

Spoon River College

Canton, Illinois

Annual Financial Report

Fiscal Years Ended June 30, 2022 and 2021



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Financial Section

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Spoon River College District No. 534
Canton, 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 Spoon River College District No. 534 (the College), as of and for the years ended June 30, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Spoon River College District No. 534 (the College), as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis of Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Spoon River College Foundation were not audited in accordance with *Government Auditing 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 the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College'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 Responsibility 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's 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 basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial

statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 supplemental financial information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other supplemental financial information listed in the special reports section 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2022, 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 the College'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

Sterling, Illinois
October 19, 2022

Spoon River College District No. 534

Management Discussion and Analysis

Using This Annual Report

This section of Spoon River College District No. 534's (the "College") presents management discussion and analysis of the College's financial activities for the fiscal years ended June 30, 2022 and 2021. Since management discussion and analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's basic financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

The financial statement format focuses on the College as a whole. A comparative analysis is presented under this model. The College financial statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statements of Net Position is designed to be similar to bottom line results for the College. These statements combine and consolidate current financial resources (short-term spendable resources) with capital assets. The Statements of Revenues, Expenses, and Changes in Net Position focus on both the gross costs and the net costs of College activities which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various College services to students and the public.

The College's financial reports are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. These standards also require that financial statements be presented on a consolidated basis to focus on the College as a whole.

2022 Financial Highlights

- For the year ended June 30, 2022, the College recorded total operating revenues of \$4,346,995 and total operating expenses of \$20,768,140. The difference produced an operating loss of \$16,421,145. Net nonoperating revenue of \$19,579,482 and \$728,307 of capital contributions offset this loss and resulted in an overall increase in net position of \$3,886,644.
- The largest sources of nonoperating revenue included local property taxes of \$6,458,937, state appropriations of \$4,998,995, and federal grants of \$5,689,881.
- Operating revenue accounted for 17% of the College's total revenue, while nonoperating revenues account for the other 83% of the College's total revenue. Operating revenue consisted of tuition and fees net of scholarships totaling \$3,024,333 and auxiliary enterprise revenues totaling \$1,322,662.

2021 Financial Highlights

- For the year ended June 30, 2021, the College recorded total operating revenues of \$4,213,052 and total operating expenses of \$19,543,747. The difference produced an operating loss of \$15,330,695. Net nonoperating revenue of \$16,744,556 and \$126,279 of capital contributions offset this loss and resulted in an overall increase in net position of \$1,540,140.

The largest sources of nonoperating revenue included local property taxes of \$6,354,434, state appropriations of \$6,634,744, and federal grants of \$3,387,083.

Spoon River College District No. 534

Management Discussion and Analysis

2021 Financial Highlights (continued)

- Operating revenue accounted for 19% of the College's total revenue, while nonoperating revenues account for the other 81% of the College's total revenue. Operating revenue consisted of tuition and fees net of scholarships totaling \$3,190,918 and auxiliary enterprise revenues totaling \$1,022,134.

Financial Analysis of the College as a Whole

The College's financial position is summarized as follows for the years ended June 30, 2022, 2021, and 2020:

	Net Position As of June 30,		Increase (Decrease) 2022-2021		Increase (Decrease) 2021-2020
	2022	2021		2020	
Current assets	\$32,014,610	\$21,946,763	\$10,067,847	\$17,113,549	\$4,833,214
Non-current assets -					
Capital assets, net of depreciation	25,379,368	25,454,021	(74,653)	24,910,786	543,235
Total assets	57,393,978	47,400,784	9,993,194	42,024,335	5,376,449
Deferred outflows of resources	1,792,020	1,101,258	690,762	708,413	392,845
Total assets and deferred outflows of resources	59,185,998	48,502,042	10,683,956	42,732,748	5,769,294
Current liabilities	4,773,405	5,038,360	(264,955)	5,076,282	(37,922)
Non-current liabilities	32,309,684	25,256,003	7,053,394	23,124,011	2,131,992
Total liabilities	37,083,089	30,294,363	6,788,439	28,200,293	2,094,070
Deferred inflows of resources	9,713,427	9,704,554	8,873	7,569,470	2,135,084
Total liabilities and deferred inflows of resources	46,796,229	39,998,917	6,797,312	35,769,763	4,229,154
Net position					
Net investment in capital assets	10,912,368	9,491,183	1,421,185	9,816,724	(325,541)
Restricted	279,097	0	426,536	5,280	(5,280)
Unrestricted	1,198,304	(988,058)	2,186,362	(2,859,019)	1,870,961
Total	\$12,389,769	\$8,503,125	\$3,886,644	\$6,962,985	\$1,540,140

This schedule is prepared from the College's Statements of Net Position, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated and long-term liabilities are recorded.

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2022 Compared to 2021

Current assets increased \$10,067,847 due to unspent bond proceeds that are included in investments relating to the College's sweep account.

Non-current assets decreased \$74,653 due to less additions than the annual depreciation.

Deferred outflows of resources increased \$690,762 with an increase in deferred outflows of resources related to OPEB.

Current liabilities decreased \$264,955 due to a decrease in unearned tuition and fees .

Non-current liabilities increased \$7,053,394 due an increase in bonds payable. The College issued one bond during the fiscal year.

Deferred inflows of resources increased \$8,873 which is fairly consistent with fiscal year 2021.

Total net position at June 30, 2022 increased by \$3,886,644. The restricted net position of \$279,097 is restricted for grants and scholarships.

Fiscal Year 2021 Compared to 2020

Current assets increased \$4,833,214 due to unspent bond proceeds that are included in investments relating to the College's sweep account.

Non-current assets increased \$543,235 due to the additions in capital assets relating to the HVAC replacement project.

Deferred outflows of resources increased \$392,845 with an increase in deferred outflows on unamortized loss on refunding bonds.

Current liabilities decreased \$42,721 due to a decrease in accounts payable relating to outstanding payments for the HVAC project.

Non-current liabilities increased \$2,136,791 due an increase in bonds payable. The College issued three bonds during the fiscal year.

Deferred inflows of resources increased \$2,135,084 with an increase in deferred inflows of resources related to OPEB and deferred grant revenue.

Total net position at June 30, 2021 increased by \$1,540,140. The restricted net position is restricted for \$3,152,620 of capital projects.

Spoon River College District No. 534

Management Discussion and Analysis

Operating Results for the Year Ended June 30,					
	2022	2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 2021-2020
Operating revenue:					
Tuition and fees	\$3,024,333	\$3,190,918	(\$166,585)	\$3,611,560	(\$420,642)
Auxiliary	1,322,662	1,022,134	300,528	1,092,547	(70,413)
Other operating revenues	0	0	0	0	0
Total operating revenue	4,346,995	4,213,052	133,943	4,704,107	(491,055)
Less operating expenses	20,768,140	19,543,747	1,224,393	20,482,693	(938,946)
Operating loss	(16,421,145)	(15,330,695)	(1,090,450)	(15,778,586)	447,891
Non-operating revenue					
State grants and contracts	4,998,995	6,634,744	(1,635,749)	6,581,320	53,424
Federal grants and contracts	5,689,881	3,387,083	2,302,798	3,306,110	80,973
Property taxes	6,458,937	6,354,434	104,503	6,237,245	117,189
Replacement taxes	2,960,883	1,369,397	1,591,486	982,847	386,550
Local grants	83,535	71,439	12,096	73,119	(1,680)
Investment income	22,548	29,471	(6,923)	148,662	(119,191)
Other	60,740	80,642	(19,902)	48,471	32,171
Interest expense	(696,037)	(1,182,654)	486,617	(579,270)	(603,384)
Total net non-operating revenues	19,579,482	16,744,556	2,834,926	16,798,504	(53,948)
Capital contributions	728,307	126,279	602,028	57,959	68,320
Change in net position	3,886,644	1,540,140	2,346,504	1,077,877	462,263
Net position, beginning of year	8,503,125	6,962,985	1,540,140	5,885,108	1,077,877
Net position, end of year	\$12,389,769	\$8,503,125	\$3,886,644	\$6,962,985	\$1,540,140

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2022 were \$25,350,81 and \$21,464,177, respectively. Fiscal year 2021 total revenues and expenses (Operating and Non-Operating) were \$22,266,541 and \$20,726,401, respectively. Fiscal year 2020 total revenues and expenses (Operating and Non-Operating) were \$22,139,840 and \$21,061,963, respectively.

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2022 Compared to 2021

Operating revenue increased \$133,943 due to an increase in auxiliary income.

Operating expenses increased \$1,224,393 due to increases in scholarships, student grants, and waivers expenses.

Net nonoperating revenue increased \$2,834,926 due to an increase in federal grants and replacement taxes.

Fiscal Year 2021 Compared to 2020

Operating revenue decreased \$491,055 due to a decrease in tuition and fees revenues.

Operating expenses decreased \$938,946 due to decreases in instruction, auxiliary services, institutional support, and scholarships, student grants, and waivers expenses.

Net nonoperating revenue decreased \$53,948 due to an increase in replacement taxes and property taxes revenues which was offset by an increase in interest expense relating to bonds.

Operating Expenses For the Year Ended June 30,

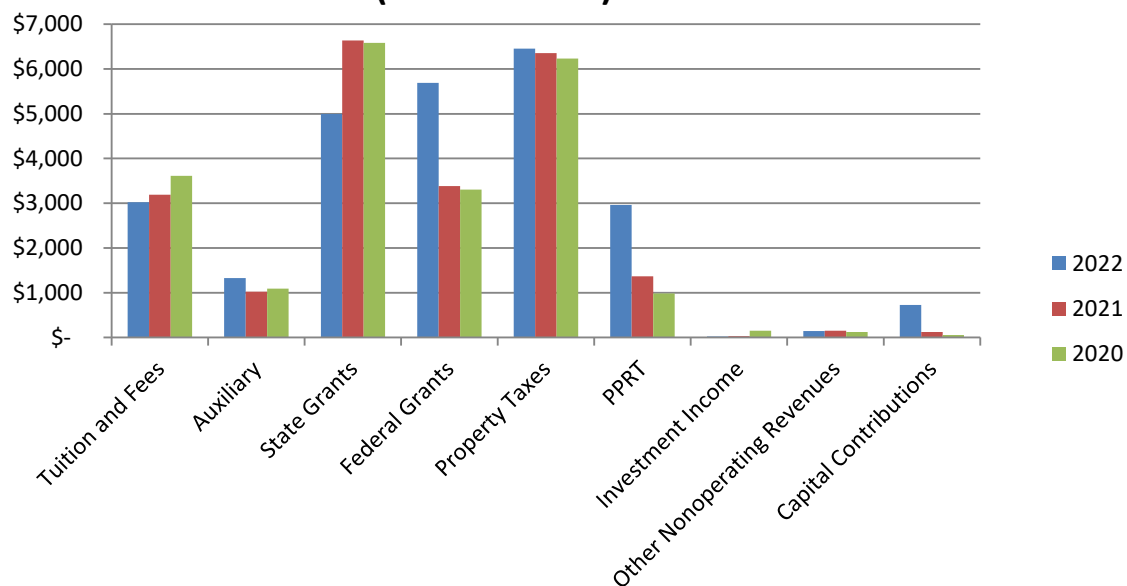
	2022	2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 202-2020
Operating expense:					
Instruction	\$5,180,633	\$5,891,923	(\$711,290)	\$6,051,598	(\$159,675)
Academic support	930,414	1,057,950	(127,536)	1,154,817	(96,867)
Student services	1,490,471	1,658,308	(167,837)	1,808,359	(150,051)
Public services	548,306	618,837	(70,531)	593,488	25,349
Auxiliary services	1,609,289	1,492,663	116,626	1,613,776	(121,113)
Operations & maintenance of plant	1,541,852	1,223,733	318,119	1,191,906	31,827
Institutional support	4,453,525	4,564,728	(111,203)	5,136,087	(571,359)
Scholarships, grants, waivers	3,720,907	1,842,822	1,878,085	2,109,150	(266,328)
Depreciation	1,292,743	1,192,783	99,960	823,512	369,271
Total	\$20,768,140	\$19,543,747	\$1,224,393	\$20,482,693	(\$938,946)

Spoon River College District No. 534

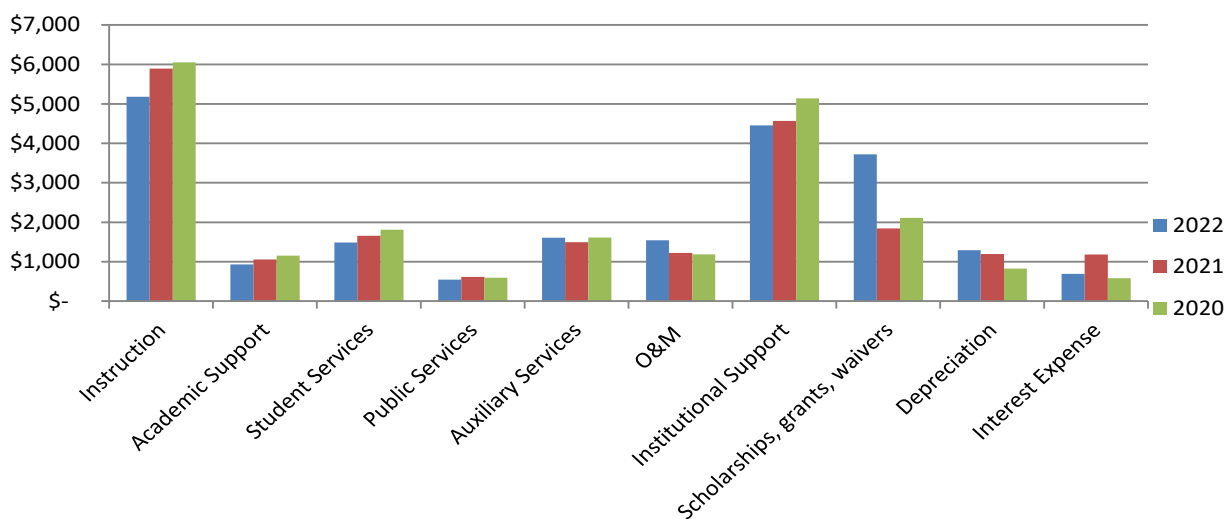
Management Discussion and Analysis

The following graphs depict revenues and expense for the years ended June 30, 2022, 2021, and 2020:

Comparison of Revenues Fiscal Years 2022, 2021, and 2020
(in thousands)



Comparison of Expenses Fiscal Years 2022, 2021, and 2020
(in thousands)



Spoon River College District No. 534

Management Discussion and Analysis

Capital Assets, Net June 30,					
	2022	2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 2021-2020
Capital assets:					
Land and improvements	\$1,805,568	\$1,784,964	\$20,604	\$869,115	\$915,849
Buildings and improvements	40,506,988	40,205,619	301,370	34,461,900	5,743,718
Equipment	660,210	554,550	105,660	562,698	(8,148)
Computer technology	777,628	722,040	55,588	337,428	384,612
Construction in progress	1,023,068	288,200	734,868	5,647,337	(5,359,137)
Total	44,773,462	43,555,372	1,218,090	41,878,478	1,676,894
Less accumulated depreciation	19,394,094	18,101,351	1,292,743	16,967,692	1,133,659
Net capital assets	\$25,379,368	\$25,454,021	(\$74,653)	\$24,910,786	\$543,235

Fiscal Year 2022 Compared to 2021

As of June 30, 2022, the College had recorded \$44,773,462 invested in capital assets, \$19,394,094 in accumulated depreciation, and \$25,379,368 in net capital assets. The College had \$1,218,090 in capital asset additions mostly related to the Macomb Parking Lot project, new computer software and hardware, and building renovations and \$0 of disposals. For more detailed information on capital asset activity, refer to Note 3 – Capital Assets, in the Notes to Basic Financial Statements.

