #506

Notes to Required Supplementary Information

Note 1: Changes of Pension Benefit Terms

Public Act 103-0548, effective August 11, 2023, made changes to the calculation of service and eliminated the part-time adjustment for participants on or after September 1, 2024. This change was first reflected in the Total Pension Liability as of June 30, 2024.

Note 2: Changes of Pension 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, 2020 to June 30, 2023 was performed in Spring 2024, resulting in the adoption of new assumptions as of June 30, 2024. These assumptions are listed below. Only the disability rates assumption changed for the June 30, 2024, actuarial valuations.

- Salary increases. The overall assumed rates of salary increase range from 3.15 percent to 15.00 percent based on years of service, with an underlying wage inflation rate of 2.40 percent. Separate rates of increase are assumed for members in academic and non-academic positions.
- Investment return. The investment return is assumed to be 6.50 percent. This reflects an assumed real rate of return to 4.10 percent and assumed price inflation of 2.40 percent.
- Effective rate of interest. The long-term assumption for the effective rate of interest for crediting the money purchase accounts is 7.00 percent.
- Normal retirement rates. Separate rates are assumed for members in academic positions, non-academic positions and public safety positions Rates are generally highest for public safety positions and lowest for academic positions.
- Early retirement rates. Separate rates are assumed for members in academic positions and non-academic positions. Rates are generally higher for non-academic positions.
- Turnover rates. Assumed rates maintain the pattern of decreasing termination rates as years of service increase, with separate rates for academic and non-academic positions.
- Mortality rates. Use of Pub-2010 mortality tables reflects its high applicability to public pensions. The projection scale utilized is the MP-2021 scale, with separate rates for academic, non-academic, and public safety members.
- Disability rates. Separate rates are assumed for members in academic positions, non-academic positions, and public safety positions, as well as for males and females. Public safety disability incidence is assumed to be 50 percent line-of-duty related and 50 percent ordinary.
- Plan election. For non-academic members, assumed plan election rates are 75 percent for Tier 2 and 25 percent Retirement Savings Plan (RSP). For academic members, assumed plan election rates are 55 percent for Tier 2 and 45 percent for Retirement Savings Plan(RSP).
- Cost of living adjustment. Annual annuity increases are assumed to be 3.00 percent for Tier 1 members and 1.20 percent for Tier 2 members.

Note 3: Changes of OPEB Benefit Terms

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2025.

Note 4: Changes of OPEB 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 CIP. An experience review for the years June 30, 2017 to June 30, 2020, resulting in the adoption of new assumptions as of June 30, 2022. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2022:

- Per capita claim costs for plan year end June 30, 2024, were updated based on projected claims and enrollment experience through June 30, 2024, and updated premium rates through plan year end 2025;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2023, projected plan cost for play year end June 30, 2024, premium changes through plan year end 2024, and expectation of future trend increases after June 30, 2024;
- The discount rate was changed from 3.86 percent at June 30, 2023, to 3.97 percent at June 30, 2024 .

The pension-related assumption changes had minimal impact to the results of the OPEB actuarial valuation.

Special Reports Section

Supplemental Financial Information

Sauk Valley Community College District #506

Supplemental Financial Information Section

Uniform Financial Statements

The Uniform Financial Statements are required by the Illinois Community College Board for the purpose of providing consistent audited data for every community college district. Regardless of the basis of accounting used for a College's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net position, the Uniform Financial Statements are completed using the modified accrual basis of accounting and a current financial resource measurement focus.

The Uniform Financial Statements include the following:

- No. 1 - All Funds Summary
- No. 2 - Summary of Capital Assets and Fixed Debt
- No. 3 - Operating Funds Revenues and Expenditures
- No. 4 - Restricted Purposes Fund Revenues and Expenditures
- No. 5 - Current Funds Expenditures by Activity

Certificate of Chargeback Reimbursement

- No. 6 - Certification of Per Capita Cost

Sauk Valley Community College District #506

Uniform Financial Statement #1 - All Funds Summary

Year Ended June 30, 2025	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund
Fund balance (deficit), beginning of year, as restated	$ 12,204,078	$ 381,186	$ 4,692,888	$ 1,009,424
Revenues:				
Local tax revenue	6,643,207	804,467	-	2,003,698
ICCB Grants	1,564,123	172,725	-	-
All other State revenue	-	-	-	-
Federal revenue	848	-	-	-
Student tuition and fees	4,680,571	487,852	-	-
On-Behalf CIP	-	-	-	-
On-Behalf SURS	-	-	-	-
All other revenue	1,613,559	55,286	511,983	21,397
Total revenues	14,502,308	1,520,330	511,983	2,025,095
Expenditures:				
Instruction	5,709,998	-	98,668	-
Academic support	1,054,825	-	55,853	-
Student services	2,025,326	-	-	-
Public service/continuing education	957,768	-	500	-
Organized research	25,622	-	-	-
Auxiliary services	55,755	-	135,853	-
Operations and maintenance	4,582	1,665,037	195,656	-
Institutional support	3,602,947	35,345	4,439,567	1,974,967
Scholarships, grants, waivers	880,521	-	-	-
Total expenditures	14,317,344	1,700,382	4,926,097	1,974,967
Transfers in	29,257	-	2,442,421	-
Transfers out	(341,754)	-	(2,442,420)	-
	(312,497)	-	1	-
Fund balance (deficit), end of year	$ 12,076,545	$ 201,134	$ 278,775	$ 1,059,552

Sauk Valley Community College District #506

Uniform Financial Statement #1 - All Funds Summary

Year Ended June 30, 2025	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund
Fund balance (deficit), beginning of year, as restated	$ 506,072	$ 69,476	$ 2,452,197	$ 7,248
Revenues:				
Local tax revenue	-	-	-	63,013
ICCB Grants	-	746,343	-	-
All other State revenue	-	518,101	-	-
Federal revenue	-	4,194,857	-	-
Student tuition and fees	527,986	-	-	-
On-Behalf CIP	-	(1,220,408)	-	-
On-Behalf SURS	-	4,180,589	-	-
All other revenue	3,210,606	94,153	77,748	-
Total revenues	3,738,592	8,513,635	77,748	63,013
Expenditures:				
Instruction	-	1,709,463	-	-
Academic support	-	317,243	-	-
Student services	-	1,213,486	-	-
Public service/continuing education	-	464,422	-	-
Organized research	-	52,974	-	-
Auxiliary services	4,028,740	78,335	-	-
Operations and maintenance	-	225,991	-	-
Institutional support	-	630,549	-	53,500
Scholarships, grants, waivers	-	3,796,769	-	-
Total expenditures	4,028,740	8,489,232	-	53,500
Transfers in	352,000	50,135	-	-
Transfers out	(1,475)	(88,164)	-	-
	350,525	(38,029)	-	-
Fund balance (deficit), end of year	$ 566,449	$ 55,850	$ 2,529,945	$ 16,761

