

Spoon River College District #534

Canton, IL

Annual Financial Report

Fiscal Years Ended June 30, 2023 and 2022



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Spoon River College District No. 534

Year Ended June 30, 2023

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Financial Section

Independent Auditor's Report

Board of Trustees
Spoon River College District #534
Canton, IL

Report on the Audit of the financial statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of the Spoon River College District #534 (the "College"), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the Spoon River College District #534 as of June 30, 2023 and 2022, and respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 Spoon River College District #534 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 unmodified audit opinions.

Responsibilities of Management for the financial statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Spoon River College District #534's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Spoon River College District #534'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 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 November 8, 2023 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 Spoon River College District #534'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.

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

Wipfli LLP
Sterling, Illinois
November 8, 2023

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, 2023 and 2022. 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.

2023 Financial Highlights

- For the year ended June 30, 2023, the College recorded total operating revenues of \$4,385,776 and total operating expenses of \$17,421,609. The difference produced an operating loss of \$13,035,833. Net nonoperating revenue of \$17,148,278 and \$130,521 of capital contributions offset this loss and resulted in an overall increase in net position of \$4,242,966.
- The largest sources of nonoperating revenue included local property taxes of \$6,729,054, state appropriations of \$3,882,697, and federal grants of \$3,353,540.
- Operating revenue accounted for 20% of the College's total revenue, while nonoperating revenues account for the other 80% of the College's total revenue. Operating revenue consisted of tuition and fees net of scholarships totaling \$3,030,952 and auxiliary enterprise revenues totaling \$1,354,824.

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.

Spoon River College District No. 534

Management Discussion and Analysis

Financial Analysis of the College as a Whole

The College's financial position is summarized as follows for the years ended June 30, 2023, 2022, and 2021:

Net Position					
As of June 30,					
	2023	2022	Increase (Decrease) 2023-2022	2021	Increase (Decrease) 2022-2021
Current assets	\$35,204,239	\$32,014,610	\$3,189,629	\$21,946,763	\$10,067,847
Non-current assets -					
Capital assets, net of depreciation	24,542,354	25,379,368	(837,014)	25,454,021	(74,653)
Total assets	59,746,593	57,393,978	2,352,615	47,400,784	9,993,194
Deferred outflows of resources	1,721,734	1,792,020	(70,286)	1,101,258	690,762
Total assets and deferred outflows of resources	61,468,327	59,185,998	2,282,329	48,502,042	10,683,956
Current liabilities	5,523,427	4,773,405	750,022	5,038,360	(264,955)
Non-current liabilities	26,859,211	32,309,397	(5,450,186)	25,256,003	7,053,394
Total liabilities	32,382,638	37,082,802	(4,700,164)	30,294,363	6,788,439
Deferred inflows of resources	12,452,954	9,713,427	2,739,527	9,704,554	8,873
Total liabilities and deferred inflows of resources	44,835,342	46,796,229	(1,960,637)	39,998,917	6,797,312
Net position					
Net investment in capital assets	12,129,028	10,912,368	1,216,660	9,491,183	1,421,185
Restricted	734,520	279,097	455,423	0	426,536
Unrestricted	3,769,187	1,198,304	2,570,883	(988,058)	2,186,362
Total	\$16,632,735	\$12,389,769	\$4,242,966	\$8,503,125	\$3,886,644

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 2023 Compared to 2022

Current assets increased \$3,189,629 due to unspent bond proceeds that are included in investments relating to the College's sweep account.

Non-current assets decreased \$837,014 due to less additions than the annual depreciation.

Deferred outflows of resources decreased \$70,286 due to a decrease in unamortized loss on refunding.

Current liabilities increased \$750,022 due to an increase in unearned tuition and fees and accrued liabilities.

Non-current liabilities decreased \$5,450,186 due a decrease in bonds payable and net OPEB liability.

Deferred inflows of resources increased \$2,739,527 due to decreases in deferred property taxes and deferred OPEB.

Total net position at June 30, 2023 increased by \$4,242,966. The restricted net position of \$734,520 is restricted for grants and scholarships.

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.

Spoon River College District No. 534

Management Discussion and Analysis

Operating Results for the Year Ended June 30,					
	2023	2022	Increase (Decrease) 2023-2022	2021	Increase (Decrease) 2022-2021
Operating revenue:					
Tuition and fees	\$3,030,952	\$3,024,333	\$6,619	\$3,190,918	(\$166,585)
Auxiliary	1,354,824	1,322,662	32,162	1,022,134	300,528
Other operating revenues	0	0	0	0	0
Total operating revenue	4,385,776	4,346,995	38,781	4,213,052	133,943
Less operating expenses	17,421,609	20,768,140	(3,346,531)	19,543,747	1,224,393
Operating loss	(13,035,833)	(16,421,145)	3,385,312	(15,330,695)	(1,090,450)
Non-operating revenue					
State grants and contracts	3,882,697	4,998,995	(1,116,298)	6,634,744	(1,635,749)
Federal grants and contracts	3,353,540	5,689,881	(2,336,341)	3,387,083	2,302,798
Property taxes	6,729,054	6,458,937	270,117	6,354,434	104,503
Replacement taxes	3,090,095	2,960,883	129,212	1,369,397	1,591,486
Local grants	79,652	83,535	(3,883)	71,439	12,096
Investment income	785,090	22,548	762,542	29,471	(6,923)
Other	10,777	60,740	(49,963)	80,642	(19,902)
Interest expense	(782,627)	(696,037)	(86,590)	(1,182,654)	486,617
Total net non-operating revenues	17,148,278	19,579,482	(2,431,204)	16,744,556	2,834,926
Capital contributions	130,521	728,307	(597,786)	126,279	602,028
Change in net position	4,242,966	3,886,644	356,322	1,540,140	2,346,504
Net position, beginning of year	12,389,769	8,503,125	3,886,644	6,962,985	1,540,140
Net position, end of year	\$16,632,735	\$12,389,769	\$4,242,966	\$8,503,125	\$3,886,644

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2023 were \$22,447,202 and \$18,204,236, respectively. Fiscal year 2022 total revenues and expenses (Operating and Non-Operating) were \$25,350,821 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.

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2023 Compared to 2022

Operating revenue increased \$38,781 due to an increase in auxiliary income.

Operating expenses decreased \$3,346,531 due to decreases in instruction and scholarships, student grants, and waivers expenses.

Net nonoperating revenue decreased \$2,431,204 due to a decrease in federal grants.

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.