Fiscal Year 2021 Compared to 2020

As of June 30, 2021, the College had recorded \$43,555,372 invested in capital assets, \$18,101,351 in accumulated depreciation, and \$25,454,021 in net capital assets. The College had \$1,736,018 in capital asset additions mostly related to the HVAC replacement project, new computer software and hardware, and building renovations and \$59,124 of disposals. For more detailed information on capital asset activity, refer to Note 3 – Capital Assets, in the Notes to Basic Financial Statements.

Debt June 30,					
	2022	2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 2021-2020
General obligation bonds, net	\$28,707,509	\$22,528,663	\$6,178,846	\$18,327,876	\$4,200,787
Contracts payable	14,235	20,916	(6,681)	27,323	(6,407)
Compensated absences	275,883	264,631	11,252	342,065	(77,434)
Total	\$28,997,627	\$22,814,210	\$6,183,417	\$18,697,264	\$4,116,946

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2022 Compared to 2021

During fiscal year 2021, the College paid \$1,780,849 in bond payments funded through the tax levy and also received a \$460,975 credit from the Series 2021C refunding bond escrow account that was applied to the Series 2021C refunding bond December 1, 2021 principal and interest payment. The College issued Series 2022 funding bond for \$8,100,000. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements.

Fiscal Year 2021 Compared to 2020

During fiscal year 2021, the College paid \$1,710,000 in bond payments funded through the tax levy. The College issued two funding bonds and one refunding bond that defeased \$11,090,000. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements.

Factors or Conditions Impacting Future Periods

Financial and budget planning is directly related to and supportive of the District's strategic plan and operational needs. The District's financial outlook is influenced by factors such as: the State and local economy, actual and projected enrollment, the level of support available from the Spoon River College Foundation, program growth and development, new initiatives, and technology needs.

The District's main sources of Operating Funds Revenue are: property tax revenue, student tuition and fees, and State Operating grants. Management is aware of conditions that may impact each of those sources of revenue in fiscal year 2023.

Property tax revenue in the Operating Funds has increased roughly 1.6% for fiscal year 2022, after a 2% increase in fiscal year 2021. The District experienced a 2% increase in equalized assessed valuation (EAV) from tax year 2020 to 2021. For fiscal year 2023, the District has estimated a 2.0% increase in EAV due to the economic conditions of the District. Each percentage point in EAV is the equivalent of about \$40,000 in property tax revenue in the Operating funds. Additionally, personal property replacement tax doubled from 2021 to 2022 and is expected to remain at this level through fiscal 2023.

Management anticipates a 5% increase in tuition revenue in fiscal year 2023 based on level credit hour enrollment for the 2022-2023 academic year, combined with an increase in tuition rates.

The State of Illinois adopted a budget for fiscal year 2023. Expected State appropriations for the District for fiscal year 2023 are \$30,000 less than the fiscal year 2022 State funding. Overall, Operating funds revenue is expected approximate fiscal year 2022 actual levels to fiscal year 2023.

For fiscal year 2023, the Operating funds budget is forecasted to be balanced. The majority of the Operating funds budget for fiscal year 2023 continues to comprise instruction, academic support, and student services, reflecting the District's commitment to providing quality education and learning opportunities to the people of West Central Illinois.

Contacting the College's Financial Management

This financial report is designed to provide our constituents with a general overview of the College's financial position. Questions concerning this report or requests for additional information should be directed to Sarah Gray, Director of Business Services, 23235 N. County Highway 22, Canton, IL 61520.

Basic Financial Statements

Spoon River College District No. 534

Statements of Net Position

June 30, 2022 and 2021

ASSETS	2022	2021
Current assets:		
Cash and cash equivalents	\$2,614,923	\$2,782,278
Investments	21,895,792	9,941,251
Property taxes receivable, net of allowance	3,706,764	6,029,356
Other receivables, net of allowance	3,439,340	2,813,593
Prepaid items	90,856	74,499
Inventories	266,935	305,786
Total current assets	32,014,610	21,946,763
Noncurrent assets:		
Non-depreciable capital assets	1,782,106	1,047,238
Depreciable capital assets	42,991,356	42,508,134
Less accumulated depreciation	(19,394,094)	(18,101,351)
Total noncurrent assets	25,379,368	25,454,021
Total assets	57,393,978	47,400,784
DEFERRED OUTFLOW OF RESOURCES		
Unamortized loss on refunding	476,780	584,730
SURS pension contribution	27,161	28,373
College insurance plan OPEB	1,288,079	488,155
Total deferred outflow of resources	1,792,020	1,101,258
Total assets and deferred outflows of resources	59,185,998	48,502,042
LIABILITIES		
Current liabilities:		
Accounts payable	272,224	203,684
Accrued liabilities	391,577	344,992
Unearned tuition and fees	1,733,365	1,942,290
Accrued compensated absences	275,883	264,631
Contracts payable	6,968	6,681
Bonds payable, net of unamortized premiums (discounts)	2,093,388	2,276,082
Total current liabilities	4,773,405	5,038,360
Noncurrent liabilities:		
Contracts payable	7,267	14,235
Bonds payable, net of unamortized premiums (discounts)	26,614,121	20,252,581
Net OPEB liability	5,688,009	4,989,187
Total noncurrent liabilities	32,309,397	25,256,003
Total liabilities	37,082,802	30,294,363
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	6,665,472	6,550,571
Deferred grant revenue	357,313	552,883
Unamortized gain on refunding	7,318	24,886
Deferred OPEB	2,683,324	2,576,214
Total deferred inflows of resources	9,713,427	9,704,554
Total liabilities and deferred inflows of resources	46,796,229	39,998,917
NET POSITION		
Net investment in capital assets	10,912,368	9,491,183
Restricted - expendable:		
Capital projects	0	0
Debt service	0	0
Grants and scholarships	279,097	0
Unrestricted	1,198,304	(988,058)
Total net position	\$12,389,769	\$8,503,125

See Notes to Financial Statements.

Spoon River College District No. 534

Statements of Revenues, Expenses, and Changes in Net Position For the years ended June 30, 2022 and 2021

	2022	2021
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$965,993 and \$1,219,141, respectively	\$3,024,333	\$3,190,918
Auxiliary enterprises revenue	1,322,662	1,022,134
Total operating revenue	4,346,995	4,213,052
Operating expenses:		
Instruction	5,180,633	5,891,923
Academic support	930,414	1,057,950
Student services	1,490,471	1,658,308
Public services	548,306	618,837
Auxiliary services	1,609,289	1,492,663
Operation and maintenance of plant	1,541,852	1,223,733
Institutional support	4,453,525	4,564,728
Scholarships, student grants, and waivers	3,720,907	1,842,822
Depreciation	1,292,743	1,192,783
Total operating expenses	20,768,140	19,543,747
Operating loss	(16,421,145)	(15,330,695)
Nonoperating revenues and (expenses):		
State grants	4,998,995	6,634,744
Federal grants	5,689,881	3,387,083
Property taxes	6,458,937	6,354,434
Personal property replacement tax	2,960,883	1,369,397
Local grants	83,535	71,439
Investment income	22,548	29,471
Other nonoperating revenues	60,740	80,642
Interest expense	(696,037)	(1,182,654)
Net nonoperating revenues and (expenses)	19,579,482	16,744,556
Capital contributions - Capital grants and gifts	728,307	126,279
Change in net position	3,886,644	1,540,140
Net position, beginning of year	8,503,125	6,962,985
Net position, end of year	\$12,389,769	\$8,503,125

See Notes to Financial Statements.

Spoon River College District No. 534

Statements of Cash Flows

For the years ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$3,861,452	\$4,584,616
Payments to suppliers	(4,675,950)	(5,194,299)
Payments to employees	(7,900,300)	(8,045,210)
Payments to students for scholarships	(4,686,900)	(3,061,963)
Auxiliary enterprise charges	1,322,662	1,022,134
Net cash flows from operating activities	(12,079,036)	(10,694,722)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from property taxes	8,896,430	6,039,637
Replacement tax	2,960,883	1,369,397
Proceeds from grants	7,391,565	4,622,088
Other nonoperating	(165,410)	586,785
Net cash flows from noncapital financing activities	19,083,468	12,617,907
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(1,218,090)	(1,736,018)
Proceeds from sale of capital assets	0	0
Principal paid on capital debt	(1,780,849)	(1,710,000)
Proceeds from bonds sold	8,100,000	17,330,000
Principal deposit in escrow	0	(11,090,000)
Premium (discount) on bonds sold	357,070	204,547
Interest paid on bonds payable and other long-term obligations	(681,031)	(1,283,859)
Net cash flows from capital and related financing activities	4,777,100	1,714,670
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(11,953,867)	(1,792,412)
Interest on investments	4,980	11,194
Net cash flows from investing activities	(11,948,887)	(1,781,218)
Net change in cash and cash equivalents	(167,355)	1,856,637
CASH AND CASH EQUIVALENTS:		
Beginning of year	2,782,278	925,641
End of year	\$2,614,923	\$2,782,278

See Notes to Financial Statements.

Spoon River College District No. 534

Statements of Cash Flows - (Continued)

For the years ended June 30, 2022 and 2021

	2022	2021
RECONCILIATION OF OPERATING LOSS TO NET CASH USED		
IN OPERATING ACTIVITIES:		
Operating loss	(\$16,421,145)	(\$15,330,695)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,292,743	1,192,783
State on-behalf payments for fringe benefits	3,433,935	5,083,794
Changes in assets and liabilities:		
Receivables	80,051	(36,330)
Prepaid expenses	(16,357)	(12,959)
Inventories	38,851	(4,380)
Other	(7,355)	0
Deferred outflows of resources	(690,762)	(392,845)
Accounts payable	122,187	(441,830)
Accrued liabilities	(411,493)	(1,211,972)
Accrued compensated absences	11,252	(77,434)
Unearned tuition and fees	(208,925)	210,887
Other unearned revenue inc(decr)	(107,950)	584,730
OPEB liability	698,822	(1,603,653)
Deferred inflows of resources	107,110	1,345,182
Net cash used in operating activities	(\$12,079,036)	(\$10,694,722)
NONCASH INVESTING, CAPITAL, AND FINANCIAL:		
Acquisition of capital assets with state capital contributions	\$728,307	\$126,279
Acquisition of capital assets using accounts payable	\$0	\$0
Disposal of assets	\$0	\$0
STATE ON-BEHALF PAYMENTS	\$3,433,935	\$5,083,794

Spoon River College District No. 534
Component Unit - Spoon River College Foundation
Statements of Financial Position
June 30, 2022 and 2021

ASSETS	2022	2021
Cash	\$873,413	\$845,928
Investments	3,910,643	3,768,582
Receivables, net	11,509	52,509
Beneficial interest in perpetual trusts	821,951	954,499
Capital assets, non-depreciable	40,000	40,000
Total assets	\$5,657,516	\$5,661,518
LIABILITIES		
Accounts payable	\$55,934	\$28,145
Total liabilities	55,934	28,145
NET ASSETS		
Without donor restrictions	239,203	218,250
With donor restrictions	5,362,379	5,415,123
Total net assets	5,601,582	5,633,373
Total liabilities and net assets	\$5,657,516	\$5,661,518

See Notes to Financial Statements.

Spoon River College District No. 534
Component Unit - Spoon River College Foundation
Statements of Activities
For the years ended June 30, 2022 and 2021

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support received:			
Contributions	\$105,357	\$765,478	\$870,835
In-kind	82,550	0	82,550
Interest and dividends	0	54,962	54,962
Net realized gain (loss) on investments	0	197,957	197,957
Net unrealized gain (loss) on investments	0	(677,076)	(677,076)
Unrealized gain (loss) on beneficial interest in trusts	0	(132,548)	(132,548)
Net assets released from restrictions	261,517	(261,517)	0
 Total revenue, gains, and other support received	 449,424	 (52,744)	 396,680
Expenses:			
Program services:			
Grants, awards and scholarships			
Student Scholarships	119,753	0	119,753
Institutional support	141,764	0	141,764
Total program services	261,517	0	261,517
Supporting services:			
Management and general:			
In-kind - salaries, benefits, and rent	82,550	0	82,550
Administrative	0	0	0
Other	32,120	0	32,120
Fundraising:			
Professional fees	52,284	0	52,284
Materials and supplies	0	0	0
Food	0	0	0
Total supporting services	166,954	0	166,954
Total expenses	428,471	0	428,471
Change in net assets	20,953	(52,744)	(31,791)
Net assets, beginning of year	218,250	5,415,123	5,633,373
Net assets, end of year	\$239,203	\$5,362,379	\$5,601,582

See Notes to Financial Statements.

Spoon River College District No. 534
Component Unit - Spoon River College Foundation
Statements of Activities (Continued)
For the years ended June 30, 2022 and 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support received:			
Contributions	\$93,075	\$588,093	\$681,168
In-kind	83,926	0	83,926
Interest and dividends	0	57,230	57,230
Net realized gain (loss) on investments	0	141,531	141,531
Net unrealized gain (loss) on investments	0	453,850	453,850
Unrealized gain (loss) on beneficial interest in trusts	0	144,546	144,546
Net assets released from restrictions	260,061	(260,061)	0
 Total revenue, gains, and other support received	 437,062	 1,125,189	 1,562,251
Expenses:			
Program services:			
Grants, awards and scholarships			
Student Scholarships	98,789	0	98,789
Institutional support	117,814	0	117,814
Total program services	216,603	0	216,603
Supporting services:			
Management and general:			
In-kind - salaries, benefits, and rent	83,926	0	83,926
Administrative	24,054	0	24,054
Other	1,566	0	1,566
Fundraising:			0
Marketing and promotion	46,833	0	46,833
Materials and supplies	6,300	0	6,300
Food	2,292	0	2,292
Total supporting services	164,971	0	164,971
Total expenses	381,574	0	381,574
Change in net assets	55,488	1,125,189	1,180,677
Net assets, beginning of year	162,762	4,289,934	4,452,696
Net assets, end of year	\$218,250	\$5,415,123	\$5,633,373

See Notes to Financial Statements.