Sauk Valley Community College District #506

Uniform Financial Statement #1 - All Funds Summary

Year Ended June 30, 2025	Liability, Protection Settlement Fund	Total
Fund balance (deficit), beginning of year, as restated	$ 880,788	$ 22,203,357
Revenues:		
Local tax revenue	1,288,299	10,802,684
ICCB Grants	-	2,483,191
All other State revenue	-	518,101
Federal revenue	-	4,195,705
Student tuition and fees	-	5,696,409
On-Behalf CIP	-	(1,220,408)
On-Behalf SURS	-	4,180,589
All other revenue	58,406	5,643,138
Total revenues	1,346,705	32,299,409
Expenditures:		
Instruction	-	7,518,129
Academic support	26,709	1,454,630
Student services	-	3,238,812
Public service/continuing education	-	1,422,690
Organized research	-	78,596
Auxiliary services	6,038	4,304,721
Operations and maintenance	359,720	2,450,986
Institutional support	863,666	11,600,541
Scholarships, grants, waivers	-	4,677,290
Total expenditures	1,256,133	36,746,395
Transfers in	-	2,873,813
Transfers out	-	(2,873,813)
	-	-
Fund balance (deficit), end of year	$ 971,360	$ 17,756,371

Sauk Valley Community College District #506

Uniform Financial Statement #2

Summary of Capital Assets and Fixed Debt*

Year Ended June 30, 2025	Balance July 1, 2024	Additions	Deletions	Reclassification	Balance June 30, 2025
Capital assets:					
Land	$ 162,651	$ -	$ -	$ -	$ 162,651
Construction in process	4,027,877	3,752,858	122,512	(5,946,514)	1,711,709
Equipment in process	125,733	212,223	-	(251,466)	86,490
Library collection - nonexpendable	34,569	-	-	-	34,569
Other fixed assets	6,905	-	-	-	6,905
Land improvements	4,271,006	-	28,723	1,468,372	5,710,655
Buildings and improvements	41,806,301	519,830	-	4,418,129	46,744,260
Equipment	10,030,480	285,197	-	311,479	10,627,156
Library collection - expendable	48,142	11,508	-	-	59,650
SBITA assets	1,326,600	263,485	26,496	-	1,563,589
Total capital assets	61,840,264	5,045,101	177,731	-	66,707,634
Accumulated depreciation and amortization	23,251,475	1,826,596	27,982	-	25,050,089
Total net capital assets	$ 38,588,789	$ 3,218,505	$ 149,749	$ -	$ 41,657,545
Fixed debt:					
Bonds payable	$ 7,350,000	$ -	$ 1,770,000	$ -	$ 5,580,000
Bond premium	181,067	-	97,464	-	83,603
Subscription liability	478,357	245,185	290,154	-	433,388
Total fixed debt	$ 8,009,424	$ 245,185	$ 2,157,618	$ -	$ 6,096,991

* Sauk Valley Community College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2025.

Sauk Valley Community College District #506

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures

Year Ended June 30, 2025	Education	Operations and Maintenance	Total
Revenues:			
Local government:			
Property taxes	$ 6,080,398	$ 734,907	$ 6,815,305
Corporate personal property replacement tax	562,809	69,560	632,369
Total local government	6,643,207	804,467	7,447,674
State government:			
ICCB Base operating grants	1,353,000	167,225	1,520,225
ICCB Equalization grants	44,500	5,500	50,000
ICCB Performance grant	5,595	-	5,595
ICCB Career & technical education	146,116	-	146,116
Other ICCB grants	14,912	-	14,912
Total state government	1,564,123	172,725	1,736,848
Federal government:			
Other	848	-	848
Total federal government	848	-	848
Student tuition and fees:			
Tuition	4,018,318	487,852	4,506,170
Student fees	662,253	-	662,253
Total tuition and fees	4,680,571	487,852	5,168,423
Other sources:			
Sales and service fees	997,875	-	997,875
Facilities revenue	5,000	40,862	45,862
Investment income	530,365	4,182	534,547
Other revenue	78,504	10,242	88,746
Capital contributions	1,815	-	1,815
Total other sources	1,613,559	55,286	1,668,845
Total revenue	14,502,308	1,520,330	16,022,638
Less nonoperating items:			
Tuition chargeback	0	0	0
Adjusted revenue	$ 14,502,308	$ 1,520,330	$ 16,022,638

Sauk Valley Community College District #506

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures (Continued)

Year Ended June 30, 2025	Education	Operations and Maintenance	Total
Operating expenditures:			
By program:			
Instruction	$ 5,709,998	$ -	$ 5,709,998
Academic support	1,054,825	-	1,054,825
Student services	2,025,326	-	2,025,326
Public service	957,768	-	957,768
Organized Research	25,622	-	25,622
Auxiliary services	55,755	-	55,755
Operations and maintenance	4,582	1,665,037	1,669,619
Institutional support	3,602,947	35,345	3,638,292
Scholarships, student grants, and waivers	880,521	-	880,521
Total expenditures	14,317,344	1,700,382	16,017,726
Less nonoperating items:*			
Net transfers	312,497	0	312,497
Adjusted expenditures	$ 14,629,841	$ 1,700,382	$ 16,330,223
By object:			
Salaries	9,302,360	782,034	10,084,394
Employee benefits	1,804,609	279,171	2,083,780
Contractual services	1,179,383	133,335	1,312,718
General materials and supplies	548,237	96,684	644,921
Travel, conference and meeting expense	348,412	187	348,599
Fixed charges	154,797	-	154,797
Utilities	3,017	408,952	411,969
Capital outlay	13,228	-	13,228
Other	963,301	19	963,320
Total expenditures	14,317,344	1,700,382	16,017,726
Less nonoperating items:			
Net transfers	312,497	0	312,497
Adjusted expenditures	$ 14,629,841	$ 1,700,382	$ 16,330,223

* Inter-college revenues that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

Sauk Valley Community College District #506

Uniform Financial Statement #4

Restricted Purposes Fund Revenues and Expenditures

Year Ended June 30, 2025

Revenue by source:		
State government:		
ICCB - Adult Education	$	179,855
ICCB - Other		566,488
Illinois Student Assistance Commission		382,527
On-behalf CIP		(1,220,408)
On-behalf SURS		4,180,589
Other		135,574
Total state government		4,224,625
Federal government:		
Department of Education		3,988,570
Department of Health & Human Services		85,027
Other		121,260
Total federal government		4,194,857
Other sources:		
Other revenue		86,937
Nongovernmental grants and gifts		7,216
Total other sources		94,153
Total revenues	$	8,513,635
Expenditures by program:		
Instruction		1,709,463
Academic support		317,243
Student services		1,213,486
Public service		464,422
Organized Research		52,974
Auxiliary services		78,335
Operations and maintenance		225,991
Institutional support		630,549
Scholarships, student grants, and waivers		3,796,769
Total expenditures by program	$	8,489,232
Expenditures by object:		
Salaries		960,297
Employee benefits		3,153,425
Contractual services		201,761
General materials and supplies		170,097
Travel, conference and meeting expense		61,521
Fixed Charges		8,798
Utilities		228
Capital outlay		137,259
Other		3,795,846
Total expenditures by object	$	8,489,232