Operating Expenses For the Year Ended June 30,

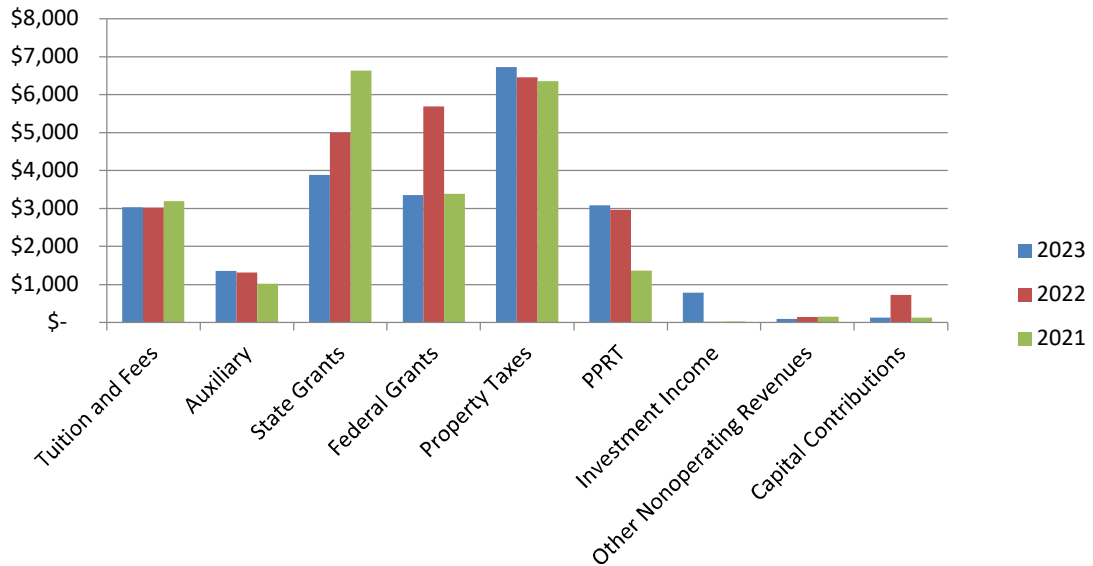
	2023	2022	Increase (Decrease) 2022-2021	2021	Increase (Decrease) 2022-2021
Operating expense:					
Instruction	\$4,204,571	\$5,180,633	(\$976,062)	\$5,891,923	(\$711,290)
Academic support	1,132,024	930,414	201,610	1,057,950	(127,536)
Student services	1,368,207	1,490,471	(122,264)	1,658,308	(167,837)
Public services	484,793	548,306	(63,513)	618,837	(70,531)
Auxiliary services	1,528,727	1,609,289	(80,562)	1,492,663	116,626
Operations & maintenance of plant	1,505,363	1,541,852	(36,489)	1,223,733	318,119
Institutional support	3,775,752	4,453,525	(677,773)	4,564,728	(111,203)
Scholarships, grants, waivers	2,016,430	3,720,907	(1,704,477)	1,842,822	1,878,085
Depreciation	1,405,742	1,292,743	112,999	1,192,783	99,960
Total	\$17,421,609	\$20,768,140	(\$3,346,531)	\$19,543,747	\$1,224,393

Spoon River College District No. 534

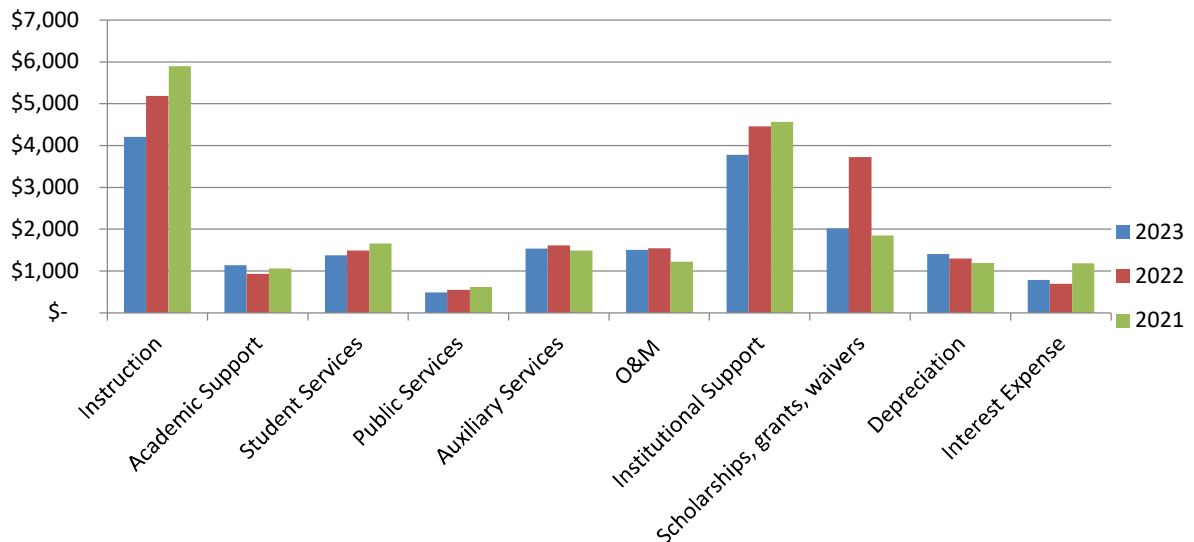
Management Discussion and Analysis

The following graphs depict revenues and expense for the years ended June 30, 2023, 2022, and 2021:

**Comparison of Revenues Fiscal Years 2023, 2022, and 2021
(in thousands)**



**Comparison of Expenses Fiscal Years 2023, 2022, and 2021
(in thousands)**



Spoon River College District No. 534

Management Discussion and Analysis

Capital Assets, Net June 30,					
	2023	2022	Increase (Decrease) 2023-2022	2021	Increase (Decrease) 2022-2021
Capital assets:					
Land and improvements	\$1,861,165	\$1,805,568	\$55,597	\$1,784,964	\$20,604
Buildings and improvements	41,564,565	40,506,988	1,057,577	40,205,619	301,370
Equipment	758,864	660,210	98,654	554,550	105,660
Computer technology	831,228	777,628	53,600	722,040	55,588
Construction in progress	326,368	1,023,068	(696,700)	288,200	734,868
Total	45,342,190	44,773,462	568,728	43,555,372	1,218,090
Less accumulated depreciation	20,799,836	19,394,094	1,405,742	18,101,351	1,292,743
Net capital assets	\$24,542,354	\$25,379,368	(\$837,014)	\$25,454,021	(\$74,653)

Fiscal Year 2023 Compared to 2022

As of June 30, 2023, the College had recorded \$45,342,190 invested in capital assets, \$20,799,836 in accumulated depreciation, and \$24,542,354 in net capital assets. The College had \$568,728 in capital asset additions mostly related to the MTL Lab renovation 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 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.

Debt June 30,					
	2023	2022	Increase (Decrease) 2023-2022	2021	Increase (Decrease) 2022-2021
General obligation bonds, net	\$26,614,121	\$28,707,509	(\$2,093,388)	\$22,528,663	\$6,178,846
Contracts payable	7,267	14,235	(6,968)	20,916	(6,681)
Compensated absences	289,594	275,883	13,711	264,631	11,252
Total	\$26,910,982	\$28,997,627	(\$2,086,645)	\$22,814,210	\$6,183,417

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2023 Compared to 2022

During fiscal year 2022, the College paid \$2,025,000 in bond payments funded through the tax levy. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements.

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.

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 2024.

Property tax revenue in the Operating Funds has increased roughly 2% for fiscal year 2024, after a 1.6% increase in fiscal year 2022. The District experienced a 2% increase in equalized assessed valuation (EAV) from tax year 2021 to 2022. For fiscal year 2024, 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 \$30,000 in property tax revenue in the Operating funds. Additionally, personal property replacement tax is expected to decrease by 28% in 2024, falling closer to 2021 levels.

Management anticipates a 1% increase in tuition revenue in fiscal year 2024 based on level credit hour enrollment for the 2023-2024 academic year, combined with an increase in course fees.