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Nature of entity

Spoon River College (the College”) is a two-year community college and is part of the Illinois Community College System which is regulated by the Illinois Community College Board. The College’s district covers five counties in west-central Illinois.

Revenues are substantially generated as a result of taxes assessed and allocated to the college and grants received from other state and federal governmental agencies. The College’s revenues are, therefore, primarily dependent upon the availability of funds at the state and federal level and the economy within its territorial boundaries. Industry within the territorial area is primarily retail and agricultural.

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.

Spoon River College District No. 534 (the “College”) is organized in accordance with Chapter 110 of the Illinois Compiled Statutes. The Board of Trustees (the “Board”) has the governing responsibilities over all activities related to public post and secondary school education within the jurisdiction of the College. 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 decision-making authority, the power to designate management and the responsibility to significantly influence operations and primary accountability for fiscal matters.

Reporting entity

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

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 15 member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the foundation, the majority of 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.

During the fiscal year ended June 30, 2022, the Foundation distributed \$119,753 to students attending the College and gave \$141,764 in direct support to the College. In addition, the College provided the Foundation with \$82,550 of in-kind services.

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Reporting Entity (continued)

The is a private not-for-profit organization that reports its financial results under Financial Accounting Standard Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are described by FASB issued guidance. 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.

Financial statements for the Foundation can be obtained at 23235 N. County Highway 22, Canton, IL 61520.

The College is not aware of any entity whose elected officials are financially accountable for the operations of the College which would result in the College being considered a component unit of such entity.

Measurement focus, basis of accounting, and financial statement presentation

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

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.

The following is a summary of the more significant policies:

Cash and cash equivalents

For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Investments

Investments, which consist of Illinois School District Liquid Asset Fund, Illinois Funds, and Goldman Sachs Financial Square Prime Obligations Fund money markets, are stated at cost, which approximates market. These investments are not subject to the fair value hierarchy disclosures.

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Receivables

Accounts receivable include uncollateralized student obligations, which generally require payment by the first day of class unless a payment plan through a third party has been established. Accounts receivable are stated at the invoice amount.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific student accounts and the aging of accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. The allowance for doubtful accounts relating to student receivables as of June 30, 2022 and 2021 were \$1,402,853 and \$1,417,460, respectively.

Property taxes

The College's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board of Trustee's resolution, property tax levies for 2021 and 2020 are to be recognized as revenue in fiscal years 2022 and 2021, respectively.

The Fulton County Supervisor of Assessments prepares the property tax assessment rolls with the property tax liens as of January 1 of each year. Levies are set prior to the lien by the last Tuesday of December. Deferred property taxes represent the revenue to be generated from the 2021 levy which was passed by the Board on December 15, 2021.

The collection date for property tax receipts is thirty days after the property tax bills are mailed to property owners for the first installment, generally June 1 of each year. The second installment, being one-half of the total tax levy, is due September 1 of each year.

Property taxes collected are distributed to the College thirty days after receipt by the County, generally July, August, and September. Any unpaid property tax levies are sold at a tax sale the last week of October, and final distribution is made by the end of November of each year.

Inventories

Inventories consist of items held for resale at the bookstore and cafeteria. 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, plant, and equipment and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial cost of \$5,000 or more for equipment and \$100,000 or more for building remodeling and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Capital assets (continued)

Property, plant, and equipment of the College are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	10
Buildings and improvements	10-40
Equipment	4-5
Computer technology	3

Unearned tuition and fee revenue

Tuition and fee revenues received and related to the period after June 30 are reported as deferred.

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 netted with bonds payable on the Statement of Net Position.

Compensated absences

The College records a liability for employees' vacation leave earned but not taken. Employees are allowed to carry over a limited number of vacations days from year to year.

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 inflows and outflows of resources

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

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Classification of revenues and expenses

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, and (2) sales and services of auxiliary enterprises. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as (1) local property taxes, (2) state appropriations, and (3) most federal, state, and local grants and contracts and federal appropriations. Operating expenses generally result from providing services in connection with ongoing operations. Nonoperating expenses do not meet this definition.

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.

On-behalf payments for fringe benefits and salaries

Contributions made by the State of Illinois relating to the State Universities Retirement Systems and College Insurance Plan on behalf of the College's employees are recognized by the College as revenues and expenses. In fiscal years 2022 and 2021, the state made contributions of \$3,433,935 and \$5,083,794, respectively (Note 5 and 7).

Pensions

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

For financial reporting purposes, the State of Illinois (State) and its public universities and community colleges are under a special funding situation. A special funding situation exists when a non-employer entity (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 (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, with the expense further allocated to the related function by employees.

Spoon River College District No. 534

Notes to Financial Statements

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 – This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both expendable 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 – 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.

Reclassifications

Certain reclassifications have been made to the 2021 financial statements to conform to the 2022 classifications. Such reclassifications in the accompanying financial statements had no effect on previously reported change in net position.

Note 2 Cash and Investments:

The College's cash throughout the year and at year-end consisted of demand deposit accounts and money markets.

Cash as of June 30, 2022 and 2021 consist of the following:

	Carrying Amount	
	2022	2021
Cash on hand	\$140	\$10,625
Deposits with financial institutions	2,614,783	2,771,653
Total	\$2,614,923	\$2,782,278

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.

Spoon River College District No. 534

Notes to Financial Statements

Note 2 Cash and Investments (continued):

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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.

Investments at June 30, 2022 and 2021 comprise the following at fair value:

	2022	2021
Illinois School District Liquid Asset Fund	\$15,220,776	\$7,448,951
Local Government Investment Pool	2,034,324	297,263
Goldman Sachs Financial Square Prime Obligations Fund	4,640,692	2,195,037
	\$21,895,792	\$9,941,251

As of June 30, 2022, the College had the following investments with stated maturities.

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
Illinois School District Liquid Asset Fund	\$15,220,776	\$15,220,776	\$0	\$0	\$0
Local Government Investment Pool	2,034,324	2,034,324	0	0	0
Goldman Sachs Financial Square Prime Obligations Fund	4,640,692	4,640,692	0	0	0
Total	\$21,895,792	\$21,895,792	\$0	\$0	\$0

As of June 30, 2021, the College had the following investments with stated maturities.

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
Illinois School District Liquid Asset Fund	\$7,448,951	\$7,448,951	\$0	\$0	\$0
Local Government Investment Pool	297,263	297,263	0	0	0
Goldman Sachs Financial Square Prime Obligations Fund	2,195,037	2,195,037	0	0	0
Total	\$9,941,251	\$9,941,251	\$0	\$0	\$0

Spoon River College District No. 534

Notes to Financial Statements

Note 2 Cash and Investments (continued):

As of June 30, 2022, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's			
		AAA	AA	A	Unrated
Illinois School District Liquid Asset Fund	\$15,220,776	\$15,220,776	\$0	\$0	\$0
Local Government Investment Pool	2,034,324	2,034,324	0	0	0
Goldman Sachs Financial Square Prime Obligations Fund	4,640,692	4,640,692	0	0	0
Total	\$21,895,792	\$21,895,792	\$0	\$0	\$0

As of June 30, 2021, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's			
		AAA	AA	A	Unrated
Illinois School District Liquid Asset Fund	\$7,448,951	\$7,448,951	\$0	\$0	\$0
Local Government Investment Pool	297,263	297,263	0	0	0
Goldman Sachs Financial Square Prime Obligations Fund	2,195,037	2,195,037	0	0	0
Total	\$9,941,251	\$9,941,251	\$0	\$0	\$0

Credit Risk. Credit risk is the risk that the issuer or other counterparty to a debt investment will not fulfill its obligations. The College's investment policy does not limit the ratings of investments as a means of managing exposure to credit risk.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2022, there are no investments with custodial credit risk.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was \$2,614,783 and the bank balance was \$2,613,853. Of the bank balance, \$507,110 was covered by federal depository insurance, \$588,816 was covered by pledged securities in the College's name, and \$1,517,927 was uncollateralized.

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's investment policy limits its concentration risk by not allowing investments that are not secured by 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's investment policy does not permit investment that are not secured by the U.S. Government. The College does not have any investments with foreign currency risk exposure.

Spoon River College District No. 534

Notes to Financial Statements

Note 3 Capital Assets:

A summary of the changes in capital assets for the College for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021	Additions	Deletions	Transfers	Balance at June 30, 2022
Nondepreciable assets:					
Land	\$759,038	\$0	\$0	\$0	\$759,038
Construction in progress	288,200	934,780	0	(199,912)	1,023,068
	1,047,238	934,780	0	(199,912)	1,782,106
Depreciable assets:					
Land improvements	1,025,926	20,604	0	0	1,046,530
Buildings and improvements	40,205,618	101,458	0	199,912	40,506,988
Equipment	554,550	105,660	0	0	660,210
Computer technology	722,040	55,588	0	0	777,628
	42,508,134	283,310	0	199,912	42,991,356
Less accumulated depreciation:					
Land improvements	189,183	93,471	0	0	282,654
Buildings and improvements	17,072,346	1,083,064	0	0	18,155,410
Equipment	487,978	26,808	0	0	514,786
Computer technology	351,844	89,400	0	0	441,244
	18,101,351	1,292,743	0	0	19,394,094
Depreciable assets, net	24,406,783	(1,009,433)	0	199,912	23,597,262
Capital assets, net	\$25,454,021	(\$74,653)	\$0	\$0	\$25,379,368

Construction in progress represents costs incurred to renovate the biology lab, replacing a parking lot at the Macomb campus, and to renovate the CTE/Nursing building at the Canton Campus.

Spoon River College District No. 534

Notes to Financial Statements

Note 3 Capital Assets (continued):

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

	Balance at July 1, 2020	Additions	Deletions	Transfers	Balance at June 30, 2021
Nondepreciable assets:					
Land	\$759,038	\$0	\$0	\$0	\$759,038
Construction in progress	5,647,337	259,566	0	(5,618,703)	288,200
	6,406,375	259,566	0	(5,618,703)	1,047,238
Depreciable assets:					
Land improvements	110,077	159,654	0	756,195	1,025,926
Buildings and improvements	34,461,900	881,210	0	4,862,508	40,205,618
Equipment	562,698	0	8,148	0	554,550
Computer technology	337,428	435,588	50,976	0	722,040
	35,472,103	1,476,452	59,124	5,618,703	42,508,134
Less accumulated depreciation:					
Land improvements	108,368	80,815	0	0	189,183
Buildings and improvements	16,055,851	1,016,495	0	0	17,072,346
Equipment	467,239	28,887	8,148	0	487,978
Computer technology	336,234	66,586	50,976	0	351,844
	16,967,692	1,192,783	59,124	0	18,101,351
Depreciable assets, net	18,504,411	283,669	0	5,618,703	24,406,783
Capital assets, net	\$24,910,786	\$543,235	\$0	\$0	\$25,454,021

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, 2022:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion	Long-term Portion
Long-term debt:						
General obligation						
Bonds	\$22,290,000	\$8,100,000	\$2,230,000	\$28,160,000	\$2,025,000	\$26,135,000
Bond premiums (discounts)	238,663	357,070	48,224	547,509	68,388	479,121
Total Bonded Debt	22,528,663	8,457,070	2,278,224	28,707,509	2,093,388	26,614,121
Contracts payable	20,916	0	6,681	14,235	6,968	7,267
Compensated absences	264,631	520,420	509,168	275,883	275,883	0
Totals	\$22,814,210	\$8,977,490	\$2,794,073	\$28,997,627	\$2,376,239	\$26,621,388

Spoon River College District No. 534

Notes to Financial Statements

Note 4 Debt (continued):

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2021:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds	\$17,760,000	\$17,330,000	\$12,800,000	\$22,290,000	\$2,230,000	\$20,060,000
Bond premiums (discounts)	567,876	204,547	533,760	238,663	46,082	192,581
Total Bonded Debt	18,327,876	17,534,547	13,333,760	22,528,663	2,276,082	20,252,581
Contracts payable	27,323	0	6,407	20,916	6,681	14,235
Compensated absences	342,065	309,608	387,042	264,631	264,631	0
Totals	\$18,697,264	\$17,844,155	\$13,727,209	\$22,814,210	\$2,547,394	\$20,266,816

Details on the debt as of June 30, 2022 are as follows:

1. In December 2013, the College issued General Obligation Community College Bonds, Series 2013, in the amount of \$4,300,000 with interest rates ranging from 1.15% to 4.20%. The bonds are due serially beginning in 2015 through 2024. The proceeds were used to redeem the General Obligation Debt Certificates, Series 2013. The bond proceeds were 100% used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2023	\$500,000	\$75,750	\$575,750
2024	1,625,000	34,125	1,659,125
Totals	\$2,125,000	\$109,875	\$2,234,875

Spoon River College District No. 534

Notes to Financial Statements

Note 4 Debt (continued):

2. In November 2017, the College issued General Obligation Refunding Community College Bonds, Series 2017, in the amount of \$4,710,000 with interest rates ranging from 2.50% to 3.25%. The bonds are due serially beginning in 2020 through 2023. The proceeds were used to defease the General Obligation Community College Bonds, Series 2008 which was used 100% for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2023	\$865,000	\$14,056	\$879,056

3. In February 2018, the College issued General Obligation Community College Bonds, Series 2018, in the amount of \$7,040,000 with an interest rate of 3.25%. The bonds are due serially beginning in 2019 through 2028. The proceeds were used to redeem the General Obligation Debt Certificates, Series 2017A and 2017B which were issued to purchase technology infrastructure and equipment, build a water tower, and improve the College's HVAC system. A portion of the bond proceeds (86.39%) were used for the purchase of capital assets. This bond was partially defeased by the Series 2021C Refunding Bonds issued in April 2021. The funds were placed in escrow with interest to be paid until the bonds can be called on December 1, 2022. The remaining annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2023	\$205,000	\$3,331	\$208,331

4. In February 2019, the College issued General Obligation Community College Bonds, Series 2019, in the amount of \$5,055,000 with an interest rate of 4.25%-4.50%. The bonds are due serially beginning in 2020 through 2030. The proceeds were used to redeem the Taxable General Obligation Debt Certificates, Series 2018A which were issued to renovate the science lab and improve the college's HVAC system. A portion of the bond proceeds (97.29%) were used for the purchase of capital assets. This bond was fully defeased by the Series 2021C Refunding Bonds issued in April 2021. The funds were placed in escrow with interest to be paid until the bonds can be called on December 1, 2023.