Sauk Valley Community College District #506

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity

Year Ended June 30, 2025

Instruction:	
Instructional Programs	$ 6,099,183
Support	1,320,278
Total instruction	7,419,461
Academic support:	
Library Center	281,649
Academic Computing Support	156,617
Academic Administration and Planning	537,618
Other Academic Support	422,893
Total academic support	1,398,777
Student services:	
Admissions & Records	434,211
Counseling & Career Guidance	1,193,680
Financial Aid Administration	312,032
Other Student Services	1,298,889
Total student services	3,238,812
Public service/continuing education:	
Community Education	252,281
Customized Training	644,432
Community Services	28,998
Other Public Services	496,479
Total public service/continuing education	1,422,190
Organized Research	78,596
Auxiliary	4,168,868
Operations and maintenance of plant:	
Maintenance	364,964
Custodial Services	546,326
Grounds	183,538
Campus Security	382,704
Plant Utilities	413,452
Administration	129,245
Other Operations and Maintenance	235,101
Total operations and maintenance of plant	2,255,330

Sauk Valley Community College District #506

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity (Continued)

Year Ended June 30, 2025

Institutional support:	
Executive Management	302,756
Fiscal Operations	528,129
Community Relations	934,175
Administrative Support Services	313,952
Board of Trustees	33,451
General Institution	1,098,000
Institutional Research	173,045
Administrative Data Processing	1,199,996
Other Institutional Support	602,503
Total institutional support	5,186,007
Scholarships, Grants, Waivers	4,677,290
Total current funds expenditures	$ 29,845,331

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

Sauk Valley Community College District #506

Fiscal Year 2026 Certification of Per Capital Cost

For Fiscal Year Ended June 30, 2025

All fiscal year 2025 noncapital audited operating expenditures from the following funds:

1.	Education Fund	14,032,648	
2.	Operations and Maintenance Fund	1,700,382	
3.	Operations and Maintenance Fund - Restricted	-	
4.	Bond and Interest Fund	247,399	
5.	Public Building Commission Rental Fund	-	
6.	Restricted Purposes Fund	5,385,018	
7.	Audit Fund	53,500	
8.	Liability, Protection, and Settlement Fund	1,238,425	
9.	Auxiliary Enterprises Fund (subsidy only)	-	
10.	Total noncapital expenditures (sum of lines 1-9)		$ 22,657,372
11.	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	$ 1,217,938	
12.	Total costs included (line 10 plus line 11)		$ 23,875,310
13.	Total certified semester credit hours for FY 2025	30,929	
14.	Per capita cost (line 12 divided by line 13)		$ 771.94

Approved:

Chief Financial Officer — Date: 3/13/2026

President — Date: 3/13/2026

Other Information

Sauk Valley Community College District #506

Balance Sheet - All Fund Types

As of June 30, 2025	Education	Operations and Maintenance	Operations and Maintenance Restricted	Bond and Interest
Assets and Deferred Outflow of Resources				
Cash and cash equivalents	$ 1,815,956	$ 150,308	$ 2,819,945	$ 696,223
Certificates of deposit	-	-	-	-
Investments	6,591,186	-	217,007	-
Property tax receivable	4,564,386	544,871	-	1,438,008
Student tuition receivables, net of allowance	441,391	(18,200)	-	-
Other receivables	200,848	18,848	1,340	-
Advances to other funds	2,453,339	-	-	-
Inventory	-	-	-	-
Prepaid expenses	2,000	-	-	-
Capital assets	-	-	-	-
Total assets	16,069,106	695,827	3,038,292	2,134,231
Deferred outflow of resources:				
SURS pension contribution	-	-	-	-
Other postemployment benefits - CIP	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	$ 16,069,106	$ 695,827	$ 3,038,292	$ 2,134,231
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	$ 707,070	$ 115,135	$ 1,062,046	$ 70,484
Advances from other funds	-	-	1,697,471	-
Unearned tuition revenue	98,109	(931)	-	-
Accrued compensated absences	-	-	-	-
Subscription liability	-	-	-	-
Bonds payable, net	-	-	-	-
Net OPEB liability	-	-	-	-
Total liabilities	805,179	114,204	2,759,517	70,484
Deferred inflows of resources				
Deferred property taxes	3,187,382	380,489	-	1,004,195
Deferred grant revenue	-	-	-	-
Other postemployment benefits - CIP	-	-	-	-
Total deferred inflows of resources	3,187,382	380,489	-	1,004,195
Fund balances/net position (deficit):				
Net investment in capital assets	-	-	-	-
Restricted	-	-	278,775	1,059,552
Unrestricted	12,076,545	201,134	-	-
Total fund balances/net position	12,076,545	201,134	278,775	1,059,552
Total liabilities, deferred inflows or resources and fund balances/ net position	$ 16,069,106	$ 695,827	$ 3,038,292	$ 2,134,231

Sauk Valley Community College District #506

Balance Sheet - All Fund Types

As of June 30, 2025	Auxiliary Enterprises	Restricted Purpose	Working Cash	Audit
Assets and Deferred Outflow of Resources				
Cash and cash equivalents	$ 978,111	$ -	$ 529,945	$ 3,374
Certificates of deposit	-	-	2,000,000	-
Investments	-	-	-	-
Property tax receivable	-	-	-	44,369
Student tuition receivables, net of allowance	-	-	-	-
Other receivables	(2,538)	717,893	-	-
Advances to other funds	-	-	-	-
Inventory	2,555	-	-	-
Prepaid expenses	-	-	-	-
Capital assets	-	-	-	-
Total assets	978,128	717,893	2,529,945	47,743
Deferred outflow of resources:				
SURS pension contribution	-	-	-	-
Other postemployment benefits - CIP	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	$ 978,128	$ 717,893	$ 2,529,945	$ 47,743
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	$ 99,047	$ 121,576	$ -	$ -
Advances from other funds	-	347,331	-	-
Unearned tuition revenue	312,632	-	-	-
Accrued compensated absences	-	-	-	-
Subscription liability	-	-	-	-
Bonds payable, net	-	-	-	-
Net OPEB liability	-	-	-	-
Total liabilities	411,679	468,907	-	-
Deferred inflows of resources				
Deferred property taxes	-	-	-	30,982
Deferred grant revenue	-	193,136	-	-
Other postemployment benefits - CIP	-	-	-	-
Total deferred inflows of resources	-	193,136	-	30,982
Fund balances/net position (deficit):				
Net investment in capital assets	-	-	-	-
Restricted	-	-	2,529,945	16,761
Unrestricted	566,449	55,850	-	-
Total fund balances/net position	566,449	55,850	2,529,945	16,761
Total liabilities, deferred inflows or resources and fund balances/ net position	$ 978,128	$ 717,893	$ 2,529,945	$ 47,743

Sauk Valley Community College District #506

Balance Sheet - All Fund Types

As of June 30, 2025	Tort	Totals
Assets and Deferred Outflow of Resources		
Cash and cash equivalents	$ 1,160,465	$ 8,154,327
Certificates of deposit	-	2,000,000
Investments	-	6,808,193
Property tax receivable	916,276	7,507,910
Student tuition receivables, net of allowance	-	423,191
Other receivables	12,505	948,896
Advances to other funds	-	2,453,339
Inventory	-	2,555
Prepaid expenses	-	2,000
Capital assets	-	-
Total assets	2,089,246	28,300,411
Deferred outflow of resources:		
SURS pension contribution	-	-
Other postemployment benefits - CIP	-	-
Total deferred outflow of resources	-	-
Total assets and deferred outflow of resources	$ 2,089,246	$ 28,300,411
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Accounts payable	$ 69,501	$ 2,244,859
Advances from other funds	408,537	2,453,339
Unearned tuition revenue	-	409,810
Accrued compensated absences	-	-
Subscription liability	-	-
Bonds payable, net	-	-
Net OPEB liability	-	-
Total liabilities	478,038	5,108,008
Deferred inflows of resources		
Deferred property taxes	639,848	5,242,896
Deferred grant revenue	-	193,136
Other postemployment benefits - CIP	-	-
Total deferred inflows of resources	639,848	5,436,032
Fund balances/net position (deficit):		
Net investment in capital assets	-	-
Restricted	971,360	4,856,393
Unrestricted	-	12,899,978
Total fund balances/net position	971,360	$ 17,756,371
Total liabilities, deferred inflows or resources and fund balances/ net position	$ 2,089,246	$ 28,300,411