The State of Illinois adopted a budget for fiscal year 2024. Expected State appropriations for the District for fiscal year 2023 are \$64,000 less than the fiscal year 2023 State funding. Overall, Operating funds revenue is expected approximate fiscal year 2023 actual levels to fiscal year 2024.

For fiscal year 2024, the Operating funds budget is forecasted to be balanced. The majority of the Operating funds budget for fiscal year 2024 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, 2023 and 2022

ASSETS	2023	2022
Current assets:		
Cash and cash equivalents	\$ 2,274,470	\$ 2,614,923
Investments	24,970,065	21,895,792
Property taxes receivable, net of allowance	4,663,572	3,706,764
Other receivables, net of allowance	2,996,747	3,439,340
Prepaid items	77,713	90,856
Inventories	221,672	266,935
Total current assets	35,204,239	32,014,610
Noncurrent assets:		
Non-depreciable capital assets	1,085,406	1,782,106
Depreciable capital assets	44,256,784	42,991,356
Less accumulated depreciation	(20,799,836)	(19,394,094)
Total noncurrent assets	24,542,354	25,379,368
Total assets	59,746,593	57,393,978
DEFERRED OUTFLOW OF RESOURCES		
Unamortized loss on refunding	368,830	476,780
SURS pension contribution	78,666	27,161
College insurance plan OPEB	1,274,238	1,288,079
Total deferred outflow of resources	1,721,734	1,792,020
Total assets and deferred outflows of resources	61,468,327	59,185,998
LIABILITIES		
Current liabilities:		
Accounts payable	320,394	272,224
Accrued liabilities	672,749	391,577
Unearned tuition and fees	2,086,091	1,733,365
Accrued compensated absences	289,594	275,883
Contracts payable	7,267	6,968
Bonds payable, net of unamortized premiums (discounts)	2,147,332	2,093,388
Total current liabilities	5,523,427	4,773,405
Noncurrent liabilities:		
Contracts payable	-	7,267
Bonds payable, net of unamortized premiums (discounts)	24,466,789	26,614,121
Net OPEB liability	2,392,422	5,688,009
Total noncurrent liabilities	26,859,211	32,309,397
Total liabilities	32,382,638	37,082,802
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	7,375,187	6,665,472
Deferred grant revenue	670	357,313
Unamortized gain on refunding	-	7,318
Deferred OPEB	5,077,097	2,683,324
Total deferred inflows of resources	12,452,954	9,713,427
Total liabilities and deferred inflows of resources	44,835,592	46,796,229
NET POSITION		
Net investment in capital assets	12,129,028	10,912,368
Restricted - expendable:		
Capital projects	-	-
Debt service	92,352	-
Grants and scholarships	642,168	279,097
Unrestricted	3,769,187	1,198,304
Total net position	\$ 16,632,735	\$ 12,389,769

See Accompanying 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, 2023 and 2022

	2023	2022
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$965,993 and \$1,219,141, respectively	\$ 3,030,952	\$ 3,024,333
Auxiliary enterprises revenue	1,354,824	1,322,662
Total operating revenue	4,385,776	4,346,995
Operating expenses:		
Instruction	4,204,571	5,180,633
Academic support	1,132,024	930,414
Student services	1,368,207	1,490,471
Public services	484,793	548,306
Auxiliary services	1,528,727	1,609,289
Operation and maintenance of plant	1,505,363	1,541,852
Institutional support	3,775,752	4,453,525
Scholarships, student grants, and waivers	2,016,430	3,720,907
Depreciation	1,405,742	1,292,743
Total operating expenses	17,421,609	20,768,140
Operating loss	(13,035,833)	(16,421,145)
Nonoperating revenues and (expenses):		
Property taxes	6,729,054	6,458,937
Personal property replacement tax	3,090,095	2,960,883
State grants	3,882,697	4,998,995
Federal grants	3,353,540	5,689,881
Local grants	79,652	83,535
Investment income	785,090	22,548
Other nonoperating revenues	10,777	60,740
Interest expense	(782,627)	(696,037)
Net nonoperating revenues and (expenses)	17,148,278	19,579,482
Capital contributions - Capital grants and gifts	130,521	728,307
Change in net position	4,242,966	3,886,644
Net position, beginning of year	12,389,769	8,503,125
Net position, end of year	\$ 16,632,735	\$ 12,389,769

See Accompanying Notes to Financial Statements.

Spoon River College District No. 534

Statements of Cash Flows

For the years ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$ 4,016,613	\$ 3,861,452
Payments to suppliers	(5,798,314)	(4,675,950)
Payments to employees	(7,056,975)	(7,900,300)
Payments to students for scholarships	(3,040,679)	(4,686,900)
Auxiliary enterprise charges	2,877,080	1,322,662
Other revenues	(1,882,209)	-
Net cash flows from operating activities	(10,884,484)	(12,079,036)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from property taxes	6,481,961	8,896,430
Replacement tax	3,927,658	2,960,883
Proceeds from grants	5,526,411	7,391,565
Other nonoperating	-	(165,410)
Net cash flows from noncapital financing activities	15,936,030	19,083,468
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(568,728)	(1,218,090)
Principal paid on capital debt	(2,031,968)	(1,780,849)
Proceeds from bonds sold	-	8,100,000
Premium (discount) on bonds sold	-	357,070
Interest paid on bonds payable and other long-term obligations	(502,120)	(681,031)
Net cash flows from capital and related financing activities	(3,102,816)	4,777,100
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(2,290,035)	(11,953,867)
Interest on investments	852	4,980
Net cash flows from investing activities	(2,289,183)	(11,948,887)
Net change in cash and cash equivalents	(340,453)	(167,355)
CASH AND CASH EQUIVALENTS:		
Beginning of year	2,614,923	2,782,278
End of year	\$ 2,274,470	\$ 2,614,923

See Accompanying Notes to Financial Statements.

Spoon River College District No. 534

Statements of Cash Flows - (Continued)

For the years ended June 30, 2023 and 2022

	2023	2022
RECONCILIATION OF OPERATING LOSS TO NET CASH USED		
IN OPERATING ACTIVITIES:		
Operating loss	(13,035,833)	(16,421,145)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,405,742	1,292,743
State on-behalf payments for fringe benefits	1,930,776	3,433,935
Changes in assets and liabilities:		
Receivables	(394,970)	80,051
Prepaid expenses	13,143	(16,357)
Inventories	45,263	38,851
Other	-	(7,355)
Deferred outflows of resources	70,286	(690,762)
Accounts payable	48,170	122,187
Accrued liabilities	(67,723)	(411,493)
Accrued compensated absences	13,711	11,252
Unearned tuition and fees	352,726	(208,925)
Other unearned revenue inc(decr)	(356,643)	(107,950)
OPEB liability	(3,295,587)	698,822
Deferred inflows of resources	2,386,455	107,110
Net cash used in operating activities	\$ (10,884,484)	\$ (12,079,036)
NONCASH INVESTING, CAPITAL, AND FINANCIAL:		
Acquisition of capital assets with state capital contributions	\$ 130,521	\$ 728,307
Acquisition of capital assets using accounts payable	\$ -	\$ -
Disposal of assets	\$ -	\$ -
STATE ON-BEHALF PAYMENTS	\$ 1,930,776	\$ 3,433,935

See Accompanying Notes to Financial Statements.