Spoon River College District No. 534

Notes to Financial Statements

Note 4 Debt (continued):

5. In February 2021, the College issued General Obligation Community College Bonds, Series 2021A, in the amount of \$4,100,000 with interest rates ranging from 0% to 2.75%. The bonds are due serially beginning in 2023 through 2032. The proceeds were used to redeem the General Obligation Debt Certificates, Series 2020 which were issued to fund capital projects. As of June 30, 2022, 3.8% of the bond proceeds were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2023	\$190,000	\$101,028	\$291,028
2024	200,000	98,088	298,088
2025	200,000	94,087	294,087
2026	210,000	89,463	299,463
2027	0	86,837	86,837
2028-2032	3,300,000	347,019	3,647,019
Totals	\$4,100,000	\$816,522	\$4,916,522

6. In February 2021, the College issued General Obligation Community College Bonds, Series 2021B, in the amount of \$775,000 with interest rates ranging from 0% to 1.58%. The bonds are due in 2031. The proceeds were used to redeem the General Obligation Debt Certificates, Series 2020 which were issued to fund capital projects. As of June 30, 2022, 3.8% of the bond proceeds were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2023	\$0	\$12,245	\$12,245
2024	0	12,245	12,245
2025	0	12,245	12,245
2026	0	12,245	12,245
2027	0	12,245	12,245
2028-2031	775,000	42,857	817,857
Totals	\$775,000	\$104,082	\$879,082

Spoon River College District No. 534

Notes to Financial Statements

Note 4 Debt (continued):

7. In April 2021, the College issued General Obligation Refunding Community College Bonds, Series 2021C, in the amount of \$12,455,000 with interest rates ranging from 0.50% to 2.35%. The bonds are due serially beginning in 2022 through 2030. The proceeds were used to partially defease the General Obligation Community College Bonds, Series 2018 and fully defease the General Obligation Community College Bonds, Series 2019. As a result, the refunded bonds are considered defeased in substance and the liability for those bonds have been removed from the financial statements. The reacquisition price exceeded the carrying amount of the old debt by \$607,220 resulting in a deferred outflow of resources. The advance refunding reduced the total debt service payments by \$450,192 and resulted in an economic gain of \$382,009.

The escrow will pay out the remaining principal and interest due on the Series 2018 and Series 2019 bonds on their respective call dates of December 1, 2022 and December 1, 2023. At June 30, 2022, the defeased bonds had balances outstanding of \$11,090,000. The portion of the 2018 and 2019 bond proceeds used for the purchase of capital assets (88.32%) was carried over to the Series 2021C Refunding bond. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2023	\$265,000	\$195,077	\$460,077
2024	265,000	193,289	458,289
2025	1,940,000	182,596	2,122,596
2026	1,960,000	159,665	2,119,665
2027	1,985,000	131,051	2,116,051
2028-2030	5,575,000	169,594	5,744,594
Totals	\$11,990,000	\$1,031,272	\$13,021,272

8. In May 2022, the College issued General Obligation Community College Bonds, Series 2022A, in the amount of \$8,100,000 with interest rates ranging from 4.25% to 4.50%. The bonds are due serially beginning in 2030 through 2035. The proceeds were used for various capital projects, pay capitalized interest on the Bonds, and pay costs associated with the issuance of the bonds. As of June 30, 2022, 0% of the bond proceeds were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2023	\$0	\$0	\$0
2024	0	712,867	712,867
2025	0	353,488	353,488
2026	0	353,487	353,487
2027	0	353,488	353,488
2028-2032	930,000	1,709,424	2,639,424
2033-2035	7,170,000	486,569	7,656,569
Totals	\$8,100,000	\$3,969,323	\$12,069,323

Spoon River College District No. 534

Notes to Financial Statements

Note 4 Debt (continued):

The annual requirements to amortize all debt outstanding as of June 30, 2022, including interest, are as follows:

Year Ending June 30,	General Obligation Bonds	Contracts Payable	Compensated Absences	Total Principal	Interest	Total Principal and Interest
2023	2,025,000	6,968	275,883	2,307,851	402,096	2,709,947
2024	2,090,000	7,267		2,097,267	1,050,925	3,148,192
2025	2,140,000			2,140,000	642,416	2,782,416
2026	2,170,000			2,170,000	614,860	2,784,860
2027	1,985,000			1,985,000	583,621	2,568,621
2028-2032	10,580,000			10,580,000	2,268,894	12,848,894
2033-2037	7,170,000			7,170,000	486,569	7,656,569
Total	\$28,160,000	\$14,235	\$275,883	\$28,450,118	\$6,049,381	\$34,499,499

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2022, is \$29,247,744. General obligation debt and contracts payable at June 30, 2022, is \$28,174,235 resulting in a legal debt margin of \$1,073,509.

Note 5 Defined Benefit Pension Plans

General Information about the Pension Plan

Plan Description. The College 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 provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State's financial reporting entity and is included in the State's Annual Comprehensive Financial Reports as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided. A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible reciprocal system service. 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, 2021, can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans (continued)

Contributions. The State is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from “trust, federal, and other funds” are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2021 and fiscal year 2022, respectively, was 12.70% and 12.32% 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).

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

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 2021 and June 30, 2020. SURS defined benefit plan reported a NPL of \$28,528,477,079 at June 30, 2021 and \$30,619,504,321 at June 30, 2020.

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 2021 is \$0 and for fiscal year 2020 it was \$0. The proportionate share of the State’s NPL associated with the College at June 30, 2021 is \$41,991,921 or 0.1472% and at June 30, 2020 is \$45,070,073 or 0.1476%. The College’s proportionate share changed by 0.0004% from 0.1472% since the last measurement date on June 30, 2020. This amount is not recognized in the College’s financial statements. The NPL and total pension liability as of June 30, 2021, was determined based on the June 30, 2020, 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 2020.

Defined Benefit Pension Expense

For the years ending June 30, 2021 and June 30, 2020, SURS defined benefit plan reported a collective net pension expense of \$2,342,460,058 and \$3,364,411,021, respectively.

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans (continued)

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

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 2020 and 2019, respectively. As a result, the College recognized revenue and defined benefit pension expense of \$3,447,937 and \$4,964,587 from this special funding situation during the years ended June 30, 2022 and June 30, 2021, respectively.

Deferred Outflows 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.

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

Fiscal Year Ended June 30, 2021 (measurement date)	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$113,467,689	\$0
Changes in assumption	776,968,084	0
Net difference between projected and actual earnings on pension plan investments	0	2,283,514,660
Total	\$890,435,773	\$2,283,514,660

Fiscal Year Ended June 30, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$170,987,483	\$0
Changes in assumption	473,019,629	0
Net difference between projected and actual earnings on pension plan investments	474,659,178	0
Total	\$1,118,666,290	\$0

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

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2022	\$34,095,451
2023	(197,005,703)
2024	(538,343,058)
2025	(691,825,577)
2026	0
Therefore	0
Total	(\$1,393,078,887)

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans (continued)

College's Deferral of Fiscal Year 2022 Contributions

The College paid \$27,161 and \$28,373 in federal, trust or grant contributions to SURS defined benefit pension plan during the years ended June 30, 2022 and June 30, 2021, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2021 and June 30, 2020, and are recognized as deferred outflows of resources as of June 30, 2022 and June 30, 2021.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2021 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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.00 to 12.75 percent, including inflation
Investment rate of return	6.50 percent beginning with the actuarial valuation as of June 30, 2021

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.

The long-term expected rate of return on the 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2021, these best estimates are summarized in the following table:

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans (continued)

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	41.0%	6.30%
Stabilized Growth		
Credit Fixed Income	14.0%	1.82%
Core Real Assets	5.0%	3.92%
Options Strategies	6.0%	4.20%
Non-Traditional Growth		
Private Equity	7.5%	10.45%
Non-Core Real Assets	2.5%	8.83%
Inflation Sensitive		
U.S. TIPS	6.0%	(0.22%)
Principal Protection		
Core Fixed Income	8.0%	(0.81%)
Crisis Risk Offset		
Systematic Trend Following	3.5%	3.45%
Alternative Risk Premia	3.0%	2.30%
Long Duration	3.5%	0.91%
Total	100.0%	4.43%
Inflation		2.25%
Expected arithmetic return		6.68%

Discount Rate. A single discount rate of 6.12% and 6.49% at June 30, 2021 and June 30, 2020, respectively, 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% at June 30, 2021 and June 30, 2020, and a municipal bond rate of 1.92% and 2.45% at June 30, 2021 and June 30, 2020, respectively (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2021 and June 30, 2020, respectively). 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 SURS Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.12% and 6.49% at June 30, 2021 and June 30, 2020, respectively, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1- percentage-point lower or 1- percentage-point higher:

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

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans (continued)

June 30, 2020		
1% Decrease 5.49%	Current Single Discount Rate Assumption 6.49%	1% Increase 7.49%
\$36,893,469,884	\$30,619,504,321	\$25,441,837,592

Additional information regarding the SURS basic financial statements, including the plan's net position, can be found in 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.

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, 2021, 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.

Spoon River College District No. 534

Notes to Financial Statements

Note 6 Defined Contribution Pension Plan (continued)

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, 2021, the State's contributions to the RSP on behalf of individual employers totaled \$76,280,832. Of this amount, \$70,403,460 was funded via an appropriation from the State and \$5,877,372 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 2021. The College's share of pensionable contributions was 0.0933%. As a result, the College recognized revenue and defined contribution pension expense of \$71,186 from this special funding situation during the year ended June 30, 2022, of which \$5,485 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.

Spoon River College District No. 534

Notes to Financial Statements

Note 7 Other Post-Employment Benefits

Benefit Provisions. A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the CCHISF's financial statements of the Department may be obtained by accessing the website at www.auditor.illinois.gov/Audit-Reports/CMS-CCHISF.asp.

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

Contributions. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of 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 0.5% of the salary paid to its full-time employees who participate in the plan. 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 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

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, 2021 and June 30, 2020. CIP reported a net OPEB liability at June 30, 2021 of \$1,735,532,864 and at June 30, 2020 of \$1,822,763,538.

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 2022 is \$5,688,009 or 0.3277%, and for fiscal year 2021 is \$4,989,187 or 0.2737%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was an increase of 0.0540%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2021 and June 30, 2020 was \$5,688,009 or 0.3277% and \$4,989,177 or 0.2737%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2021 and June 30, 2020 was \$11,376,018 and \$9,978,364, respectively. The net OPEB liability and total OPEB liability as of June 30, 2021 was determined based on the June 30, 2020 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 2021.

OPEB Expense. At June 30, 2021 and June 30, 2020, CIP reported a collective net OPEB expense/(income) of (\$8,291,172) and \$38,455,955, respectively.

Spoon River College District No. 534

Notes to Financial Statements

Note 7 Other Post-Employment Benefits (continued)

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

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 2021 and 2020, respectively. As a result, the College recognized on-behalf revenue and expense of (\$14,002) and \$119,207 for the fiscal years ended June 30, 2022 and June 30, 2021, respectively. Additionally, the College recognized OPEB expense/(income) of \$6,008 and (\$66,582) for the fiscal years ended June 30, 2022 and June 30, 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. Deferred outflows of resources are the consumption of net position by the OPEB plan that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position by the OPEB plan that is applicable to future reporting periods.

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

Fiscal Year Ended June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$35,996	\$415,726
Changes in assumption	0	1,086,590
Net difference between projected and actual earnings on OPEB plan investments	0	164
Changes in proportion and differences between employer contributions and share of contributions	1,219,125	1,180,844
Total deferred amounts to be recognized in pension expense in future periods	1,255,121	2,683,324
OPEB contributions made subsequent to the measurement date	32,958	0
Total	\$1,288,079	\$2,683,324

Spoon River College District No. 534

Notes to Financial Statements

Note 7 Other Post-Employment Benefits (continued)

Fiscal Year Ended June 30, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$45,323	\$279,235
Changes in assumption	0	797,588
Net difference between projected and actual earnings on OPEB plan investments	0	211
Changes in proportion and differences between employer contributions and share of contributions	412,359	1,499,180
Total deferred amounts to be recognized in pension expense in future periods	457,682	2,576,214
OPEB contributions made subsequent to the measurement date	30,473	0
Total	\$488,155	\$2,576,214

The College reported \$32,958 and \$30,473 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 years ended June 30, 2023 and June 30, 2022, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year ended June 30:	Net Deferred Inflows of Resources
2023	(238,034)
2024	(238,034)
2025	(238,034)
2026	(238,034)
2027	(238,034)
Thereafter	(238,033)
Total	(\$1,428,203)

Assumptions and Other Inputs

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

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

Spoon River College District No. 534

Notes to Financial Statements

Note 7 Other Post-Employment Benefits (continued)

Assumptions and Other Inputs (continued)

Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years
Healthcare cost trend rates	Trend used fiscal year end 2022 based on actual premium increases. For fiscal years ending on and after 2023, trend starts at 8.00% for non-Medicare cost and post-Medicare costs, and gradually decreases to an ultimate trend of 4.25%.
Asset Valuation Method	Market value

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2018.

Discount Rate. Projected benefit payments were discounted to their actuarial present 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 1.92% as of June 30, 2021, and 2.45% as of June 30, 2020. The decrease in the single discount rate from 2.45% to 1.92% caused the total OPEB liability to increase by approximately \$114.7 million from 2020 to 2021.

Spoon River College District No. 534

Notes to Financial Statements

Note 7 Other Post-Employment Benefits (continued)

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 1.92% and 2.45% at June 30, 2021 and June 30, 2020, respectively, 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 or lower than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2021 to the Single Discount Rate Assumption			
	1% Decrease (0.92%)	Current Single Discount Rate Assumption (1.92%)	1% Increase (2.92%)
Net OPEB liability	\$6,480,313	\$5,688,009	\$5,003,782

Sensitivity of Net OPEB Liability as of June 30, 2020 to the Single Discount Rate Assumption			
	1% Decrease (1.45%)	Current Single Discount Rate Assumption (2.45%)	1% Increase (3.45%)
Net OPEB liability	\$5,684,810	\$4,989,187	\$4,389,322

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, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.25% in 2038.

Sensitivity of Net OPEB Liability as of June 30, 2021 to the Healthcare Cost Trend Rate Assumption			
	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	\$4,686,829	\$5,688,009	\$7,028,885

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2023 decreasing to an ultimate trend rate of 3.25% in 2038.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2023 decreasing to an ultimate trend rate of 5.25% in 2038.

Spoon River College District No. 534

Notes to Financial Statements

Note 7 Other Post-Employment Benefits (continued)

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

	Healthcare Cost Trend		
	1% Decrease (a)	Rates Assumption	1% Increase (b)
Net OPEB liability	\$4,134,041	\$4,989,187	\$6,123,498

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

Note 8 Risk Management:

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The College purchases commercial insurance to cover the various risks of loss. The commercial insurance policies contain deductibles which vary with the type of coverage and risk involved. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 9 Contingencies and Commitments:

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 applicable funds. The 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 immaterial.