Sauk Valley Community College District #506

Balance Sheet - All Fund Types

As of June 30, 2025	GASB General Fixed Assets	GASB General Long-Term Debt	GASB Other Adjustments	Adjusted Total
Assets and Deferred Outflow of Resources				
Cash and cash equivalents	$ -	$ -	$ -	$ 8,154,327
Certificates of deposit	-	-	-	2,000,000
Investments	-	-	-	6,808,193
Property tax receivable	-	-	-	7,507,910
Student tuition receivables, net of allowance	-	-	-	423,191
Other receivables	-	-	-	948,896
Advances to other funds	-	-	(2,453,339)	-
Inventory	-	-	-	2,555
Prepaid expenses	-	-	-	2,000
Capital assets	40,920,641	736,904	-	41,657,545
Total assets	40,920,641	$ 736,904	$ (2,453,339)	67,504,617
Deferred outflow of resources:				
SURS pension contribution	-	50,483	-	50,483
Other postemployment benefits - CIP	-	713,885	-	713,885
Total deferred outflow of resources	-	764,368	-	764,368
Total assets and deferred outflow of resources	$ 40,920,641	$ 1,501,272	$ (2,453,339)	$ 68,268,985
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	$ -	$ 5,166	$ -	$ 2,250,025
Advances from other funds	-	-	(2,453,339)	-
Unearned tuition revenue	-	-	-	409,810
Accrued compensated absences	-	1,093,705	-	1,093,705
Subscription liability	-	433,388	-	433,388
Bonds payable, net	-	5,663,603	-	5,663,603
Net OPEB liability	-	3,216,602	-	3,216,602
Total liabilities	-	10,412,464	(2,453,339)	13,067,133
Deferred inflows of resources				
Deferred property taxes	-	-	-	5,242,896
Deferred grant revenue	-	-	-	193,136
Other postemployment benefits - CIP	-	3,546,252	-	3,546,252
Total deferred inflows of resources	-	3,546,252	-	8,982,284
Fund balances/net position (deficit):				
Net investment in capital assets	40,920,641	(4,674,941)	-	36,245,700
Restricted	-	(278,775)	-	4,577,618
Unrestricted	-	(7,503,728)	-	5,396,250
Total fund balances/net position	40,920,641	(12,457,444)	-	$ 46,219,568
Total liabilities, deferred inflows or resources and fund balances/ net position	$ 40,920,641	$ 1,501,272	$ (2,453,339)	$ 68,268,985

Sauk Valley Community College District #506

Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

Year Ended June 30, 2025	Education	Operations and Maintenance	Operations and Maintenance Restricted	Bond and Interest
Revenues:				
Local government sources	$ 6,643,207	$ 804,467	$ -	$ 2,003,698
State governmental sources	1,564,123	172,725	-	-
State on-behalf payments	-	-	-	-
Federal government sources	848	-	-	-
Student tuition and fees	4,680,571	487,852	-	-
Sales and service fees	997,875	-	-	-
Facilities revenue	5,000	40,862	-	-
Investment income	530,365	4,182	213,996	21,397
Nongovernmental gifts or grants	-	-	-	-
Capital contributions	1,815	-	122,837	-
Other revenue	78,504	10,242	175,150	-
Total revenues	14,502,308	1,520,330	511,983	2,025,095
Expenditures/expenses:				
Current:				
Instruction	5,709,998	-	98,668	-
Academic support	1,054,825	-	55,853	-
Student services	2,025,326	-	-	-
Public service	957,768	-	500	-
Organized Research	25,622	-	-	-
Auxiliary services	55,755	-	135,853	-
Operations and maintenance	4,582	1,665,037	195,656	-
Institutional support	3,602,947	35,345	4,439,567	1,155
Scholarships, student grants, and waivers	880,521	-	-	-
Depreciation and amortization expense	-	-	-	-
Debt service:				
Principal	-	-	-	1,770,000
Interest, service charges, and issuance costs	-	-	-	203,812
Total expenditures/expenses	14,317,344	1,700,382	4,926,097	1,974,967
Excess (deficiency) of revenues over expenditures	184,964	(180,052)	(4,414,114)	50,128
Other financing sources (uses)				
Gain (loss) on disposal of assets	-	-	-	-
Transfers in	29,257	-	2,442,421	-
Transfers out	(341,754)	-	(2,442,420)	-
Total other financing sources (uses)	(312,497)	-	1	-
Net change in fund balance/net position	(127,533)	(180,052)	(4,414,113)	50,128
Fund balance/net position (deficit), beginning of year, as previously reported	11,872,349	310,298	4,692,888	1,009,424
Change in account principle	331,729	70,888	-	-
Fund balance, beginning of year, as restated	12,204,078	381,186	4,692,888	1,009,424
Fund balance/net position (deficit), end of year	$ 12,076,545	$ 201,134	$ 278,775	$ 1,059,552

Sauk Valley Community College District #506

Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

Year Ended June 30, 2025	Auxiliary Enterprises	Restricted Purpose	Working Cash	Audit
Revenues:				
Local government sources	$ -	$ -	$ -	$ 63,013
State governmental sources	-	1,264,444	-	-
State on-behalf payments	-	2,960,181	-	-
Federal government sources	-	4,194,857	-	-
Student tuition and fees	527,986	-	-	-
Sales and service fees	412,238	-	-	-
Facilities revenue	59,400	-	-	-
Investment income	24,727	-	77,748	-
Nongovernmental gifts or grants	-	7,216	-	-
Capital contributions	-	-	-	-
Other revenue	2,714,241	86,937	-	-
Total revenues	3,738,592	8,513,635	77,748	63,013
Expenditures/expenses:				
Current:				
Instruction	-	1,709,463	-	-
Academic support	-	317,243	-	-
Student services	-	1,213,486	-	-
Public service	-	464,422	-	-
Organized Research	-	52,974	-	-
Auxiliary services	4,028,740	78,335	-	-
Operations and maintenance	-	225,991	-	-
Institutional support	-	630,549	-	53,500
Scholarships, student grants, and waivers	-	3,796,769	-	-
Depreciation and amortization expense	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest, service charges, and issuance costs	-	-	-	-
Total expenditures/expenses	4,028,740	8,489,232	-	53,500
Excess (deficiency) of revenues over expenditures	(290,148)	24,403	77,748	9,513
Other financing sources (uses)				
Gain (loss) on disposal of assets	-	-	-	-
Transfers in	352,000	50,135	-	-
Transfers out	(1,475)	(88,164)	-	-
Total other financing sources (uses)	350,525	(38,029)	-	-
Net change in fund balance/net position	60,377	(13,626)	77,748	9,513
Fund balance/net position (deficit), beginning of year, as previously reported	493,287	15,276	2,452,197	7,248
Change in account principle	12,785	54,200	-	-
Fund balance, beginning of year, as restated	506,072	69,476	2,452,197	7,248
Fund balance/net position (deficit), end of year	$ 566,449	$ 55,850	$ 2,529,945	$ 16,761