Spoon River College District No. 534
Component Unit - Spoon River College Foundation
Statements of Financial Position
June 30, 2023 and 2022

ASSETS	2023	2022
Cash	\$ 470,693	\$ 873,413
Investments	4,946,885	3,910,643
Receivables, net	11,415	11,509
Beneficial interest in perpetual trusts	850,991	821,951
Capital assets, non-depreciable	40,000	40,000
Total assets	\$ 6,319,984	\$ 5,657,516
LIABILITIES		
Accounts payable	\$ 177,670	\$ 55,934
Total liabilities	177,670	55,934
NET ASSETS		
Without donor restrictions	279,305	239,203
With donor restrictions	5,863,009	5,362,379
Total net assets	6,142,314	5,601,582
Total liabilities and net assets	\$ 6,319,984	\$ 5,657,516

See Accompanying 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, 2023 and 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support received:			
Contributions	\$ 171,084	\$ 466,329	\$ 637,413
In-kind	87,267	-	87,267
Interest and dividends	-	69,489	69,489
Net realized gain (loss) on investments	-	112,983	112,983
Net unrealized gain (loss) on investments	-	47,421	47,421
Unrealized gain (loss) on beneficial interest in trusts	-	29,040	29,040
Net assets released from restrictions	224,632	(224,632)	-
 Total revenue, gains, and other support received	 482,983	 500,630	 983,613
Expenses:			
Program services:			
Grants, awards and scholarships			
Student Scholarships	139,713	-	139,713
Institutional support	84,919	-	84,919
Total program services	224,632	-	224,632
Supporting services:			
Management and general:			
In-kind - salaries, benefits, and rent	87,266	-	87,266
Administrative	-	-	-
Other	62,747	-	62,747
Fundraising:			
Professional fees	68,236	-	68,236
Materials and supplies	-	-	-
Food	-	-	-
Total supporting services	218,249	-	218,249
Total expenses	442,881	-	442,881
Change in net assets	40,102	500,630	540,732
Net assets, beginning of year	239,203	5,362,379	5,601,582
Net assets, end of year	\$ 279,305	\$ 5,863,009	\$ 6,142,314

See Accompanying 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, 2023 and 2022

	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	-	82,550
Interest and dividends	-	54,962	54,962
Net realized gain (loss) on investments	-	197,957	197,957
Net unrealized gain (loss) on investments	-	(677,076)	(677,076)
Unrealized gain (loss) on beneficial interest in trusts	-	(132,548)	(132,548)
Net assets released from restrictions	261,517	(261,517)	-
 Total revenue, gains, and other support received	 449,424	 (52,744)	 396,680
Expenses:			
Program services:			
Grants, awards and scholarships			
Student Scholarships	119,753	-	119,753
Institutional support	141,764	-	141,764
Total program services	261,517	-	261,517
Supporting services:			
Management and general:			
In-kind - salaries, benefits, and rent	82,550	-	82,550
Administrative	-	-	-
Other	32,120	-	32,120
Fundraising:			
Marketing and promotion	52,284	-	52,284
Materials and supplies	-	-	-
Food	-	-	-
Total supporting services	166,954	-	166,954
 Total expenses	 428,471	 -	 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 Accompanying Notes to Financial Statements.

Spoon River College District #534

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Entity

Spoon River College District #534 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 #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, 2023, the Foundation distributed \$139,713 to students attending the College and gave \$84,919 in direct support to the College. In addition, the College provided the Foundation with \$87,267 of in-kind services.

Spoon River College District #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 #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, 2023 and 2022 were \$1,423,853 and \$1,402,853, respectively.

Property Taxes

The College's property tax is levied each 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 2022 and 2021 are to be recognized as revenue in fiscal years 2023 and 2022, 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 2022 levy which was passed by the Board on December 14, 2022.

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 due June 1 of each year. The second installment, being one-half 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 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 (FIFO) basis. The cost is recorded as an expense at the time individual items are utilized or sold.

Spoon River College District #534

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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

Assets	Years
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 vacation days from year to year.

Spoon River College District #534

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Spoon River College District #534

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 2023 and 2022, the state made contributions of \$1,930,776 and \$3,433,935, respectively (Note 5, Note 6, 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.

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.

Spoon River College District #534

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Note 2: Cash and Investments

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

Cash and deposits consist of the following:

<i>As of June 30</i>	2023	2022
Cash on hand	\$ 4,785	\$ 140
Deposits with financial institutions	2,269,685	2,614,783
Total	\$ 2,274,470	\$ 2,614,923

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investments comprise the following at fair value:

<i>As of June 30</i>	2023	2022
Illinois School District Liquid Asset Fund	\$ 15,457,581	\$ 15,220,776
Local Government Investment Pool	5,865,787	2,034,324
Goldman Sachs Financial Square Prime Obligations Fund	3,646,697	4,640,692
Total	\$ 24,970,065	\$ 21,895,792

Spoon River College District #534

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

As of June 30, 2023, 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	\$ 15,457,581	\$ 15,457,581	\$ -	\$ -	\$ -
Local Government Investment Pool	5,865,787	5,865,787	-	-	-
Goldman Sachs Financial Square Prime Obligations Fund	3,646,697	3,646,697	-	-	-
Total	\$ 24,970,065	\$ 24,970,065	\$ -	\$ -	\$ -

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	\$ -	\$ -	\$ -
Local Government Investment Pool	2,034,324	2,034,324	-	-	-
Goldman Sachs Financial Square Prime Obligations Fund	4,640,692	4,640,692	-	-	-
Total	\$ 21,895,792	\$ 21,895,792	\$ -	\$ -	\$ -

As of June 30, 2023, the College had the following investments with stated ratings:

	Total	Investment Ratings by Standard & Poors			
		AAA	AA	A	Unrated
Illinois School District Liquid Asset Fund	\$ 15,457,581	\$ 15,457,581	\$ -	\$ -	\$ -
Local Government Investment Pool	5,865,787	5,865,787	-	-	-
Goldman Sachs Financial Square Prime Obligations Fund	3,646,697	3,646,697	-	-	-
Total investments	\$ 24,970,065	\$ 24,970,065	\$ -	\$ -	\$ -

Spoon River College District #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 & Poors			
		AAA	AA	A	Unrated
Illinois School District Liquid Asset Fund	\$ 15,220,776	\$ 15,220,776	\$ -	\$ -	-
Local Government Investment Pool	2,034,324	2,034,324	-	-	-
Goldman Sachs Financial Square Prime Obligations Fund	4,640,692	4,640,692	-	-	-
Total investments	\$ 21,895,792	\$ 21,895,792	\$ -	\$ -	-

Credit Risk

Credit risk is the risk that an 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's will not recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2023, there are no investments with custodial credit risk.

Custodial Credit Risk - Deposits

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 \$2,269,685 and the bank balance was \$2,269,684. Of the bank balance, \$405,660 was covered by federal depository insurance; \$533,635 was covered by pledged securities in the College's name and \$1,330,389 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 concentration risk by not allowing investment 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 does not have a foreign currency risk policy. The College does not have any investments with foreign currency risk exposure.