Construction Commitments. In fiscal year 2021, the College entered into a contract with Hastings & Chivetta Architects and CDB/Art in Architecture for the renovation of the CTE/Nursing Building at the Canton Campus with estimated total cost of \$1,088,848. The total remaining project costs as of June 30, 2022 was \$913,229. The project is expected to be completed in FY2024.

Spoon River College District No. 534

Notes to Financial Statements

Note 10 Component Unit - Foundation:

The following is condensed financial information of Spoon River College Foundation (the Foundation), a discretely presented component unit of the College.

The Foundation is a private nonprofit organization that reports its financial results under applicable FASB statements.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

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.

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.

Spoon River College District No. 534

Notes to Financial Statements

Note 10 Component Unit – Foundation (continued):

Contributions and Revenues (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 identification 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 of assets other than cash are recorded at fair value at the date of the donation. 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.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation files Forms 990 (Return of Organization Exempt from Income Tax) annually. When these returns are filled, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes that it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Spoon River College District No. 534

Notes to Financial Statements

Note 10 Component Unit – Foundation (continued):

Tax positions are not offset or aggregated with other positions. Tax positions that meet the “more likely than not” recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying statements of financial position along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

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

Change in Accounting Policies

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework*. The objective of these disclosure requirements is to provide financial statement users with information about assets and liabilities measured at fair value in the statement of financial position or disclosed in the notes to the financial statements regarding (1) the valuation techniques and inputs used to develop fair value measurements, including the related judgments and assumptions made, (2) the uncertainty in the fair value measurements as of the reporting date, and (3) how changes in the measurements impact the performance and cash flows of the entity. Organizations should consider the level of detail, the amount of emphasis, the degree of aggregation or disaggregation, and whether other information may be required for financial statement users to evaluate the quantitative information disclosed in complying with the disclosure requirements. There was no change in opening balances of net assets and no prior period results were restated.

Investments

Investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. All investments are in mutual funds with readily determinable fair values. Investments are carried at fair value as determined by quoted market prices and realized and unrealized gains and losses are reported in the statement of activities. Investment income or loss is included in the statement of activities as an increase or decrease in unrestricted net assets unless the income or loss is restricted by donor or law.

Investments as of June 30 are as follows:

	2022 Fair Value	2021 Fair Value
Money market	\$273,607	\$143,436
Certificates of deposit	595,782	590,406
Mutual funds	797,143	710,405
Equities	1,844,729	1,954,961
Bonds and notes	399,382	261,358
Alternative investment & real assets	0	108,016
	\$ 3,910,643	\$ 3,768,582

Spoon River College District No. 534

Notes to Financial Statements

Note 10 Component Unit – Foundation (continued):

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

	2022 With Donor Restrictions	2021 With Donor Restrictions
Interest and dividends	\$81,164	\$81,255
Realized gains (losses)	197,957	141,531
Unrealized gains (losses)	(677,076)	453,850
Investment fees	(26,202)	(24,025)
Total	(\$424,157)	\$652,611

Fair Value Measurements

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 Plan 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.

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2022:

Assets measured at fair value on a nonrecurring basis:	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Mutual funds	\$797,143	\$797,143	\$0	\$0
Equities	1,844,729	1,844,729	0	0
Bonds and notes	399,382	0	399,382	0
Alternative investments & real assets	0	0	0	0
Total investments measured at fair value	3,041,254	2,641,872	399,382	0
Beneficial interest in perpetual trusts	821,951	0	0	821,951
Total fair value measurements	\$3,863,205	\$2,641,872	\$399,382	\$821,951

Spoon River College District No. 534

Notes to Financial Statements

Note 10 Component Unit – Foundation (continued):

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2021:

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Mutual funds	\$710,408	\$710,408	\$0	\$0
Equities	1,954,962	1,954,962	0	0
Bonds and notes	261,359	0	261,359	0
Alternative investments & real assets	108,016	108,016	0	0
Total investments measured at fair value	3,034,745	2,773,386	261,359	0
Beneficial interest in perpetual trusts	954,499	0	0	954,499
Total fair value measurements	\$3,989,244	\$2,773,386	\$261,359	\$954,499

Reconciliation of assets measured using Level 3 inputs as of June 30:

	2022	2021
Balance, beginning of year	\$954,499	\$809,954
Gains (Losses)	(124,878)	149,545
Purchases	32,544	11,640
Distributions and fees	(40,214)	(16,640)
Balance, end of year	\$821,951	\$954,499

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following tables represent the Foundation's Level 3 assets, the valuation techniques used to measure the fair value of the assets, the significant unobservable inputs, and the ranges of values for those inputs.

As of June 30, 2022				
Assets	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Beneficial interest in perpetual trusts	\$821,951	Market approach	Fair value of assets contributed to trust	N/A
As of June 30, 2021				
Assets	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Beneficial interest in perpetual trusts	\$954,499	Market approach	Fair value of assets contributed to trust	N/A

Spoon River College District No. 534

Notes to Financial Statements

Note 10 Component Unit – Foundation (continued):

Information regarding the fair value of assets and liabilities measured at fair value on a nonrecurring basis as of June 30, 2022 follows:

Assets measured at fair value on a nonrecurring basis:	Total	Nonrecurring Fair Value Measurements At Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Contributed nonfinancial assets				
Services	\$82,550	\$0	\$0	\$82,550
Total	\$82,550	\$0	\$0	\$82,550

The following presents quantitative information about nonrecurring Level 3 fair value measurements at June 30, 2022:

	Fair Value	Valuation Technique(s)	Unobservable Input(s)	Range
Contributed services	\$82,550	Market Approach	Fair value of assets contributed to Foundation	N/A

Restricted Net Position

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

	2022	2021
Subject to expenditure for specified purpose:		
Student scholarships, awards and College support	\$2,036,095	\$2,446,291
Subject to expenditure for time restrictions:		
Perpetual endowments	2,504,333	2,014,333
Beneficial interest in perpetual trusts	821,951	954,499
Net assets with donor restrictions	\$5,362,379	\$5,415,123

Note 11 Impact of Pending Accounting Pronouncements:

GASB Statement No. 91, Conduit Debt Obligations provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The College has not determined the effect of this Statement.

Spoon River College District No. 534

Notes to Financial Statements

Note 11 Impact of Pending Accounting Pronouncements:

GASB Statement No. 92, *Omnibus 2021*, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides more guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 99, *Omnibus 2022*, improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and 2023. The College has not determined the effect of this Statement.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, enhances accounting and financial reporting for accounting changes in error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The College has not determined the effect of this Statement.

GASB Statement No. 101, *Compensated Absences*, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The College has not determined the effect of this Statement.

Note 12 Subsequent Event:

The College has evaluated subsequent events through October 19, 2022, which is the date these financial statements were available to be issued.

Required Supplementary Information

Spoon River College District No. 534
Schedule of Share of Net Pension Liability
Last 10 Fiscal Years
(Schedule to be Built Prospectively from 2014)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion percentage of the collective net pension liability	0%	0%	0%	0%	0%	0%	0%	0%		
Proportion amount of the collective net pension liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	\$41,991,921	\$45,070,073	\$44,228,910	\$42,946,498	\$40,871,694	\$38,063,665	\$35,750,486	\$34,007,812		
Employer defined benefit covered payroll	\$5,564,654	\$5,488,178	\$5,585,858	\$5,598,932	\$5,681,188	\$5,311,468	\$5,489,800	\$5,705,637		
Proportion of collective net pension liability associated with the College as a percentage of defined benefit covered payroll	754.62%	821.22%	791.80%	767.05%	719.42%	716.63%	651.22%	596.04%		
SURS plan net position as a percentage of total pension liability	45.45%	39.05%	40.71%	41.27%	42.04%	39.57%	42.37%	44.39%		

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

Spoon River College District No. 534

Schedule of Pension Contributions

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2014)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Federal, trust, grant and other contribution	\$27,161	\$28,373	\$28,369	\$25,652	\$15,502	\$8,405	\$8,314	\$10,381	\$3,361	
Contribution in relation to required contribution	27,161	28,373	28,369	25,652	15,502	8,405	8,314	10,381	3,361	
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Employer covered payroll	\$6,591,655	\$6,386,586	\$5,955,310	\$5,901,485	\$5,876,188	\$5,553,295	\$5,311,468	\$5,489,800	\$5,705,637	
Contribution as a percentage of covered payroll	0.41%	0.44%	0.48%	0.43%	0.26%	0.15%	0.16%	0.19%	0.06%	

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

Spoon River College District No. 534

Schedule of Share of Net OPEB Liability

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2018)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion percentage of the collective net OPEB liability	0.33%	0.27%	0.35%	0.36%	0.35%	0.30%				
Proportion amount of the collective net OPEB liability	\$5,688,009	\$4,989,187	\$ 6,592,840	\$ 6,751,154	\$6,304,942	\$5,467,052				
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	\$5,688,009	\$4,989,177	\$ 6,592,840	\$6,751,154	\$6,221,902	\$5,696,203				
Total collective net OPEB liability associated with the College	\$11,376,018	\$9,978,364	\$13,185,680	\$13,502,308	\$12,526,844	\$11,163,255				
College's covered payroll	\$6,386,586	\$5,955,310	\$5,901,485	\$5,876,188	\$5,553,295	\$5,311,468				
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	178.12%	167.55%	223.43%	229.78%	225.57%	210.17%				
College insurance plan net position as a percentage of total OPEB liability	-6.38%	-5.07%	-4.13%	-3.54%	-2.87%	-2.15%				

Note: The College implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

Spoon River College District No. 534

Schedule of OPEB Contributions

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2018)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$32,958	\$30,473	\$25,173	\$31,337	\$31,272	\$29,995	\$27,225			
Contribution in relation to the required statutorily	32,958	30,473	25,173	31,337	31,272	29,995	27,225			
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
College's covered payroll	\$6,591,655	\$6,386,586	\$5,955,310	\$5,901,485	\$5,876,188	\$5,553,295	\$5,311,468			
Contribution as a percentage of covered payroll	0.50%	0.48%	0.42%	0.53%	0.53%	0.54%	0.51%			

Note: The College implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

Spoon River College District No. 534

Notes to Required Supplementary Information

Note 1 Changes of Pension Benefit Terms:

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2021.

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, 2017 to June 30, 2020 was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021.

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

Note 3 Changes of OPEB Benefit Terms:

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2021.

Spoon River College District No. 534

Notes to Required Supplementary Information

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, 2014 to June 30, 2017, resulting in the adoption of new assumptions as of June 30, 2020. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2019:

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

Supplemental Financial Information

Spoon River College District No. 534

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 Long-Term 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 - Certificate of Chargeback Reimbursement

Spoon River College District No. 534

Uniform Financial Statement #1

All Funds Summary

For the year ended June 30, 2022

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)
Fund balance at July 1, 2021	\$7,460,024	\$585,809	\$3,152,620
Revenue:			
Local tax revenue	2,346,856	485,999	162,744
All other local government	2,153,061	807,822	0
ICCB grants	983,753	350,677	0
All other state revenue	0	0	728,307
Federal revenue	973,878	0	0
Student tuition and fees	4,001,368	0	0
On-behalf CIP	0	0	0
On-behalf SURS	0	0	0
All other revenue	66,608	7,698	7,758
Total revenue	10,525,524	1,652,196	898,809
Expenditures:			
Instruction	3,420,937	0	0
Academic support	709,208	0	0
Student services	838,379	0	0
Public service/continuing education	283,651	0	0
Auxiliary services	0	0	0
Operation and maintenance	0	1,334,826	46,637
Institutional support	2,617,109	0	0
Scholarships, student grants, and waivers	428,488	0	0
Principal retirement	0	0	0
Interest and issuance costs	0	0	346,737
Building construction, building improvements, and equipment	60,214	40,817	1,044,169
Total expenditures	8,357,986	1,375,643	1,437,543
Bond issuance	0	0	8,100,000
Bond premium	0	0	357,070
Deposit in escrow	0	0	0
Net transfers	(1,012,141)	0	0
	(1,012,141)	0	8,457,070
Fund balance (deficit) at June 30, 2022	\$8,615,421	\$862,362	\$11,070,956

Spoon River College District No. 534

Uniform Financial Statement #1 (Continued)

All Funds Summary

For the year ended June 30, 2022

	Bond and Interest Fund	Auxiliary Enterprise Fund	Health Insurance Fund	Restricted Purpose Fund
Fund balance (deficit) at July 1, 2021	\$0	\$2,064	\$0	(\$535,939)
Revenue:				
Local tax revenue	2,422,124	0	0	0
All other local government	0	0	0	0
ICCB grants	0	0	0	176,630
All other state revenue	0	0	0	54,000
Federal revenue	0	0	0	4,716,003
Student tuition and fees	0	0	0	0
On-behalf CIP	0	0	0	(14,002)
On-behalf SURS	0	0	0	3,447,937
All other revenue	267	2,421,118	325,746	83,562
Total revenue	2,422,391	2,421,118	325,746	8,464,130
Expenditures:				
Instruction	0	0	0	1,756,260
Academic support	0	0	0	220,660
Student services	0	0	0	651,195
Public service/continuing education	0	0	0	264,341
Auxiliary services	0	2,573,078	325,746	134,232
Operation and maintenance	0	0	0	166,873
Institutional support	0	0	0	839,732
Scholarships, student grants, and waivers	0	0	0	4,257,717
Principal retirement	1,780,849	0	0	0
Interest and issuance costs	788,981	0	0	0
Building construction, building improvements, and equipment	0	0	0	72,890
Total expenditures	2,569,830	2,573,078	325,746	8,363,900
Bond issuance	0	0	0	0
Bond premium	0	0	0	0
Deposit in escrow	0	0	0	0
Net transfers	147,439	149,896	0	714,806
	147,439	149,896	0	714,806
Fund balance (deficit) at June 30, 2022	\$0	\$0	\$0	\$279,097

Spoon River College District No. 534

Uniform Financial Statement #1 (Continued)