Sauk Valley Community College District #506

Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

Year Ended June 30, 2025	Tort	Totals
Revenues:		
Local government sources	$ 1,288,299	$ 10,802,684
State governmental sources	-	3,001,292
State on-behalf payments	-	2,960,181
Federal government sources	-	4,195,705
Student tuition and fees	-	5,696,409
Sales and service fees	-	1,410,113
Facilities revenue	-	105,262
Investment income	58,406	930,821
Nongovernmental gifts or grants	-	7,216
Capital contributions	-	124,652
Other revenue	-	3,065,074
Total revenues	1,346,705	32,299,409
Expenditures/expenses:		
Current:		
Instruction	-	7,518,129
Academic support	26,709	1,454,630
Student services	-	3,238,812
Public service	-	1,422,690
Organized Research	-	78,596
Auxiliary services	6,038	4,304,721
Operations and maintenance	359,720	2,450,986
Institutional support	863,666	9,626,729
Scholarships, student grants, and waivers	-	4,677,290
Depreciation and amortization expense	-	-
Debt service:		
Principal	-	1,770,000
Interest, service charges, and issuance costs	-	203,812
Total expenditures/expenses	1,256,133	36,746,395
Excess (deficiency) of revenues over expenditures	90,572	(4,446,986)
Other financing sources (uses)		
Gain (loss) on disposal of assets	-	-
Transfers in	-	2,873,813
Transfers out	-	(2,873,813)
Total other financing sources (uses)	-	-
Net change in fund balance/net position	90,572	(4,446,986)
Fund balance/net position (deficit), beginning of year, as previously reported	840,971	21,693,938
Change in account principle	39,817	509,419
Fund balance, beginning of year, as restated	880,788	22,203,357
Fund balance/net position (deficit), end of year	$ 971,360	$ 17,756,371

Sauk Valley Community College District #506

Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

Year Ended June 30, 2025	GASB General Fixed Assets	GASB General Long-Term Debt	GASB Other Adjustments	Adjusted Total
Revenues:				
Local government sources	$ -	$ -	$ -	$ 10,802,684
State governmental sources	-	-	-	3,001,292
State on-behalf payments	-	-	-	2,960,181
Federal government sources	-	-	-	4,195,705
Student tuition and fees	-	-	(2,990,091)	2,706,318
Sales and service fees	-	-	-	1,410,113
Facilities revenue	-	-	-	105,262
Investment income	-	-	-	930,821
Nongovernmental gifts or grants	-	-	-	7,216
Capital contributions	-	-	-	124,652
Other revenue	-	-	(2,713,946)	351,128
Total revenues	-	-	(5,704,037)	26,595,372
Expenditures/expenses:				
Current:				
Instruction	(217,451)	(455,405)	-	6,845,273
Academic support	(48,076)	(78,309)	-	1,328,245
Student services	-	(188,252)	-	3,050,560
Public service	-	(39,527)	-	1,383,163
Organized Research	-	(3,203)	-	75,393
Auxiliary services	(121,823)	(27,337)	(2,713,946)	1,441,615
Operations and maintenance	(118,808)	(71,821)	-	2,260,357
Institutional support	(4,275,459)	(445,094)	-	4,906,176
Scholarships, student grants, and waivers	-	-	(2,990,091)	1,687,199
Depreciation and amortization expense	1,474,303	352,294	-	1,826,597
Debt service:				
Principal	-	(1,770,000)	-	-
Interest, service charges, and issuance costs	-	(86,681)	-	117,131
Total expenditures/expenses	(3,307,314)	(2,813,335)	(5,704,037)	24,921,709
Excess (deficiency) of revenues over expenditures	3,307,314	2,813,335	-	1,673,663
Other financing sources (uses)				
Gain (loss) on disposal of assets	(149,749)	-	-	(149,749)
Transfers in	-	-	-	2,873,813
Transfers out	-	-	-	(2,873,813)
Total other financing sources (uses)	(149,749)	-	-	(149,749)
Net change in fund balance/net position	3,157,565	2,813,335	-	1,523,914
Fund balance/net position (deficit), beginning of year, as previously reported	37,763,076	(14,225,552)	-	45,231,462
Change in account principle	-	(1,045,227)	-	(535,808)
Fund balance, beginning of year, as restated	37,763,076	(15,270,779)	-	44,695,654
Fund balance/net position (deficit), end of year	$ 40,920,641	$ (12,457,444)	$ -	$ 46,219,568

Sauk Valley Community College District #506

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Levy Years	2024	2023	2022
Assessed Valuations:			
Bureau County	$ 199,689,202	$ 186,730,443	$ 165,382,528
Lee County	962,048,736	870,317,301	790,214,555
Henry County	6,167,894	5,685,168	5,222,792
Ogle County	189,022,982	175,183,221	160,762,305
Carroll County	126,309,541	120,297,306	109,451,843
Whiteside County	1,097,740,781	1,022,069,935	958,432,508
Total assessed valuations	$ 2,580,979,136	$ 2,380,283,374	$ 2,189,466,531
Tax Rate (per $100 assessed valuation):			
Bond and Interest Fund	0.0779	0.0844	0.0917
Audit Fund	0.0024	0.0027	0.0024
Liability, Protection, and Settlement	0.0403	0.0472	0.0131
Social Security	0.0093	0.0075	0.0078
Operations and Maintenance Accounts	0.0295	0.0299	0.0300
Operations and Maintenance Accounts - Restricted	-	-	0.0365
Educational Accounts	0.2405	0.2441	0.2450
Additional tax	0.0066	-	0.0083
Total tax rate	0.4065	0.4158	0.4348
Tax Extensions:			
Bond and Interest Fund	$ 2,008,391	$ 2,007,379	$ 2,010,690
Audit Fund	61,963	64,322	52,673
Liability, Protection and Settlement	1,039,720	1,123,644	286,739
Social Security	239,975	178,672	170,675
Prior Year Adjustment	-	-	(263)
Operations and Maintenance	760,978	711,789	656,840
Operations, Maintenance Accounts - Restricted	-	-	801,107
Educational Accounts	6,204,514	5,810,223	5,364,193
Additional tax	170,250	-	181,726
Total tax extensions	$ 10,485,791	$ 9,896,029	$ 9,524,380
Tax Collections to June 30:			
Bond and Interest Fund	$ 570,383	$ 2,003,193	$ 2,003,955
Audit Fund	17,595	64,192	52,603
Liability, Protection, and Settlement	295,269	1,121,305	286,343
Social Security	68,148	178,305	170,432
Prior Year Adjustment	-	-	(262)
Operations and Maintenance Accounts	216,108	710,312	656,080
Operations and Maintenance Accounts - Restricted	-	-	798,411
Educational Accounts	1,762,034	5,798,128	5,358,012
Additional tax	48,344	-	181,513
Total tax collections	$ 2,977,881	$ 9,875,435	$ 9,507,087
Percent of extensions collected	28.40 %	99.79 %	99.82 %