Spoon River College District #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, 2023, is as follows:

	Balance 7/1/2022	Increases	Decreases	Transfers/ Adjustments	Balance 6/30/2023
Capital assets, not being depreciated:					
Land	\$ 759,038	\$ -	\$ -	\$ -	\$ 759,038
Construction in progress	1,023,068	150,749	-	(847,449)	326,368
Total capital assets, not being depreciated	1,782,106	150,749	-	(847,449)	1,085,406
Capital assets, being depreciated:					
Land improvements	1,046,530	55,597	-	-	1,102,127
Building and improvements	40,506,988	210,128	-	847,449	41,564,565
Equipment	660,210	98,654	-	-	758,864
Computer technology	777,628	53,600	-	-	831,228
Total capital assets, being depreciated	42,991,356	417,979	-	847,449	44,256,784
Less accumulated depreciation:					
Land improvements	282,654	181,169	-	-	463,823
Building and improvements	18,155,410	1,080,945	-	-	19,236,355
Equipment	514,786	44,103	-	-	558,889
Computer technology	441,244	99,525	-	-	540,769
Total accumulated depreciation	19,394,094	1,405,742	-	-	20,799,836
Total capital assets, being depreciated, net	23,597,262	(987,763)	-	847,449	23,456,948
Capital assets, net	\$ 25,379,368	\$ (837,014)	\$ -	\$ -	\$ 24,542,354

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

Spoon River College District #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, 2022, is as follows:

	Balance 7/1/2021	Increases	Decreases	Transfers/ Adjustments	Balance 6/30/2022
Capital assets, not being depreciated:					
Land	\$ 759,038	\$ -	\$ -	\$ -	\$ 759,038
Construction in progress	288,200	934,780	-	(199,912)	1,023,068
Total capital assets, not being depreciated	1,047,238	934,780	-	(199,912)	1,782,106
Capital assets, being depreciated:					
Land improvements	1,025,926	20,604	-	-	1,046,530
Buildings and improvements	40,205,618	101,458	-	199,912	40,506,988
Equipment	554,550	105,660	-	-	660,210
Computer technology	722,040	55,588	-	-	777,628
Total capital assets, being depreciated	42,508,134	283,310	-	199,912	42,991,356
Less accumulated depreciation:					
Land improvements	189,183	93,471	-	-	282,654
Buildings and improvements	17,072,346	1,083,064	-	-	18,155,410
Equipment	487,978	26,808	-	-	514,786
Computer technology	351,844	89,400	-	-	441,244
Total accumulated depreciation	18,101,351	1,292,743	-	-	19,394,094
Total capital assets, being depreciated, net	24,406,783	(1,009,433)	-	199,912	23,597,262
Capital assets, net	\$ 25,454,021	\$ (74,653)	\$ -	\$ -	\$ 25,379,368

Spoon River College District #534

Notes to Financial Statements

Note 4: Debt

The following is a summary of the College's long-term debt transactions for the year ended June 30, 2023:

	Balance 7/1/2022	Increases	Decreases	Balance 6/30/2023	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$ 28,160,000	\$ -	\$ 2,025,000	\$ 26,135,000	\$ 2,090,000	\$ 24,045,000
Bond premiums (discounts)	547,509	-	68,388	479,121	57,332	421,789
Total Bonded Debt	28,707,509	-	2,093,388	26,614,121	2,147,332	24,466,789
Contracts payable	14,235	-	6,968	7,267	7,267	-
Compensated absences	275,883	410,160	396,449	289,594	289,594	-
Totals	\$ 28,997,627	\$ 410,160	\$ 2,496,805	\$ 26,910,982	\$ 2,444,193	\$ 24,466,789

The following is a summary of the College's long-term debt transactions for the year ended June 30, 2022:

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$ 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	-	6,681	14,235	6,968	7,267
Compensated absences	264,631	520,420	509,168	275,883	275,883	-
Totals	\$ 22,814,210	\$ 8,977,490	\$ 2,794,073	\$ 28,997,627	\$ 2,376,239	\$ 26,621,388

Spoon River College District #534

Notes to Financial Statements

Note 4: Debt (Continued)

Details on the debt as of June 30, 2023 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:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 1,625,000	\$ 34,125	\$ 1,659,125

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 College paid off this bond in fiscal year 2023.
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 College paid off this bond in fiscal year 2023.
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 #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:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 200,000	\$ 98,088	\$ 298,088
2025	200,000	94,087	294,087
2026	210,000	89,463	299,463
2027	-	86,837	86,837
2028	-	86,838	86,838
2029 - 2033	3,300,000	260,181	3,560,181
Total	\$ 3,910,000	\$ 715,494	\$ 4,625,494

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:

During the year ending June 30:	Principal	Interest	Total
2024	\$ -	\$ 12,245	\$ 12,245
2025	-	12,245	12,245
2026	-	12,245	12,245
2027	-	12,245	12,245
2028	-	12,245	12,245
2029 - 2031	775,000	30,612	805,612
Total	\$ 775,000	\$ 91,837	\$ 866,837

Spoon River College District #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:

During the year ending June 30:	Principal	Interest	Total
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	2,030,000	96,383	2,126,383
2029 - 2030	3,545,000	73,211	3,618,211
Total	\$ 11,725,000	\$ 836,195	\$ 12,561,195

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:

During the year ending June 30:	Principal	Interest	Total
2024	\$ -	\$ 712,867	\$ 712,867
2025	-	353,488	353,488
2026	-	353,487	353,487
2027	-	353,488	353,488
2028	-	353,487	353,487
2029 - 2033	3,220,000	1,621,237	4,841,237
2034-2035	4,880,000	221,269	5,101,269
Total	\$ 8,100,000	\$ 3,969,323	\$ 12,069,323

Spoon River College District #534

Notes to Financial Statements

Note 4: Debt (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 2021, including interest, are as follows:

During the year ending June 30:	General Obligation Bonds	Compensated Absences	Capital Leases	Total Principal	Interest	Total Principal and Interest
2024	\$ 2,090,000	\$ 289,594	\$ 7,267	\$ 2,386,861	\$ 1,050,925	\$ 3,437,786
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	2,030,000	-	-	2,030,000	548,953	2,578,953
2029 - 2033	10,840,000	-	-	10,840,000	1,985,241	12,825,241
2034 - 2035	4,880,000	-	-	4,880,000	221,269	5,101,269
Total	\$ 26,135,000	\$ 289,594	\$ 7,267	\$ 26,431,861	\$ 5,647,285	\$ 32,079,146

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, 2022 can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

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 of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing

Spoon River College District #534

Notes to Financial Statements

Note 5: Defined Benefit Pension Plans (Continued)

normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2022 and fiscal year 2023, respectively, was 12.32% and 12.83% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, 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 and Deferred Inflows of Resources Related to Pensions

Net Pension Liability

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

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the College in fiscal year 2022 is \$0 and for fiscal year 2021 it was \$0. The proportionate share of the State's net pension liability associated with the College at June 30, 2022 is \$43,282,683 or 0.1489% at June 30, 2021 is \$41,991,921 or 0.1472%. This amount is not recognized in the College's financial statement. The College's proportionate share changed by 0.0017% from 0.1472% since the last measurement date of June 30, 2022. The NPL and total pension liability as of June 30, 2022 was determined based on the June 30, 2021 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, 2022 and June 30, 2021, SURS defined benefit plan reported a collective net pension expense of \$1,903,314,699 and \$2,342,460,058, respectively.