All Funds Summary

For the year ended June 30, 2022

	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund balance (deficit) at July 1, 2020	\$62,546	\$1,234,270	\$11,961,394
Revenue:			
Local tax revenue	48,600	992,614	6,458,937
All other local government	0	0	2,960,883
ICCB grants	0	0	1,511,060
All other state revenue	0	0	782,307
Federal revenue	0	0	5,689,881
Student tuition and fees	0	0	4,001,368
On-behalf CIP	0	0	0
On-behalf SURS	0	0	0
All other revenue	5	822	2,913,584
Total revenue	48,605	993,436	27,751,955
Expenditures:			
Instruction	0	0	5,177,197
Academic support	0	0	929,868
Student services	0	0	1,489,574
Public service/continuing education	0	0	547,992
Auxiliary services	0	0	3,033,056
Operation and maintenance	0	0	1,548,336
Institutional support	46,835	949,046	4,452,722
Scholarships, student grants, and waivers	0	0	4,686,205
Principal retirement	0	0	1,780,849
Interest and issuance costs	0	0	1,135,718
Building construction, building improvements, and equipment	0	0	1,218,090
Total expenditures	46,835	949,046	25,999,607
Bond issuance	0	0	8,100,000
Bond premium	0	0	357,070
Deposit in escrow	0	0	0
Net Transfers	0	0	0
	0	0	8,457,070
Fund balance (deficit) at June 30, 2022	\$64,316	\$1,278,660	\$22,170,812

Spoon River College District No. 534

Uniform Financial Statement #2

Summary of Capital Assets and Long-Term Debt

For the year ended June 30, 2022

	Balance July 1, 2021	Additions	Deletions	Reclassification	Balance June 30, 2022
Capital assets:					
Land	\$759,038	\$0	\$0	\$0	\$759,038
Construction in process	288,200	934,780	0	(199,912)	1,023,068
Land improvements	1,025,926	20,604	0	0	1,046,530
Buildings and improvements	40,205,618	101,458	0	199,912	40,506,988
Equipment	554,550	105,660	0	0	660,210
Computer technology	722,040	55,588	0	0	777,628
Total capital assets	43,555,372	1,218,090	0	0	44,773,462
Accumulated depreciation	18,101,351	1,292,743	0	0	19,394,094
Total net capital assets	\$25,454,021	(\$74,653)	\$0	\$0	\$25,379,368
Long-term debt:					
Contracts payable	\$20,916	\$0	(\$6,681)	\$0	\$14,235
Bonds payable	22,290,000	8,100,000	(2,230,000)	0	28,160,000
Bond premium	238,663	357,070	(48,224)	0	547,509
Net OPEB liability	4,989,187	698,822	0	0	5,688,009
Other fixed liabilities	264,631	520,420	(509,168)	0	275,883
Total long-term debt	\$27,803,397	\$9,676,312	(\$2,794,073)	\$0	\$34,685,636

Spoon River College District No. 534

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures

For the year ended June 30, 2022

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government revenue:			
Local taxes	\$2,346,856	\$485,999	\$2,832,855
Corporate personal property replacement tax	2,153,061	807,822	2,960,883
Tuition chargeback revenue	0	0	0
Total local government	4,499,917	1,293,821	5,793,738
State government:			
ICCB base operating grant	658,068	350,677	1,008,745
ICCB equalization grant	214,330	0	214,330
ICCB small college grant	30,466	0	30,466
ICCB career & technical education	80,889	0	80,889
Total state government	983,753	350,677	1,334,430
Federal government:			
Department of Education	973,878	0	973,878
Total federal government	973,878	0	973,878
Student tuition and fees:			
Tuition	3,852,391	0	3,852,391
Fees	148,977	0	148,977
Total tuition and fees	4,001,368	0	4,001,368
Other sources:			
Facilities revenue	0	446	446
Interest	13,512	54	13,566
Other	53,096	7,198	60,294
Total other sources	66,608	7,698	74,306
Total revenue	10,525,524	1,652,196	12,177,720
Less non-operating items *			
Tuition chargeback revenue	0	0	0
Adjusted revenue	\$10,525,524	\$1,652,196	\$12,177,720

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

Spoon River College District No. 534

Uniform Financial Statement #3 (Continued)

Operating Funds Revenues and Expenditures

For the year ended June 30, 2022

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$3,420,937	\$0	\$3,420,937
Academic support	709,208	0	709,208
Student services	838,379	0	838,379
Public services	283,651	0	283,651
Operation and maintenance	0	\$1,375,643	1,375,643
Institutional support	2,677,323	0	2,677,323
Scholarships, student grants, and waivers	428,488	0	428,488
Total expenditures	8,357,986	1,375,643	9,733,629
Less non-operating items *			
Tuition chargeback	0	0	0
Adjusted expenditures	\$8,357,986	\$1,375,643	\$9,733,629
By object:			
Salaries	\$5,525,340	\$173,574	\$5,698,914
Employee benefits	1,168,770	63,324	1,232,094
Contractual services	116,090	423,467	539,557
General materials and supplies	812,196	209,211	1,021,407
Library Materials**	41,072	0	41,072
Conference and meeting expense	113,341	24,903	138,244
Fixed charges	6,716	9,970	16,686
Utilities	0	429,218	429,218
Capital Outlay	60,214	40,817	101,031
Other	555,319	1,159	556,478
Student grants and scholarships**	428,488	0	428,488
Total expenditures	8,357,986	1,375,643	9,733,629
Adjusting non-operating items *			
Tuition chargeback	0	0	0
Adjusted expenditures	\$8,357,986	\$1,375,643	\$9,733,629

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

**Non-add line.

Spoon River College District No. 534

Uniform Financial Statement #4

Restricted Purposes Fund Revenues and Expenditures

For the year ended June 30, 2022

Revenue by source:

State government:

ICCB - State Adult Education	\$175,326
S of S Volunteer Literacy	54,000
Transitional Math	1,304
On-behalf CIP	(14,002)
On-behalf SURS	3,447,937

Total state government	3,664,565
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Federal government:

Department of Education	4,716,003
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Total federal government	4,716,003
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Other sources:

Career Link Transition	61,752
Dollar General Literacy	8,000
Western Illinois Works	13,783
Interest	27

Total other sources	83,562
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Total restricted purposes fund revenues	\$8,464,130
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Spoon River College District No. 534
Uniform Financial Statement #4 (Continued)
Restricted Purposes Fund Revenues and Expenditures
For the year ended June 30, 2022

Expenditures by program:

Instruction	\$1,829,150
Academic support	220,660
Student services	651,195
Public services	264,341
Auxiliary services	134,232
Operation and maintenance	166,873
Institutional support	839,732
Scholarships, student grants, and waivers	4,257,717

Total restricted purposes fund expenditures	\$8,363,900
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Expenditures by object:

Salaries	\$1,083,166
Employee benefits (including SURS and CIP on-behalf)	3,561,435
Contractual services	103,537
General materials and supplies	200,853
Library Materials*	0
Travel, conference and meeting expense	17,093
Capital outlay	72,890
Other	3,324,926
Student grants and scholarships**	3,298,064

Total restricted purposes fund expenditures by object	\$8,363,900
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* Non-add line

Spoon River College District No. 534

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity

For the year ended June 30, 2022

Instruction -	
Instructional programs	\$5,250,087
Academic support:	
Library center	187,000
Instructional materials center	93,577
Academic administration and planning	428,631
Other academic support	220,660
Total academic support	929,868
Student services:	
Admissions and records	437,039
Counseling and career guidance	145,679
Financial aid administration	252,814
Other student services	654,042
Total student services	1,489,574
Public service/continuing education:	
Administration	283,651
Other public service	264,341
Total public service/continuing education	547,992
Total auxiliary services	3,033,056
Operations and maintenance:	
Maintenance	858,660
Plant utilities	476,166
Other operations and maintenance	207,690
Total operations and maintenance	1,542,516
Institutional support:	
Executive management	266,613
Fiscal operations	441,389
Administrative support services	1,537,378
Board of trustees	20,140
General institutional	139,845
Administrative data processing	1,267,839
Other institutional support	839,732
Total institutional support	4,512,936
Scholarships, student grants, and waivers	4,686,205
Total current funds expenditures	\$21,992,234


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

Spoon River College District No. 534


Certification of Chargeback Reimbursement *

For Fiscal Year 2023

All fiscal year 2022 noncapital audited operating expenditures from the following funds:		
1	Education Fund	\$8,297,772
2	Operations and Maintenance Fund	1,334,826
3	Public Building Commission Operation and Maintenance Fund	0
4	Bond and Interest Fund	218,142
5	Public Building Commission Rental Fund	
6	Restricted Purposes Fund	4,857,075
7	Audit Fund	46,835
8	Liability, Protection, and Settlement Fund	949,046
9	Auxiliary Enterprises Fund (subsidy only)	<u>0</u>
10	Total noncapital expenditures (sum of lines 1-9)	<u><u>\$15,703,696</u></u>
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u><u>\$887,156</u></u>
12	Total costs included (line 10 plus line 11)	<u><u>\$16,590,852</u></u>
13	Total certified semester credit hours for FY 2022	<u><u>21,816</u></u>
14	Per capita cost (line 12 divided by line 13)	\$760.49
15	All FY 2022 state and federal operating grants for noncapital expenditures, except ICCB grants	<u><u>5,847,621</u></u>
16	FY 2022 state and federal grants per semester credit hour (line 15 divided by line 13)	268.04
17	District's average ICCB grant rate (excluding equalization grants) for FY 2022	<u>42.03</u>
18	District's student tuition and fee rate per semester credit hour for FY 2023	<u>174.00</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u><u>\$276.42</u></u>

Approved: 
President

10/19/2022
Date

Approved: 
Director of Business Services

10/19/2022
Date

Other Supplemental Financial Information

Spoon River College District No. 534

Balance Sheet - All Fund Types

June 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Education	Operations and Maintenance	Operations and Maintenance Restricted
Cash and cash equivalents	\$416,576	\$0	\$2,194,882
Investments	10,790,251	0	10,341,104
Receivables:			
Property taxes	1,388,020	288,105	160,933
Government claims and grants	538,315	0	0
Other	1,655,487	462	0
Advances to other funds	(1,105,043)	1,101,479	0
Prepaid items	90,856	0	0
Inventories	0	0	0
Property and equipment, net	0	0	0
Total assets	13,774,462	1,390,046	12,696,919
Deferred outflows of resources:			
Unamortized loss on refunding	0	0	0
Deferred pension	0	0	0
Deferred OPEB	0	0	0
Total deferred outflows of resources	0	0	0
Total assets and deferred outflows	\$13,774,462	\$1,390,046	\$12,696,919
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$248,938	\$0	\$23,006
Accrued liabilities	248,329	3,085	0
Advances from other funds	0	0	1,366,071
Unearned tuition and fees	1,949,497	0	0
Accrued compensated absences	254,588	14,070	0
Capital lease	0	0	0
Net OPEB liability	0	0	0
Bonds payable, net of unamortized premiums (discounts)	0	0	0
Total liabilities	2,701,352	17,155	1,389,077
Deferred inflows of resources:			
Deferred property taxes	2,457,689	510,529	236,886
Deferred grant revenue	0	0	0
Unamortized gain on refunding	0	0	0
Deferred OPEB	0	0	0
Total deferred inflows	2,457,689	510,529	236,886
Fund balance/net position (deficit):			
Net investment in capital assets	0	0	0
Restricted	0	0	0
Unrestricted	8,615,421	862,362	11,070,956
Total fund balance/net position (deficit)	8,615,421	862,362	11,070,956
Total liabilities, deferred inflows of resources, and fund balances/net position	\$13,774,462	\$1,390,046	\$12,696,919

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Bond and Interest	Auxiliary Enterprises Fund	Restricted Purpose
Cash and cash equivalents	\$0	\$2,419	\$1,046
Investments	0	153,159	0
Receivables:			
Property taxes	1,319,247	0	0
Government claims and grants	0	0	1,233,988
Other	0	11,088	0
Advances to other funds	1,118,020	0	0
Prepaid items	0	0	0
Inventories	0	266,935	0
Property and equipment, net	0	0	0
Total assets	2,437,267	433,601	1,235,034
Deferred outflows of resources:			
Unamortized loss on refunding	0	0	0
Deferred pension	0	0	0
Deferred OPEB	0	0	0
Total deferred outflows of resources	0	0	0
Total assets and deferred outflows	\$2,437,267	\$433,601	\$1,235,034
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$0	\$0	\$280
Accrued liabilities	0	4,050	6,734
Advances from other funds	0	422,326	591,610
Unearned tuition and fees	0	0	0
Accrued compensated absences	0	7,225	0
Capital lease	0	0	0
Net OPEB liability	0	0	0
Bonds payable, net of unamortized premiums (discounts)	0	0	0
Total liabilities	0	433,601	598,624
Deferred inflows of resources:			
Deferred property taxes	2,437,267	0	0
Deferred grant revenue	0	0	357,313
Unamortized gain on refunding	0	0	0
Deferred OPEB	0	0	0
Total deferred inflows	2,437,267	0	357,313
Fund balance/net position (deficit):			
Net investment in capital assets	0	0	0
Restricted	0	0	279,097
Unrestricted	0	0	0
Total fund balance/net position (deficit)	0	0	279,097
Total liabilities, deferred inflows of resources, and fund balances/net position	\$2,437,267	\$433,601	\$1,235,034

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Audit	Liability, Protection, and Settlement Fund	Fund Totals
Cash and cash equivalents	\$0	\$0	\$2,614,923
Investments	0	611,278	21,895,792
Receivables:			
Property taxes	28,838	521,621	3,706,764
Government claims and grants	0	0	1,772,303
Other	0	0	1,667,037
Advances to other funds	86,531	1,179,020	2,380,007
Prepaid items	0	0	90,856
Inventories	0	0	266,935
Property and equipment, net	0	0	0
Total assets	115,369	2,311,919	34,394,617
Deferred outflows of resources:			
Unamortized loss on refunding	0	0	0
Deferred pension	0	0	0
Deferred OPEB	0	0	0
Total deferred outflows of resources	0	0	0
Total assets and deferred outflows	\$115,369	\$2,311,919	\$34,394,617
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$0	\$0	\$272,224
Accrued liabilities	0	61,211	323,409
Advances from other funds	0	0	2,380,007
Unearned tuition and fees	0	0	1,949,497
Accrued compensated absences	0	0	275,883
Capital lease	0	0	0
Net OPEB liability	0	0	0
Bonds payable, net of unamortized premiums (discounts)	0	0	0
Total liabilities	0	61,211	5,201,020
Deferred inflows of resources:			
Deferred property taxes	51,053	972,048	6,665,472
Deferred grant revenue	0	0	357,313
Unamortized gain on refunding	0	0	0
Deferred OPEB	0	0	0
Total deferred inflows	51,053	972,048	7,022,785
Fund balance/net position (deficit):			
Net investment in capital assets	0	0	0
Restricted	0	0	279,097
Unrestricted	64,316	1,278,660	21,891,715
Total fund balance/net position (deficit)	64,316	1,278,660	22,170,812
Total liabilities, deferred inflows of resources, and fund balances/net position	\$115,369	\$2,311,919	\$34,394,617