ICCB State Grant Financial Compliance Section

WIPFLI

Independent Auditor's Report on State Adult Education and Family Literacy Grants Financial Statements

Board of Trustees
Sauk Valley Community College District #506
Dixon, Illinois

Opinion

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Sauk Valley Community College District #506 (the "College") as of and for the year ended June 30, 2025, 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 State Adult Education and Family Literacy Grants of Sauk Valley Community College District #506 as of June 30, 2025, and the changes in its 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 and the grant policy guidelines of the Illinois Community College Board's (ICCB) *Fiscal Management Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State Adult Education and Family Literacy Grants of Sauk Valley Community College District #506, 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

As discussed in Note 1 to the State Adult Education and Literacy Grants Financial Statements, the financial statements present only the State Adult Education and Family Literacy Grants and do not purport to, and do not present fairly, the financial position of Sauk Valley Community College District #506 as of June 30, 2025, and the changes in its financial position and, where applicable, its cash flows 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 these 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (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 and the grant policy guidelines of ICCB's *Fiscal Management Manual*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
March 13, 2026

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WIPFLI

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

Board of Trustees
Sauk Valley Community College District #506
Dixon, Illinois

We have examined management of Sauk Valley Community College District #506 (the "College") assertion that the College complied with grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to State Adult Education and Family Literacy Grants compliance during the period July 1, 2024 to June 30, 2025. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about College's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the of the procedures selected depend on our judgment, including an assertion of the risks of material misstatement of management's assertion, 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 other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the College's compliance with the specified requirements.

In our opinion, management's assertion that Sauk Valley Community College District #506 complied with the grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual, insofar as they relate to State Adult Education and Family Literacy Grants compliance is fairly stated, in all material respects.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
March 13, 2026

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Sauk Valley Community College District #506

Balance Sheet - State Adult Education and Family Literacy Grants

As of June 30, 2025	State Basic	Performance	Total
Assets			
Cash and cash equivalents	$ 3,873	$ 6,575	$ 10,448
Total assets	$ 3,873	$ 6,575	$ 10,448
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	$ 3,873	$ 6,575	$ 10,448
Total liabilities	3,873	6,575	10,448
Fund balance	-	-	-
Total liabilities and fund balances	$ 3,873	$ 6,575	$ 10,448

See Notes to ICCB State Grant Financial Statements.

Sauk Valley Community College District #506

Statement of Revenues, Expenditures and Changes in Fund Balance
State Adult Education and Literacy Grants

Year Ended June 30, 2025	State Basic	Performance	Total
Revenues:			
State sources	$ 130,000	$ 49,855	$ 179,855
Total revenues	130,000	49,855	179,855
Expenditures:			
Personnel services	96,945	40,128	137,073
Fringe benefits	15,150	1,253	16,403
Travel	862	800	1,662
Supplies	17,043	7,674	24,717
Total expenditures	130,000	49,855	179,855
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

See Notes to ICCB State Grant Financial Statements.

Sauk Valley Community College District #506

Notes to ICCB State Grant Financial Statements

Note 1: Summary of Significant Accounting Policies

General

The accompanying statements include only those transactions resulting from the State Adult Education & Family Literacy grant programs. These transactions have been accounted for in the College's Restricted Purpose Fund.

Basis of Accounting

The statements have been prepared on the modified accrual basis. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2025. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, 2025 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

Capital Assets

Capital asset purchases are recorded as capital outlay. However, for the Statement of Net Position for the College as a whole, capital assets are capitalized.

Note 2: Payment of Prior Year's Encumbrances

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

Sauk Valley Community College District #506

Background Information on State Grants

Unrestricted Grants

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

Small College Grants - Funds provided to colleges with full-time equivalent enrollments of less than 2,500 students. They are intended to help small colleges pay for some of the "fixed costs" of operating a smaller institution.

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

Statewide Initiatives

Special Incentive Grants - A new request to provide flexible funding for unique initiatives needed in the community college system. The grants will be awarded on a Request for Proposal basis and will focus on higher education priorities such as accessibility, affordability, productivity, partnerships, quality, and responsiveness. In addition, a significant proportion of the dollars available will focus on improving the availability of qualified information technology employees in the State of Illinois.

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

Restricted Grants/State

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

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

WIPFLI

Independent Accountant's Report on Credit Hour Data and Other Bases Upon Which Claims are Filed

Board of Trustees
Sauk Valley Community College District #506
Dixon, Illinois

We have examined management of Sauk Valley Community College District #506's (the "College") assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to the accompanying Schedule of Credit Hour Data and Other Bases Upon Which Claims Are Filed of Sauk Valley Community College District #506, during the period July 1, 2024 through June 30, 2025. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirement 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 management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, 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 other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the College's compliance with the specified requirements.

In our opinion, management's assertion that Sauk Valley Community College District #506 complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to the accompanying Schedule of Credit Hour Data and Other Bases Upon Which Claims Are Filed is fairly stated, in all material respects.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
March 13, 2026

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Sauk Valley Community College District 506

Schedule of Credit Hour Data and Other Bases Upon Which Claims are Filed

For the year ended June 30, 2025

Total Reimbursable Semester Credit Hours by Term

	Summer Term		Fall Term		Spring Term		Total All Terms	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Credit Hour Categories	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours
Baccalaureate	1,503.0	0.0	9,288.0	5.0	9,030.0	0.0	19,821.0	5.0
Business Occupational	141.0	0.0	1,002.0	0.0	906.0	0.0	2,049.0	0.0
Technical Occupational	176.0	0.0	1,414.0	0.0	1,603.0	0.0	3,193.0	0.0
Health Occupational	368.5	0.0	2,103.0	0.0	1,966.5	0.0	4,438.0	0.0
Remedial/Developmental	77.0	0.0	433.0	0.0	319.0	0.0	829.0	0.0
Adult Education	0.0	57.0	0.0	361.0	0.0	176.0	0.0	594.0
	2,265.5	57.0	14,240.0	366.0	13,824.5	176.0	30,330.0	599.0

	In-District (All terms)		Dual Credit (All Terms)		Dual Enrollment (All Terms)	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
	Hours	Hours	Hours	Hours	Hours	Hours
Reimbursable Credit Hours:	26,274.0	568.0	5,363.0	0.0	5.0	0.0

Credit Hours on Chargeback or Contractual Agreement: 375.5

District Equalized Assessed Valuation: $2,580,979,136

Correctional Semester Credit Hours by Term

	Summer	Fall	Spring	Total
	Correctional	Correctional	Correctional	Correctional
Credit Hour Categories	Hours	Hours	Hours	Hours
Baccalaureate	0.0	0.0	0.0	0.0
Business Occupational	0.0	0.0	0.0	0.0
Technical Occupational	0.0	0.0	0.0	0.0
Health Occupational	0.0	0.0	0.0	0.0
Remedial/Developmental	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0

Signature: _____ Signature: _____

President Vice President of Business Services

See Notes to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed.