Employer Proportionate Share of Defined Benefit Pension Expense

The employer proportionate share of collective 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 during fiscal year 2021 and 2020. As a result, the College recognized on-behalf revenue and defined benefit pension expense of \$2,833,084 and \$3,447,937 from this special funding situation during the years ended June 30, 2023 and June 30, 2022.

Spoon River College District #534

Notes to Financial Statements

Note 5: Defined Benefit Pension Plans (Continued)

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

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	Deferred Outflows of Resources	Deferred Inflow of Resources
<i>Fiscal year ended June 30, 2022 (measurement date)</i>		
Difference between expected and actual experience	\$ 31,973,496	\$ 28,674,599
Changes in assumption	279,362,441	982,954,268
Net difference between projected and actual earnings on pension plan investments	31,628,935	-
Total	\$ 342,964,872	\$ 1,011,628,867

	Deferred Outflows of Resources	Deferred Inflow of Resources
<i>Fiscal year ended June 30, 2021 (measurement date)</i>		
Difference between expected and actual experience	\$ 113,467,689	\$ -
Changes in assumption	776,968,084	-
Net difference between projected and actual earnings on pension plan investments	-	2,283,514,660
Total	\$ 890,435,773	\$ 2,283,514,660

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

	Net Deferred Outflows (Inflows) of Resources
<i>Year Ending June 30, 2023 and 2022</i>	
2023	\$ (332,941,204)
2024	(528,966,820)
2025	(249,290,775)
2026	442,534,804
Total	\$ (668,663,995)

Spoon River College District #534

Notes to Financial Statements

Note 5: Defined Benefit Pension Plans (Continued)

College's Deferral of Fiscal Year 2023 Contributions

The College paid \$78,666 and \$27,161 in federal, trust or grant contributions to SURS defined benefit pension plan during the years ended June 30, 2023 and June 30, 2022 respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2022 and June 30, 2021, and are recognized as deferred outflows of resources as of June 30, 2023 and June 30, 2022.

Assumptions and Other Inputs

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

Inflation	2.25%
Salary increases	3.00% to 12.75%, including inflation
Investment rate of return	6.50% 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 pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

Spoon River College District #534

Notes to Financial Statements

Note 5: Defined Benefit Pension Plans (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	38 %	7.62 %
Stabilized Growth		
Credit Fixed Income	9 %	4.20 %
Core Real Assets	4.5 %	4.98 %
Options Strategies	2.5 %	4.91 %
Private Credit	1 %	7.45 %
Non-Traditional Growth		
Private Equity	10.5 %	11.91 %
Non-Core Real Assets	2.5 %	9.43 %
Inflation Sensitive		
U.S. TIPS	5 %	1.23 %
Principal Protection		
Core Fixed Income	8 %	1.79 %
Crisis Risk Offset		
Systematic Trend Following	10.0 %	4.33 %
Alternative Risk Premia	5 %	3.59 %
Long Duration	4.0 %	2.16 %
Total	100 %	6.08 %
Inflation		2.25 %
Expected Arithmetic Return		8.33 %

Discount Rate. A single discount rate of 6.39% and 6.12% at June 30, 2022 and June 30, 2021, 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% and 6.50% at June 30, 2022 and June 30, 2021, respectively, and a municipal bond rate of 3.69% and 1.92% at June 30, 2022 and June 30, 2021, respectively (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022 and June 30, 2021, 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 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.39% and 6.12% at June 30, 2022 and June 30, 2021, respectively, as well as what the State's NPL net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1- percentage-point higher:

Spoon River College District #534

Notes to Financial Statements

Note 5: Defined Benefit Pension Plans (Continued)

June 30, 2022		
1% Decrease	Current Single Discount	1% Increase
5.39%	Rate Assumption 6.39%	7.39%
\$ 35,261,802,968	\$ 29,078,053,857	\$3,928,731,076

June 30, 2021		
1% Decrease	Current Single Discount	1% Increase
5.49%	Rate Assumption 6.49%	7.49%
\$ 35,000,704,353	28,528,477,079	23,155,085,730

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

Note 6: Defined Contribution Pension Plan

General Information about the Pension Plan

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

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, 2022, 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 #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, 2022, the State's contributions to the RSP on behalf of individual employers totaled \$89,770,940. Of this amount, \$80,902,699 was funded via an appropriation from the State and \$8,868,241 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 2022. The College's share of pensionable contributions was 0.1027%. As a result, the College recognized revenue and defined contribution pension expense of \$92,236 from this special funding situation during the year ended June 30, 2023, of which \$9,112 constituted forfeitures.

Note 7: Other Post-Employment Benefits

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

Spoon River College District #534

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

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.

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 financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706-4100.

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 Appropriation 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.

Spoon River College District #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

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2022 and June 30, 2021. CIP reported a net OPEB liability at June 30, 2022 of \$684,560,152 and at June 30, 2021 of \$1,735,532,864.

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 2023 is \$2,392,422 or 0.3495%, and for fiscal year 2022 it was \$5,688,009 or 0.3277%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was an increase of 0.0218%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2022 and June 30, 2021 was \$2,392,422 or 0.3495% and \$5,688,009 or 0.3277%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2022 and June 30, 2021 was \$4,784,844 and \$11,376,018, respectively. The net OPEB liability and total OPEB liability as of June 30, 2022 was determined based on the June 30, 2021 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 2022.

OPEB Expense

At June 30, 2022 and June 30, 2021, CIP reported a collective net OPEB (income) of \$(287,349,940) and \$(8,291,172), respectively.

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 2022 and 2021, respectively. As a result, the College recognized on-behalf revenue and expense of \$(994,544) and \$(14,002) for the fiscal years ended June 30, 2023 and June 30, 2022. Additionally, the College recognized OPEB expense (income) of \$(887,973) and \$6,008 for the fiscal year ended June 30, 2023 and June 30, 2022.

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

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

Spoon River College District #534

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflow of Resources
<i>Fiscal year ended June 30, 2022 (measurement date)</i>		
Difference between expected and actual experience	\$ 18,900	\$ 996,518
Changes in assumption	0	3,224,910
Net difference between projected and actual earnings on OPEB plan investments	0	124
Changes in proportion and differences between employer contributions and share of contributions	1,224,545	855,545
Total deferred amounts to be recognized in pension expense in future periods	1,243,445	5,077,097
OPEB contributions made subsequent to the measurement date	30,793	0
Total	\$ 1,274,238	\$ 5,077,097

	Deferred Outflows of Resources	Deferred Inflow of Resources
<i>Fiscal year ended June 30, 2021 (measurement date)</i>		
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

The College reported \$30,794 and \$32,958 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2024 and June 30, 2023, 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:

Spoon River College District #534

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2024	\$ (638,942)
2025	(638,942)
2026	(638,942)
2027	(638,942)
2028	(638,942)
2029	(638,942)
Total	\$ (3,833,652)

Assumptions and Other Inputs

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

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increase includes a 3.00% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend used fiscal year end 2023 based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trends rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.86% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.
Asset Valuation Method	Market value

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

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

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

Spoon River College District #534

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed income municipal bonds with the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.69% as of June 30, 2022 and 1.92% as of June 30, 2021.