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	GASB			Adjusted Totals
	General Fixed Assets Account	General Long Term Debt Account	Other Adjustments	
Cash and cash equivalents	\$0	\$0	\$0	\$2,614,923
Investments	0	0	0	21,895,792
Receivables:				
Property taxes	0	0	0	3,706,764
Government claims and grants	0	0	0	1,772,303
Other	0	0	0	1,667,037
Advances to other funds	0	0	(2,380,007)	0
Prepaid items	0	0	0	90,856
Inventories	0	0	0	266,935
Property and equipment, net	25,379,368	0	0	25,379,368
Total assets	25,379,368	0	(2,380,007)	57,393,978
Deferred outflows of resources:				
Unamortized loss on refunding	0	476,780	0	476,780
Deferred pension	0	0	27,161	27,161
Deferred OPEB	0	1,288,079	0	1,288,079
Total deferred outflows of resources	0	1,764,859	27,161	1,792,020
Total assets and deferred outflows	\$25,379,368	\$1,764,859	(\$2,352,846)	\$59,185,998
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$0	\$0	\$0	\$272,224
Accrued liabilities	0	68,168	0	391,577
Advances from other funds	0	0	(2,380,007)	0
Unearned tuition and fees	0	0	(216,132)	1,733,365
Accrued compensated absences	0	0	0	275,883
Capital lease	0	14,235	0	14,235
Net OPEB liability	0	5,688,009	0	5,688,009
Bonds payable, net of unamortized premiums (discounts)	0	28,707,509	0	28,707,509
Total liabilities	0	34,477,921	(2,596,139)	37,082,802
Deferred inflows of resources:				
Deferred property taxes	0	0	0	6,665,472
Deferred grant revenue	0	0	0	357,313
Unamortized gain on refunding	0	7,318	0	7,318
Deferred OPEB	0	2,683,324	0	2,683,324
Total deferred inflows	0	2,690,642	0	9,713,427
Fund balance/net position (deficit):				
Net investment in capital assets	25,379,368	(14,467,000)	0	10,912,368
Restricted	0	0	0	279,097
Unrestricted	0	(20,936,704)	243,293	1,198,304
Total fund balance/net position (deficit)	25,379,368	(35,403,704)	243,293	12,389,769
Total liabilities, deferred inflows of resources, and fund balances/net position	\$25,379,368	\$1,764,859	(\$2,352,846)	\$59,185,998

Spoon River College District No. 534

Combining Schedule of Revenues, Expenditures/Expenses,
and Changes in Fund Balance/Net Position (Deficit) - All Fund Types
For the year ended June 30, 2022

	Education	Operations and Maintenance	Operations and Maintenance Restricted
Revenues:			
Local government	\$4,499,917	\$1,293,821	\$162,744
State government	983,753	350,677	728,307
State of Illinois SURS and CIP on-behalf payments	0	0	0
Federal government	973,878	0	0
Student tuition and fees	4,001,368	0	0
Sales and service fees	0	0	0
Interest	13,512	54	7,758
Other	53,096	7,644	0
Total revenues	10,525,524	1,652,196	898,809
Expenditures/expenses:			
Current:			
Instruction	3,420,937	0	0
Academic support	709,208	0	0
Student services	838,379	0	0
Public services	283,651	0	0
Auxiliary services	0	0	0
Operation and maintenance of plant	0	1,375,643	1,090,806
Institutional support	2,677,323	0	0
Scholarships, student grants, and waivers	428,488	0	0
Depreciation expense	0	0	0
Debt service:			
Principal retirement	0	0	0
Interest	0	0	0
Bond issuance cost	0	0	346,737
Total expenditures/expenses	8,357,986	1,375,643	1,437,543
Excess (deficiency) of revenues over expenditures/expenses	2,167,538	276,553	(538,734)
Other financing sources (uses):			
Bond issuance	0	0	8,100,000
Bond premium	0	0	357,070
Deposit in escrow	0	0	0
Transfers in	0	0	0
Transfers out	(1,012,141)	0	0
Total other financing sources (uses)	(1,012,141)	0	8,457,070
Net change in fund balance / net position	1,155,397	276,553	7,918,336
Fund balance/net position at beginning of year (deficit)	7,460,024	585,809	3,152,620
Fund balance/net position at end of year (deficit)	\$8,615,421	\$862,362	\$11,070,956

Spoon River College District No. 534

Combining Schedule of Revenues, Expenditures/Expenses,
and Changes in Fund Balance/Net Position (Deficit) - All Fund Types (Continued)
For the year ended June 30, 2022

	Bond and Interest	Auxiliary Enterprises Fund	Restricted Purpose
Revenues:			
Local government	\$2,422,124	\$0	\$0
State government	0	0	230,630
State of Illinois SURS and CIP on-behalf payments	0	0	3,433,935
Federal government	0	0	4,716,003
Student tuition and fees	0	0	0
Sales and service fees	0	1,012,201	0
Interest	267	103	27
Other	0	1,734,560	83,535
Total revenues	2,422,391	2,746,864	8,464,130
Expenditures/expenses:			
Current:			
Instruction	0	0	1,829,150
Academic support	0	0	220,660
Student services	0	0	651,195
Public services	0	0	264,341
Auxiliary services	0	2,898,824	134,232
Operation and maintenance of plant	0	0	166,873
Institutional support	0	0	839,732
Scholarships, student grants, and waivers	0	0	4,257,717
Depreciation expense	0	0	0
Debt service:			
Principal retirement	1,780,849	0	0
Interest	788,981	0	0
Bond issuance costs	0	0	0
Total expenditures/expenses	2,569,830	2,898,824	8,363,900
Excess (deficiency) of revenues over expenditures/expenses	(147,439)	(151,960)	100,230
Other financing sources (uses):			
Bond issuance	0	0	0
Bond premium	0	0	0
Deposit in escrow	0	0	0
Transfers in	147,439	149,896	714,806
Transfers out	0	0	0
Total other financing sources (uses)	147,439	149,896	714,806
Net change in fund balance / net position	0	(2,064)	815,036
Fund balance/net position at beginning of year (deficit)	0	2,064	(535,939)
Fund balance/net position at end of year (deficit)	\$0	\$0	\$279,097

Spoon River College District No. 534

Combining Schedule of Revenues, Expenditures/Expenses,
and Changes in Fund Balance/Net Position (Deficit) - All Fund Types (Continued)
For the year ended June 30, 2022

	Audit	Liability, Protection, and Settlement Fund	Fund Totals
Revenues:			
Local government	\$48,600	\$992,614	\$9,419,820
State government	0	0	2,293,367
State of Illinois SURS and CIP on-behalf payments	0	0	3,433,935
Federal government	0	0	5,689,881
Student tuition and fees	0	0	4,001,368
Sales and service fees	0	0	1,012,201
Interest	5	822	22,548
Other	0	0	1,878,835
Total revenues	48,605	993,436	27,751,955
Expenditures/expenses:			
Current:			
Instruction	0	0	5,250,087
Academic support	0	0	929,868
Student services	0	0	1,489,574
Public services	0	0	547,992
Auxiliary services	0	0	3,033,056
Operation and maintenance of plant	0	0	2,633,322
Institutional support	46,835	949,046	4,512,936
Scholarships, student grants, and waivers	0	0	4,686,205
Depreciation expense	0	0	0
Debt service:			
Principal retirement	0	0	1,780,849
Interest	0	0	788,981
Bond issuance cost	0	0	346,737
Total expenditures/expenses	46,835	949,046	25,999,607
Excess (deficiency) of revenues over expenditures/expenses	1,770	44,390	1,752,348
Other financing sources (uses):			
Bond issuance	0	0	8,100,000
Bond premium	0	0	357,070
Deposit in escrow	0	0	0
Transfers in	0	0	1,012,141
Transfers out	0	0	(1,012,141)
Total other financing sources (uses)	0	0	8,457,070
Net change in fund balance/net position	1,770	44,390	10,209,418
Fund balance/net position at beginning of year (deficit)	62,546	1,234,270	11,961,394
Fund balance/net position at end of year (deficit)	\$64,316	\$1,278,660	\$22,170,812

Spoon River College District No. 534

Combining Schedule of Revenues, Expenditures/Expenses,
and Changes in Fund Balance/Net Position (Deficit) - All Fund Types (Continued)
For the year ended June 30, 2022

	GASB			Adjusted Totals
	General Fixed Assets Account	General Long-Term Debt Account	Other Adjustments	
Revenues:				
Local government	\$0	\$0	\$0	\$9,419,820
State government	0	0	0	2,293,367
State of Illinois SURS and CIP on-behalf payments	0	0	0	3,433,935
Federal government	0	0	0	5,689,881
Student tuition and fees	0	0	(977,035)	3,024,333
Sales and service fees	0	0	310,461	1,322,662
Interest	0	0	0	22,548
Other	0	0	(1,734,560)	144,275
Total revenues	0	0	(2,401,134)	25,350,821
Expenditures/expenses:				
Current:				
Instruction	(72,890)	3,436	0	5,180,633
Academic support	0	546	0	930,414
Student services	0	897	0	1,490,471
Public services	0	314	0	548,306
Auxiliary services	0	332	(1,424,099)	1,609,289
Operation and maintenance of plant	(1,084,986)	(6,484)	0	1,541,852
Institutional support	(60,214)	(409)	1,212	4,453,525
Scholarships, student grants, and waivers	0	695	(965,993)	3,720,907
Depreciation expense	1,292,743	0	0	1,292,743
Debt service:				
Principal retirement	0	(1,780,849)	0	0
Interest	0	(92,944)	0	696,037
Bond issuance cost	0	(346,737)	0	0
Total expenditures/expenses	74,653	(2,221,203)	(2,388,880)	21,464,177
Excess (deficiency) of revenues over expenditures/expenses	(74,653)	2,221,203	(12,254)	3,886,644
Other financing sources (uses):				
Bond issuance	0	(8,100,000)	0	0
Bond premium	0	(357,070)	0	0
Deposit in escrow	0	0	0	0
Transfers in	0	0	(1,012,141)	0
Transfers out	0	0	1,012,141	0
Total other financing sources (uses)	0	(8,457,070)	0	0
Net change in fund balance / net position	(74,653)	(6,235,867)	(12,254)	3,886,644
Fund balance/net position at beginning of year (deficit)	25,454,021	(29,167,837)	255,547	8,503,125
Fund balance/net position at end of year (deficit)	\$25,379,368	(\$35,403,704)	\$243,293	\$12,389,769

Spoon River College District No. 534

Schedule of Operating Revenues and Expenses, by Program

Auxiliary Enterprise Fund

For the year ended June 30, 2022

	General	Bookstore	Food Services	Print Shop	Postage	Nursing Exams
Operating revenues:						
Sales and service fees	\$0	\$458,977	\$83,243	\$832	\$14,453	\$7,275
Student tuition and fees	0	0	0	0	0	0
Other	0	0	0	0	0	0
Interest	103	0	0	0	0	0
Total revenues	103	458,977	83,243	832	14,453	7,275
Operating expenses:						
Salaries	0	41,523	52,918	1,200	0	0
Employee benefits	0	54,459	0	0	0	0
Contractual services	0	0	2,434	26,095	0	0
General materials and supplies	0	353,679	89,948	3,258	13,039	1,029
Travel and conference/ meeting expenses	0	0	0	0	0	0
Fixed charges	0	20,673	0	0	0	0
Other	0	10,493	0	0	0	0
Total operating expenses	0	480,827	145,300	30,553	13,039	1,029
Operating income (loss) before transfers	103	(21,850)	(62,057)	(29,721)	1,414	6,246
Net transfers	149,896	0	0	0	0	0
Net income (loss)	\$149,999	(\$21,850)	(\$62,057)	(\$29,721)	\$1,414	\$6,246

Spoon River College District No. 534

Schedule of Operating Revenues and Expenses, by Program (Continued)

Auxiliary Enterprise Fund

For the year ended June 30, 2022

	Student Activities	Athletics	Diesel Tractor Auto Technology	Health Insurance	Total
Operating revenues:					
Sales and service fees	\$0	\$414,579	\$32,842	\$0	\$1,012,201
Student tuition and fees	0	0	0	0	0
Other	0	0	0	325,746	325,746
Interest	0	0	0	0	103
Total revenues	0	414,579	32,842	325,746	1,338,050
Operating expenses:					
Salaries	13,365	184,170	0	0	293,176
Employee benefits	0	24,730	0	325,746	404,935
Contractual services	8,383	53,102	0	0	90,014
General materials and supplies	7,662	79,207	46,235	0	594,057
Travel and conference/ meeting expenses	1,902	73,114	0	0	75,016
Fixed charges	0	1,117	0	0	21,790
Other	529	0	0	0	11,022
Total operating expenses	31,841	415,440	46,235	325,746	1,490,010
Operating income (loss) before transfers	(31,841)	(861)	(13,393)	0	(151,960)
Net transfers	0	0	0	0	149,896
Net income (loss)	(\$31,841)	(\$861)	(\$13,393)	\$0	(\$2,064)

Spoon River College District No. 534
Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections
Levy Years 2021, 2020, 2019, and 2018

	2021	2020	2019	2018
Assessed Valuations	\$1,017,312,830	\$995,706,722	\$974,413,076	\$945,852,246
Tax Rate (per \$100 assessed valuation):				
Educational Accounts	0.2407	0.2421	0.2401	0.2412
Bond and Interest Fund	0.2387	0.2494	0.2432	0.2563
Operations and Maintenance Accounts	0.0500	0.0500	0.0500	0.0500
Audit Fund	0.0050	0.0050	0.0050	0.0047
Fire Prevention/Safety/Energy	0.0232	0.0237	0.0224	0.0234
Liability, Protection, Settlement, and Social Security	0.0952	0.0948	0.0884	0.0795
Total tax rate	0.6528	0.6650	0.6491	0.6551
Tax Extensions:				
Educational Accounts	\$2,444,370	\$2,406,176	\$2,344,091	\$2,281,396
Bond and Interest Fund	2,424,059	2,483,289	2,374,356	2,424,219
Operations and Maintenance Accounts	507,763	497,853	488,149	472,926
Audit Fund	50,776	49,785	48,815	44,455
Fire Prevention/Safety/Energy	235,602	235,982	218,691	221,329
Liability, Protection, Settlement, and Social Security	966,780	943,929	863,047	751,953
Total tax extensions	\$6,629,350	\$6,617,014	\$6,337,149	\$6,196,278
Tax Collections to June 30:				
Educational Accounts	\$1,069,669	\$2,344,614	\$2,341,407	\$2,309,093
Bond and Interest Fund	1,118,021	2,419,810	2,386,314	2,427,500
Operations and Maintenance Accounts	222,425	485,535	487,172	472,237
Audit Fund	22,215	48,553	48,716	44,307
Fire Prevention/Safety/Energy	75,952	162,589	156,650	121,022
Liability, Protection, Settlement, and Social Security	450,426	991,666	928,483	851,949
Total tax collections	\$2,958,708	\$6,452,767	\$6,348,742	\$6,226,108
Percent of extensions collected	44.63%	97.52%	100.18%	100.48%

State Grant Activity and Schedule of Enrollment Data

INDEPENDENT AUDITOR'S REPORT ON STATE ADULT EDUCATION AND FAMILY LITERACY GRANTS FINANCIAL STATEMENTS

Board of Trustees
Spoon River College District No. 534
Canton, Illinois

Opinion

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Spoon River College District No. 534 (the "College"), as of and for the year ended June 30, 2022, and the related notes to the financial statements.