Sauk Valley Community College District 506

Reconciliation of Total Semester Credit Hours

For the year ended June 30, 2025

Total Reimbursable Semester Credit Hours

Credit Hour Categories	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
Baccalaureate	19,821.0	19,821.0	0.0	5.0	5.0	0.0
Business Occupational	2,049.0	2,049.0	0.0	0.0	0.0	0.0
Technical Occupational	3,193.0	3,193.0	0.0	0.0	0.0	0.0
Health Occupational	4,438.0	4,438.0	0.0	0.0	0.0	0.0
Remedial/Developmental	829.0	829.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	594.0	594.0	0.0
Total	30,330.0	30,330.0	0.0	599.0	599.0	0.0

	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
In-District Credit Hours:	26,274.0	26,274.0	0.0	568.0	568.0	0.0
Dual Credit Hours:	5,363.0	5,363.0	0.0	0.0	0.0	0.0
Dual Enrollment Hours:	5.0	5.0	0.0	0.0	0.0	0.0

Total Correctional Semester Credit Hours

Credit Hour Categories	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
Baccalaureate	0.0	0.0	0.0	0.0	0.0	0.0
Business Occupational	0.0	0.0	0.0	0.0	0.0	0.0
Technical Occupational	0.0	0.0	0.0	0.0	0.0	0.0
Health Occupational	0.0	0.0	0.0	0.0	0.0	0.0
Remedial/Developmental	0.0	0.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Sauk Valley Community College District #506

Note to Schedule of Credit Hour Data and Other Bases Upon Which Claims are Filed

Note 1: Residency Verification Process

Procedures for Verifying and Classifying Residency

In-District Students

An in-district student is one whose legal residence is within the boundaries of the College. All students are required to certify on the application that the address given is correct. A student is considered a resident of District 506 if one of the following criteria is met for at least 30 days prior to beginning of the term.

- The student resides with his/her parents within District 506.
- The student is an emancipated minor, completely self-supporting and resides within District 506.
- The student is 18 years or older, self-supporting, and maintains a residence within District 506.
- The student works full-time *(as defined by IRS regulations) within District 506 and can show proof of his/her employment.

Students that move into the district for reasons other than attending Sauk Valley Community College shall be exempt from the 30-day requirement if they demonstrate a verifiable interest in establishing permanent residency. Verification will consist of employment documentation, home purchase document, and/or other legal documents. Special cases regarding legal residency of students shall be considered individually.

Out-of-District Students

An out-of-district student is any person whose legal residence is outside the boundaries of SVCC District 506, but in the State of Illinois.

Out-of-district residents who wish to attend Sauk and pay tuition and fees at the in-district rate must file the "Comprehensive Agreement Regarding the Expansion of Educational Resources" form with his/her community college district and receive authorization. The student will then be enrolled on the same tuition basis as the in-district resident. These forms can be obtained from the student's community college district and must be filed with the SVCC Admissions and Records Office prior to the semester when the out-of-district student wishes to begin attending Sauk.

An out-of-district resident who does not have a "Comprehensive Agreement Regarding the Expansion of Educational Resources" authorization will be charged the out-of-district rate.

Out-of-district charges are subject to changes based on fiscal year audits ending each June 30th.

Out-of-State Students

Anyone who is a resident of another state at the time of application will be considered an out-of-state applicant. Out-of-state students will be charged the current rate of tuition for out-of-state students.

Online Students

All students will be charged the current online tuition rate for online courses.

Returned mail to the College creates cause to question residency. If an address appears to be out of district, the student will be coded as out-of-district and must display proof of residency in order to gain in-district status. Proof of residency may include a driver's license, voter's registration card, property tax bill, or an apartment lease. Residents of states other than Illinois are classified as out-of-state. Many of the county tax records are available online and are checked by the registrar when needed.

Annual Federal Financial Compliance Section

WIPFLI

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Sauk Valley Community College District #506
Dixon, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business type activities and the discretely presented component unit of Sauk Valley Community College District #506 (the "College"), as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated March 13, 2026.

The financial statements of Sauk Valley College Foundation (a nonprofit organization, discretely presented component unit of the College) 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 Sauk Valley College Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the College's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sauk Valley Community College District #506'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 College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
March 13, 2026

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WIPFLI

Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Sauk Valley Community College District #506
Dixon, Illinois

Report on Compliance for the Major Federal Program

Qualified Opinion on the Major Federal Program

We have audited Sauk Valley Community College District #506's (the" College") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2025. The College's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Student Financial Assistance Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Sauk Valley Community College District #506 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on *Student Financial Assistance Cluster* for the year ended June 30, 2025.

Basis for Qualified Opinion on the 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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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Matters Giving Rise to Qualified Opinion on the Student Financial Assistance Cluster

As described in the accompanying schedule of findings and questioned costs, the College did not comply with requirement regarding the Student Financial Assistance Cluster as described in finding number 2025-001 for Special Tests and Provisions.

Compliance with such requirement is necessary, in our opinion, for the College to comply with the requirement applicable to that program.

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 College's federal program.

Auditor's Responsibility 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 College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 College's compliance with the requirements of the 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 College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of College's internal control over compliance. Accordingly, no such opinion is expressed.

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

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Other Matters

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

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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

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

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

Wipfli LLP

Wipfli LLP

Sterling, Illinois
March 13, 2026

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Sauk Valley Community College District #506

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
Small Business Administration:				
Passed through the Illinois Department of Commerce and Economic Opportunity:				
Small Business Development Centers	59.037	24-565191	$42,704	$0
Small Business Development Centers	59.037	25-185191	47,153	0
Total ALN 59.037			$89,857	$0
U.S. Department of Education:				
Pass-through Illinois Community College Board:				
Adult Education - Basic Grants to States:				
Federal Basic	84.002	AE-50601-25	$98,301	$0
Direct awards:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants (m)	84.007		118,988	0
Federal Work Study Program (m)	84.033		162,881	0
Federal Pell Grant Program (m)	84.063		2,926,533	0
Federal Pell Grant Program - admin (m)	84.063		550	0
Federal Direct Loan Program (m)	84.268		553,074	0
Total student financial assistance cluster			3,762,026	0
Direct award:				
Higher Education Institutional Aid	84.031A		214,204	0
Direct award:				
TRIO Cluster:				
TRIO - Student Support Services	84.042A		291,198	0
Passed through the Illinois Community College Board:				
Career and Technical Education - Basic Grants to States				
CTE Perkins Postsecondary Grants	84.048	CTE-506-25	175,911	0
Total U.S. Department of Education			$4,541,640	$0
Department of Health & Human Services:				
Child Care and Development Fund Cluster:				
Passed through the Illinois Student Assistance Commission:				
Child Care and Development Block Grant	93.575	444-80-2814	$85,027	$0
Total Department of Health & Human Services			$85,027	$0
Total federal awards expended			**$4,716,524**	**$0**

(m) Denotes major program

See Notes to the Schedule of Expenditures of Federal Awards

Sauk Valley Community College District #506

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Sauk Valley Community College District #506 (the "College") under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position or cash flows of the College.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Indirect Cost Rate

The College has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Loan Program

For the year ended June 30, 2025, the College acted a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of $553,074.

Note 5: Non-Cash Assistance

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2025.

Note 6: Other Federal Award Information

The College did not receive or administer any insurance or loan guarantees during fiscal year ended June 30, 2025.