The increase in the single discount rate from 1.92% to 3.69% caused the total OPEB liability to increase by approximately \$119.2 million from 2021 to 2022.

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

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.69% and 1.92% at June 30, 2022 and June 30, 2021, 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, 2022 to the Single Discount Rate Assumption

	1% Decrease (2.69%)	Current Single Discount Rate Assumption (3.69%)	1% Increase (4.69%)
Net OPEB liability	\$ 2,618,932	\$ 2,392,422	\$ 2,198,724

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 to Changes in the Healthcare Cost Trend Rate

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

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

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	\$ 2,137,996	\$ 2,392,422	\$ 2,703,309

Spoon River College District #534

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

- (a) Current healthcare trend rates Pre-Medicare per capita costs: 9.18% in 2023, 8.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039. Post-Medicare per capita costs: 2.98% in 2023, 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 5.86% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2039.
- (b) One percentage point decrease in current healthcare trend rates Pre-Medicare per capita costs: 8.18% in 2023, 7.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capita costs: 1.98% in 2023, 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 4.86% in 2034 decreasing ratably to an ultimate rate of 3.25% in 2039.
- (c) One percentage point increase in current healthcare trend rates Pre-Medicare per capita costs: 10.18% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capita costs: 3.98% in 2023, 1.00% from 2024 to 2028, 20.42% from 2029 to 2033, 6.86% in 2034 decreasing ratably to an ultimate rate of 5.25% in 2039.

Sensitivity of Net OPEB Liability as of June 30, 2021 to the Healthcare Cost Trend Rate Assumption				
		Healthcare Cost Trend Rates Assumption		
	1% Decrease (a)			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.

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. In order to protect against such risks of loss, the College purchases commercial insurance coverage 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.

Spoon River College District #534

Notes to Financial Statements

Note 9: Construction and Other Significant 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, 2023 was \$762,480. The project is expected to be completed in FY2024.

Subscription Commitments. In fiscal year 2023, the College entered into a contract with Jenzabar for a cloud software subscription. The subscription begins July 1, 2024 and implementation fees will be due as rendered. The total cost will be \$1,970,831 and the remaining commitment as of June 30, 2023 was \$1,970,831. The subscription ends June 30, 2029.

Note 10: Impact of Pending Accounting Principles

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 11: Subsequent Event

In August 2023, the College entered into a contract with Leander Construction for the VoTec building renovation project. The project is estimated to be completed in July 2024 and the estimated cost is \$1,590,300.

In October 2023, the College purchase real estate located next to the Outreach Center in Macomb, IL for \$386,000. The College purchased the property using education reserve funds.

Spoon River College District #534

Notes to Financial Statements

Note 12: Component Unit

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 presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States ("GAAP").

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.

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

Spoon River College District #534

Notes to Financial Statements

Note 12: Component Unit (continued)

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 filed, 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.

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.

Spoon River College District #534

Notes to Financial Statements

Note 12: Component Unit (continued)

Investments and Investment Earnings

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.

	2023 Fair Value	2022 Fair Value
Money market	\$ 306,302	\$ 273,607
Certificates of deposit	1,406,601	595,782
Mutual funds	988,940	797,143
Equities	1,886,320	1,844,729
Bonds and notes	288,898	399,382
Real assets	69,824	0
Total investments measured at fair value	\$ 4,946,885	\$ 3,910,643

The following schedule summarizes the investment return and its classification in the statement of activities - modified cash basis for the year ended June 30, 2023:

	2023 With Donor Restrictions	2022 With Donor Restrictions
Interest and dividends	\$ 94,123	\$ 81,164
Realized gains (losses)	47,421	197,957
Unrealized gains (losses)	112,983	(677,076)
Investment fees	(24,634)	(24,025)
Total	\$ 229,893	(\$424,157)

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 Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Spoon River College District #534

Notes to Financial Statements

Note 12: Component Unit (continued)

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 fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2023:

		Fair Value Measurements at Reporting Date Using			
	Total	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value on a recurring basis:					
Mutual funds	\$ 988,940	\$ 988,940	\$ -	\$ -	
Equities	1,886,320	1,886,320	-	-	
Bonds and notes	288,898	-	288,898	-	
Real assets	69,824	69,824	-	-	
Total investments measured at fair value	3,233,982	2,945,084	288,898	-	
Beneficial interest in perpetual trusts	850,991	-	-	850,991	
Total fair value measurements	\$ 4,084,973	\$ 2,945,084	\$ 288,898	\$ 850,991	

Reconciliation of assets measured using Level 3 inputs as of June 30, 2023:

Balance, beginning of year	\$ 821,951
Gains (losses)	32,789
Purchases	6,646
Distribution and fees	(10,395)
Balance, end of year	\$ 850,991

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.

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Beneficial interest in perpetual trusts	\$ 850,991	Market approach	Fair value of assets contributed to trust	N/A

Spoon River College District #534

Notes to Financial Statements

Note 12: Component Unit (continued)

Information regarding the fair value of assets and liabilities measured at fair value on a nonrecurring basis as of June 30, 2023 follows:

		Fair Value Measurements at Reporting Date Using		
	Total	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a nonrecurring basis:				
Contributed nonfinancial assets services	\$ 87,267	\$ -	\$ -	\$ 87,267
Total	\$ 87,267	\$ -	\$ -	\$ 87,267

The following presents quantitative information about nonrecurring Level 3 fair value measurements at June 30, 2023:

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Contributed services	\$ 87,267	Market approach	Fair value of assets contributed to Foundation	N/A

Required Supplementary Information

Spoon River College District #534

Schedule of Share of Net Pension Liability

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Measurement Date June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion percentage of the collective net pension liability	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Proportion amount of the collective net pension liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	\$ 43,282,683	\$ 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 covered payroll	\$ 6,030,912	\$ 5,564,654	\$ 5,488,178	\$ 558,858	\$ 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 covered payroll	717.68 %	754.62 %	821.22 %	7,914.16 %	767.05 %	719.42 %	716.63 %	651.22 %	596.04 %	
SURS plan net position as a percentage of total pension liability	43.65 %	45.45 %	39.05 %	40.71 %	41.27 %	42.04 %	39.57 %	42.37 %	44.39 %	

Note: The System 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 #534

Schedule of Pension Contributions

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Federal, trust, grant and other contribution	\$ 78,666	\$ 27,161	\$ 28,373	\$ 28,369	\$ 25,652	\$ 15,502	\$ 8,405	\$ 8,314	\$ 10,381	\$ 3,361
Contribution in relation to required contribution	78,666	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				
Employer covered payroll	\$ 6,159,290	\$ 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	1.28 %	0.41 %	0.44 %	0.48 %	0.43 %	0.26 %	0.15 %	0.16 %	0.19 %	0.06 %

Note: The System 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 #534

Schedule of Share of Net OPEB Liability

Last Ten Fiscal Years

(schedule to be built prospectively from 2018)

Measurement Date June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion percentage of the collective net OPEB liability	0.35 %	0.33 %	0.27 %	0.35 %	0.36 %	0.35 %	0.30 %			
Proportion amount of the collective net OPEB liability	\$ 2,392,422	\$ 5,688,009	\$ 4,989,187	\$ 652,840	\$ 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	\$ 2,392,422	\$ 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	\$ 4,784,844	\$ 11,376,018	\$ 9,978,364	\$ 7,245,680	\$ 13,502,308	\$ 12,526,844	\$ 11,163,255			
District's covered payroll	\$ 6,591,655	\$ 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	72.59 %	178.12 %	167.55 %	122.78 %	229.78 %					
College insurance plan net position as a percentage of total OPEB liability	(22.03)%	(6.38)%	(5.07)%	(4.13)%	(0.35)%	(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 #534

Schedule of OPEB Contributions

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 30,794	\$ 32,958	\$ 30,473	\$ 25,173	\$ 31,337	\$ 31,272	\$ 29,995	\$ 27,225		
Contribution in relation to the required statutorily	30,794	32,958	30,473	25,173	31,337	31,272	29,995	27,225		
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
District's covered payroll	\$ 6,159,290	\$ 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 %	0.50 %	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 #534

Notes to Required Supplementary Information

Note 1: Changes of Benefit Terms

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2023.