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 Spoon River College District No. 534 as of June 30, 2022, and the results of their operations 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 Spoon River College District No. 534, 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, 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 Spoon River College District No. 534 as of June 30, 2022, the changes in its financial position, or 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 the financial statements that are free from material misstatement, whether due to fraud or error.

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 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 generally accepted auditing standards, we:

- Exercise professional judgement 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grant Programs' financial statements. The ICCB Compliance Statement is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Sterling, Illinois
October 19, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR STATE ADULT EDUCATION AND FAMILY LITERACY GRANTS

Board of Trustees
Spoon River College District No. 534
Canton, Illinois

Compliance

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the State Adult Education and Family Literacy Grants Program of Spoon River College District No. 534 (the "College"), which comprise of the statement of net position as of June 30, 2022, and the related statement of revenues, expenditures, and changes in net position for the year then ended, and the related notes to the financial statements, and we have issued our report there on dated October 19, 2022.

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to materially comply with the terms or conditions of the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to State Adult Education and Family Literacy Grants. Our audit was not directed primarily toward obtaining knowledge of all such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance with the above referenced terms or conditions of the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to State Adult Education and Family Literacy Grants.

The report is intended solely for the information and use of the Board of Trustees and management of Spoon River College District No. 534, and the Illinois Community College Board and is not intended to be and should not be used by anyone other than those specified parties.



Sterling, Illinois
October 19, 2022

Spoon River College District No. 534

Balance Sheet

State Adult Education and Family Literacy Restricted Funds

June 30, 2022

ASSETS	State Basic	State Performance	Total
Cash	\$0	\$0	\$0
Receivables	0	0	0
Advances to other funds	1,077	831	1,908
Total assets	\$1,077	\$831	\$1,908
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accrued liabilities	\$1,077	\$831	\$1,908
Advances from other funds	0	0	0
Total liabilities	1,077	831	1,908
Fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balances	\$1,077	\$831	\$1,908

Spoon River College District No. 534

Statement of Revenues, Expenditures and Changes in Fund Balance

State Adult Education and Family Literacy Restricted Funds

For the year ended June 30, 2022

	State Basic	State Performance	Total
Revenues -			
Grant revenue	\$106,606	\$68,720	\$175,326
Expenditures:			
Direct instruction	68,445	5,934	74,379
Student services:			
Social work services	6,672	0	6,672
Guidance services	14,166	0	14,166
Subtotal instructional and student services	89,283	5,934	95,217
Program support:			
General administration	17,323	61,650	78,973
Data and information services	0	1,136	1,136
Subtotal program support	17,323	62,786	80,109
Total expenditures	106,606	68,720	175,326
Excess of revenues over expenditures	0	0	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	\$0	\$0	\$0

Spoon River College District No. 534

ICCB Compliance Statement for the Adult Education and Family Literacy
Grant - Expenditure Amounts and Percentages for ICCB Grant Funds Only
State Adult Education Restricted Funds
For the year ended June 30, 2022

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$68,445	64.20%
General Administration (20% maximum allowed)	\$17,323	16.25%

Spoon River College District No. 534

Notes to ICCB Grant Programs Financial Statements

Note 1 Summary of Significant Accounting Policies

General

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

Basis of Accounting

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

Fixed Assets

Fixed asset purchases are recorded as capital outlay and not capitalized. 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.

Spoon River College District No. 534

Background Information on State Grant Activity

Restricted Adult Education Grants/State

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

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

**INDEPENDENT ACCOUNTANT'S REPORT ON ENROLLMENT DATA
AND OTHER BASES UPON WHICH CLAIMS ARE FILED**

Board of Trustees
Spoon River College District No. 534
Canton, Illinois

We have examined management of Spoon River College District No. 534's (the "College") assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Spoon River College District No. 534 during the period July 1, 2021 through June 30, 2022. 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 the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Spoon River College District No. 534 is fairly stated, in all material respects.

Wipfli LLP

Sterling, Illinois
October 19, 2022

Spoon River College District No. 534

Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed
For the year ended June 30, 2022

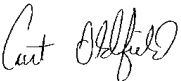
Credit Hour Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer Term		Fall Term		Spring Term		Total All Terms	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Baccalaureate	1,734.0	0.0	7,403.0	0.0	6,862.0	0.0	15,999.0	0.0
Business Occupational	34.0	0.0	401.0	0.0	161.0	0.0	596.0	0.0
Technical Occupation	148.5	0.0	886.5	0.0	1,214.0	0.0	2,249.0	0.0
Health Occupational	258.0	0.0	695.0	0.0	584.0	0.0	1,537.0	0.0
Remedial Development	60.0	0.0	528.0	0.0	307.0	0.0	895.0	0.0
Adult Education	0.0	0.0	0.0	249.0	0.0	291.0	0.0	540.0
	2,234.5	0.0	9,913.5	249.0	9,128.0	291.0	21,276.0	540.0

	In-District (All Terms)		Dual Credit (All Terms)		Dual Enrollment (All Terms)	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Reimbursable Credit Hours:	17,292.5	456.0	2,707.0	0.0	148.0	0.0

Credit Hours on Chargeback or Contractual Agreement: 0.0

District equalized assessed valuation \$995,706,722

Credit Hour Categories	Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
	Correctional Hours	Correctional Hours	Correctional Hours	Correctional Hours
Baccalaureate	0.0	0.0	0.0	0.0
Business Occupational	0.0	0.0	0.0	0.0
Technical Occupation	0.0	0.0	0.0	0.0
Health Occupational	0.0	0.0	0.0	0.0
Remedial Development	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: 
President

Signature: 
Director of Business Services

Spoon River College District No. 534

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

(Continued)

For the year ended June 30, 2022

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	15,999.0	15,999.0	0.0	0.0	0.0	0.0
Business Occupational	596.0	596.0	0.0	0.0	0.0	0.0
Technical Occupation	2,249.0	2,249.0	0.0	0.0	0.0	0.0
Health Occupational	1,537.0	1,537.0	0.0	0.0	0.0	0.0
Remedial Development	895.0	895.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	540.0	540.0	0.0
Total:	21,276.0	21,276.0	0.0	540.0	540.0	0.0
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
In-District Credit Hours:	17,292.5	17,292.5	0.0	456.0	456.0	0.0
Dual Credit Hours:	2,707.0	2,707.0	0.0	0.0	0.0	0.0
Dual Enrollment Hours:	148.0	148.0	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
Business Occupational	0	0	0	0	0	0
Technical Occupation	0	0	0	0	0	0
Health Occupational	0	0	0	0	0	0
Remedial Development	0	0	0	0	0	0
Adult Education	0	0	0	0	0	0
Total:	0	0	0	0	0	0

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

Spoon River College District No. 534

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

Note 1 Residency Verification Process

Procedures for Verifying and Classifying Residency

A student is considered a resident of Spoon River College District No. 534 if one of the following criteria is met at least 30 days prior to the start of the academic term.

1. The student resides with his/her parents within the district.
2. The student is an emancipated minor, completely self-supporting and residing within the district.
3. The student is married and maintains a family residence within the district.
4. The student is self-supporting as defined by the Federal Office of Education and maintains a residence with the district not operated by an institution or higher education; or
5. The student resides outside the district but work full-time (at least 35 hours per week) within the district.

Students must provide one of the following to verify residency:

- In-district driver's license (if not a licensed driver, a State identification card)
- In-district voter's registration card
- Property tax forms showing taxes paid to Spoon River College District No. 534.
- Letter from employer verifying employment equal to or greater than 35 hours a week at a local in-district employer.
- Concurrent full-time enrollment at Western Illinois University.

Annual Federal Financial Compliance Section

**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
Spoon River College District No. 534
Canton, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Spoon River College District No. 534 (the "College"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 19, 2022.

The financial statements of Spoon River College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Spoon River College Foundation or that are reported on separately by those auditors who audited the financial statements of Spoon River 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 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 combination of deficiencies, in internal control, such that there is a 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

Sterling, Illinois
October 19, 2022

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

Board of Trustees
Spoon River College District No. 534
Canton, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Spoon River College District No. 534'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 each of the College's major federal programs for the year ended June 30, 2022. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Spoon River College District No. 534 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a 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 the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement 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 the 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 the 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 the 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 weakness in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion is on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance findings 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 weakness. However, as discussed below, we did identify certain deficiencies internal control over compliance that we considered 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 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 2022-001 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 noncompliance findings 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

Sterling, Illinois
October 19, 2022

Spoon River College District No. 534

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Education:				
Pass-through Illinois Community College Board:				
Adult Education:				
Federal Adult Basic	84.002	53401	\$77,644	\$0
Direct awards:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity Grants	84.007	P007AXX1289	51,346	0
Federal Work Study Program	84.033	P033AXX1289	36,897	0
Federal Pell Grant Program	84.063	P063AXX1340	1,918,780	0
Federal Direct Loan Program	84.268	P268KXX1340	586,679	0
Total student financial assistance cluster			2,593,702	0
Direct award:				
TRIO - Student Support Services	84.042	P042AXX0515	258,453	0
Passed through the Illinois Community College Board:				
Perkins Postsecondary Grants	84.048	CTE53422	96,877	0
Perkins Equity Driven Continuous Improvement	84.048	CTE53422R	50,976	0
Total perkins fund			147,853	0
COVID-19 Education Stabilization Fund:				
Passed through the Illinois Community College Board:				
COVID-19 - Governor's Emergency Education Relief Grant (m)	84.425C	GEER-534	108,015	0
Direct awards:				
COVID-19 - Higher Education Emergency Relief Fund - Student portion (m)	84.425E	P425E202966	1,215,300	0
COVID-19 - Higher Education Emergency Relief Fund - Institutional portion (m)	84.425F	P425F2024121	1,698,073	0
Total education stabilization fund			3,021,388	0
Total U.S. Department of Education			\$6,099,040	\$0
Total federal awards expended			\$6,099,040	\$0

(m) Denotes major program

Spoon River College District No. 534

Notes to the Schedule of Expenditures of Federal Awards

Note 1 Significant Accounting Policy

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Spoon River College District No. 534 (the "College") for the year ended June 30, 2022, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2022.

Note 2 Loan Program

For the year ended June 30, 2022, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$586,679.

Note 3 Non-cash Assistance

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2022.

Note 4 Other Federal Award Information

The College did not receive or administer any insurance or loan guarantees during fiscal year ended June 30, 2022.

Spoon River College District No. 534

Schedule of Findings and Questioned Costs

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Internal control over financial reporting:

Material weakness(es) identified?

Significant deficiency(ies) identified that are

not considered to be material weakness(es)?

Noncompliance material to financial statements noted?

Unmodified

___ yes

X no

___ yes

X none reported

___ yes

X no

Federal Awards

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

Unmodified

Internal control over major programs:

Material weakness(es) identified?

Significant deficiency(ies) identified that are

not considered to be material weakness(es)

___ yes

X no

X yes

___ none reported

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

X yes

___ no

Identification of major programs:

ALN Number(s)

Name of Federal Program or Cluster

84.425C, 84.425E, 84.425F

Higher Education Emergency Relief Grant

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X yes

___ no

Spoon River College District No. 534

Schedule of Findings and Questioned Costs

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

Finding 2022-001: Reporting

COVID-19 Education Stabilization Fund – Higher Education Emergency Relief Fund (HEERF)

CFDA No. 84.425

Department of Education Direct Award

Grant period: April 25, 2020 through June 30, 2023

Questioned costs: \$0

Condition: In regard to the Student Aid quarterly reporting, the College does not include the number of eligible students for HEERF funding in the narrative posted to the College's website. In addition, the Annual Report had errors relating to the amount of Student Aid applied to students' account balances, the amount of Institutional expenditures were used to cover student outstanding account balances, and the amount of expenditures reported under other uses of Institutional Portion funds.

Criteria: The student reporting requirements and posting due dates for Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) were disclosed in the Federal Student Aid (IFAP) Electronic Announcement dated May 6, 2020. The student reporting requirements for Section 314(e) of CRRSAA and ARP HEERF III were disclosed in the Federal Student Aid (IFAP) Electronic Announcement dated May 13, 2021. The US Department of Education requires all information reported on annual and quarterly reports to be accurate.

Cause: The College was unaware of the requirements to report the number of eligible students in the Student Aid quarterly reports and the Annual Report discrepancies were due to clerical errors. The College does not have proper internal controls in place to ensure proper reporting.

Effect: The College was not in compliance with HEERF reporting requirements and did not accurately report HEERF amounts on the Annual Report.

Recommendation: We recommend the College implement internal control procedures to ensure proper annual and quarterly reporting and the person(s) responsible for reporting are current on the reporting requirements issued by the US Department of Education.

View of responsible officials: Management acknowledges the finding and has prepared a corrective action plan. The College has already updated the website to include the number of eligible students.



Taking You Where You Want To Go

Jo Branson
Director, Financial Aid
23235 N. County Highway 22
Canton, IL 61520
Phone: (309) 649-6217
Fax: (309) 649-6393
E-mail: first.last@src.edu

Corrective Action Plan for Current Year Findings

Finding 2022-001: Reporting

COVID-19 Education Stabilization Fund – Higher Education Emergency Relief Fund (HEERF)
CFDA No. 84.425
Department of Education Direct Award
Grant period: April 25, 2020 through June 30, 2023

Corrective Action Plan:

Reconciliation between the General Ledger and Financial Aid to ensure numbers match. As each quarterly report is completed, Financial Aid will send to the Business Office for review and confirmation before posting to the College Website. Financial Aid will review each student award after posting to ensure our awarding spreadsheet matches the amount entered in CX. This will be noted in the awarding spreadsheet by entering the amount of each award used to pay for charges on the student account and the amount refunded to the student. Create a checklist of reporting requirements to make sure every bullet point is covered in our reporting process.

Person(s) Responsible: Jo Branson and Katey Davis

Timing for Implementation: In process now

Jo Branson – Director, Financial Aid
Katey Davis – Assistant Director, Business & Auxiliary Services

Spoon River College District No. 534

Summary Schedule of Prior Audit Findings

Prior Year Findings:

None