Sauk Valley Community College District #506

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified? ____ Yes __X__ None Reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified? __X__ Yes ____ None Reported

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __X__ Yes ____ No

Identification of major programs

AL Number(s)	Federal Program or Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster

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

Auditee qualified as low-risk auditee? __X__ Yes ____ No

Section II - Audit Findings in Relation to Financial Statements

No findings related to the financial statements.

Section III - Audit Findings and Questioned Costs in Relation to Federal Awards

2025-001 **Special Test and Provisions - NSLDS Reporting**

Federal Program Information:

Funding agency:	US Department of Education
Title:	Student Financial Aid Cluster
ALN:	84.007, 84.033, 84.063, 84.268
Award year and number:	2025

Criteria or Specific Requirement: Federal regulations (34 CFR 685.309 and NSLDS Enrollment Reporting guidance) require institutions to report enrollment status changes to National Student Loan Data System (NSLDS) accurately and timely. Enrollment status changes must generally be reported within 30 days of the status change if the institution does not file roster reports, or within 60 days of the date the institution becomes aware of the status change when following normal roster reporting cycles.

Condition: During our examination of 17 student files with enrollment status changes, we noted 3 students whose enrollment statuses were either inaccurately reported to NSLDS or reported outside of the required timeframe.

Student A - Institutional records show an LDA of 10/9/24; NSLDS reflects a withdrawal effective date of 12/6/24.

Student B – Withdrawal not reported within the required 60 day timeframe. The student withdrew on 5/9/25; the date of determination (DOD) was 5/14/25; NSLDS certification occurred on 9/4/25.

Student C – Withdrawal not reported within the required 60 day timeframe. The student withdrew on 5/9/25; the date of determination (DOD) was 5/14/25; NSLDS certification occurred on 9/4/25.

Context: The College processes enrollment data for a substantial number of Title IV-eligible students. Of the 17 students selected for testing, 3 (18%) had inaccurate or incomplete NSLDS reporting. Errors were not concentrated in a single academic program or term, indicating that the issue may be broader within the enrollment reporting process.

These inconsistencies increase risk because NSLDS relies on accurate enrollment data to determine in-school status, grace periods, and repayment dates.

Questioned Costs: $0

Effect: NSLDS did not accurately reflect the students' enrollment status changes. Inaccurate or late reporting may result in: incorrect repayment notifications, improper deferment or grace period calculations, and potential noncompliance with federal reporting requirements.

Cause: The College reported the last day of the term rather than the student's actual last date of attendance, resulting in inaccurate effective dates being transmitted to NSLDS. The College did not submit the enrollment status updates within the required 60-day reporting window.

Repeat: Yes - Years as Repeat Finding: One

Auditor's Recommendation: The College should implement stronger internal controls over NSLDS enrollment reporting, including: periodic spot checks comparing NSLDS reflected statuses and effective dates to institutional records; verification of LDA/DOD accuracy prior to certification; and monitoring compliance with the 60day reporting requirement to ensure enrollment changes are transmitted timely. Management should consider incorporating a secondary review process.

View of Responsible Officials: Management acknowledges the finding and has prepared a corrective action plan.

Sauk Valley Community College District #506

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2025

June 30, 2024

Section II Financial Statement Finding

None

Section III Findings and Questioned Costs for Federal Awards

Finding 2024-001

In regard to the Student Financial Assistance Cluster special test and provisions NSLDS reporting, the examination disclosed 4 instances, out of 10 student files tested, in which their NSLDS was not updated correctly. This finding was repeated in 2025. The recurrence resulted from a misunderstanding of the root cause of the finding in prior year audit. Management has taken steps to obtain a better understanding of the cause of the incorrect NSLDS reporting. Management plans to implement enhanced controls and monitoring procedures, as outlined in their fiscal year 2025 corrective action plan, to fully remediate the finding in the next fiscal year.

Sauk Valley Community College
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Corrective Action Plan for Current Year Findings

Finding 2025-001: Special Tests & Provisions – Enrollment Reporting – NSLDS Inaccurately Reported

Condition:

The audit identified instances in which enrollment status changes for withdrawn students were not reported to the National Student Loan Data System (NSLDS) within the required 60-day timeframe and in some cases the withdrawal date reported did not reflect the student's actual Last Date of Attendance (LDA).

Cause:

The discrepancies occurred because the academic term end date was used instead of the student's actual Last Date of Attendance for certain withdrawn students. In addition, in limited cases enrollment status changes for students who did not return for a subsequent term were not reported within the required 60-day window due to the timing of non-returning student reporting cycles.

Corrective Action Plan:

Sauk Valley Community College will implement revised procedures and additional monitoring controls to ensure that enrollment reporting to NSLDS complies with federal requirements.

The College submits enrollment reporting through the National Student Clearinghouse, which transmits enrollment data to NSLDS on the College's behalf. The College utilizes an internal system to generate enrollment reporting files based on institutional enrollment and withdrawal data. The Registrar reviews the file prior to transmission to the National Student Clearinghouse for submission to NSLDS. Enrollment reporting is currently submitted on a monthly basis.

To address the reporting discrepancies identified in the audit, the College will implement the following corrective actions:

1. Accurate Withdrawal Date Reporting
Procedures will be updated to ensure that the effective withdrawal date reported to NSLDS reflects the student's actual Last Date of Attendance (LDA) recorded in institutional records rather than the academic term end date or administrative processing date.

2. Monthly Reconciliation Process
The Registrar and Financial Aid Office will perform a monthly reconciliation of institutional withdrawal records to NSLDS enrollment reporting data to confirm that enrollment status changes and withdrawal dates have been reported accurately and within the required reporting timeframe.

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3. Monitoring of Potential Unofficial Withdrawals
Students who receive all "F" or "W" grades will be reviewed as potential unofficial withdrawals to ensure that the correct Last Date of Attendance is identified and reported when applicable.

4. Monitoring of Non-Returning Students
Students who do not return for the summer or fall term following the spring semester will be reviewed by the end of June to determine whether a withdrawal status must be reported to NSLDS. The College will follow the National Student Clearinghouse guidance regarding non-required term enrollment reporting to support accurate status reporting.

5. Ongoing Compliance Oversight
Financial Aid and the Registrar will work collaboratively to review enrollment reporting data on an ongoing basis to ensure compliance with federal reporting requirements, including the 60-day reporting requirement for enrollment status changes.

6. Staff Training and Procedural Reinforcement
The Registrar and the Financial Aid Office will review NSLDS enrollment reporting guidance and applicable federal requirements with relevant staff to reinforce proper reporting procedures and ensure consistent understanding of withdrawal date reporting requirements and timelines.

These procedures will provide additional oversight to ensure that withdrawal dates are reported accurately and that enrollment status changes are transmitted to NSLDS within the required timeframe.

Responsible Officials:

Jennifer Schultz, Dean of Student Services, Lizzie Harper, Director of Financial Assistance, and Meagan Rivera, Registrar

Planned Implementation Date:

The revised procedures will be implemented immediately, beginning with the current enrollment reporting cycle, and will continue as an ongoing compliance control.

Dr. David Hellmich, *President*

Kent Sorenson, *Vice President of Business Services*

Sauk Valley Community College is dedicated to teaching and scholarship while engaging the community in lifelong learning, public service, and economic development.

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