Note 2: Changes of Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2017 to June 30, 2020 was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below and remained the same for the June 30, 2022, actuarial valuation.

- Salary increases. 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 rate 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 ERI 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. Maintain the RP-2014 to the Pub 2010 mortality tables to reflect the latter's high applicability to public pensions. Update the projection scale from 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 (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, 2023.

Spoon River College District #534

Notes to Required Supplementary Information (Continued)

Note 4: Changes of OPEB Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of CIP. An experience review for the years June 30, 2017 to June 30, 2020, resulting in the adoption of new assumptions as of June 30, 2021. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2020:

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

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

Supplemental Financial Information

Spoon River College District #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, 2023

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)
Fund balance at July 1, 2022	\$ 8,615,421	\$ 862,362	\$ 11,070,956
Revenue:			
Local tax revenue	2,445,776	508,773	173,607
All other local government	2,306,363	783,732	-
ICCB grants	986,231	349,975	-
All other state revenue	-	-	130,521
Federal revenue	-	-	-
Student tuition and fees	4,018,651	-	-
On-behalf CIP	-	-	-
On-behalf SURS	-	-	-
All other revenue	379,721	4,452	383,853
Total revenue	10,136,742	1,646,932	687,981
Expenditures:			
Instruction	3,387,645	-	-
Academic support	778,317	-	-
Student services	874,518	-	-
Public service/continuing education	310,518	-	-
Auxiliary services	-	-	-
Operation and maintenance	-	1,431,052	52,282
Institutional support	2,575,626	-	-
Scholarships, student grants, and waivers	541,448	-	-
Principal retirement	-	-	-
Interest and issuance costs	-	-	-
Building construction, building improvements, and equipment	68,095	70,766	386,632
Total expenditures	8,536,167	1,501,818	438,914
Bond issuance	-	-	-
Bond premium	-	-	-
Deposit in escrow	-	-	-
Net transfers	(122,551)	-	-
	(122,551)	-	-
Fund balance (deficit) at June 30, 2023	\$ 10,093,445	\$ 1,007,476	\$ 11,320,023

Spoon River College District No. 534

Uniform Financial Statement #1 (Continued)

All Funds Summary

For the year ended June 30, 2023

	Bond and Interest Fund	Auxiliary Enterprise Fund	Health Insurance Fund	Restricted Purpose Fund
Fund balance (deficit) at July 1, 2022	\$ -	\$ -	\$ -	\$ 279,097
Revenue:				
Local tax revenue	2,518,539	-	-	-
All other local government	-	-	-	-
ICCB grants	-	-	-	561,215
All other state revenue	-	-	-	54,500
Federal revenue	-	-	-	3,353,540
Student tuition and fees	-	-	-	-
On-behalf CIP	-	-	-	(994,544)
On-behalf SURS	-	-	-	2,925,320
All other revenue	301	2,539,003	342,959	80,328
Total revenue	2,518,840	2,539,003	342,959	5,980,359
Expenditures:				
Instruction	-	-	-	1,151,499
Academic support	-	-	-	466,491
Student services	-	-	-	601,526
Public service/continuing education	-	-	-	210,143
Auxiliary services	-	2,661,554	342,959	86,728
Operation and maintenance	-	-	-	53,800
Institutional support	-	-	-	500,953
Scholarships, student grants, and waivers	-	-	-	2,502,913
Principal retirement	2,025,000	-	-	-
Interest and issuance costs	401,488	-	-	-
Building construction, building improvements, and equipment	-	-	-	43,235
Total expenditures	2,426,488	2,661,554	342,959	5,617,288
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Deposit in escrow	-	-	-	-
Net transfers	-	122,551	-	-
	-	122,551	-	-
Fund balance (deficit) at June 30, 2023	\$ 92,352	\$ -	\$ -	\$ 642,168

Spoon River College District No. 534

Uniform Financial Statement #1 (Continued)

All Funds Summary

For the year ended June 30, 2023

	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund balance (deficit) at July 1, 2021	\$ 64,316	\$ 1,278,660	\$ 22,170,812
Revenue:			
Local tax revenue	52,260	1,030,099	6,729,054
All other local government	-	-	3,090,095
ICCB grants	-	-	1,897,421
All other state revenue	-	-	185,021
Federal revenue	-	-	3,353,540
Student tuition and fees	-	-	4,018,651
On-behalf CIP	-	-	-
On-behalf SURS	-	-	-
All other revenue	7	22,249	3,752,873
Total revenue	52,267	1,052,348	24,957,431
Expenditures:			
Instruction	-	-	4,539,144
Academic support	-	-	1,244,808
Student services	-	-	1,476,044
Public service/continuing education	-	-	520,661
Auxiliary services	-	-	3,091,241
Operation and maintenance	-	-	1,537,134
Institutional support	49,649	929,817	4,056,045
Scholarships, student grants, and waivers	-	-	3,044,361
Principal retirement	-	-	2,025,000
Interest and issuance costs	-	-	401,488
Building construction, building improvements, and equipment	-	-	568,728
Total expenditures	49,649	929,817	22,504,654
Bond issuance	-	-	-
Bond premium	-	-	-
Deposit in escrow	-	-	-
Net Transfers	-	-	-
	-	-	-
Fund balance (deficit) at June 30, 2023	\$ 66,934	\$ 1,401,191	\$ 24,623,589

Spoon River College District No. 534
Uniform Financial Statement #2
Summary of Capital Assets and Long-Term Debt
For the year ended June 30, 2023

	Balance July 1, 2022	Additions	Deletions	Reclassification	Balance June 30, 2023
Capital assets:					
Land	\$ 759,038	\$ -	\$ -	\$ -	\$ 759,038
Construction in process	1,023,068	150,749	-	(847,449)	326,368
Land improvements	1,046,530	55,597	-	-	1,102,127
Buildings and improvements	40,506,988	210,128	-	847,449	41,564,565
Equipment	660,210	98,654	-	-	758,864
Computer technology	777,628	53,600	-	-	831,228
Total capital assets	44,773,462	568,728	-	-	45,342,190
Accumulated depreciation	19,394,094	1,405,742	-	-	20,799,836
Total net capital assets	\$ 25,379,368	\$ (837,014)	\$ -	\$ -	\$ 24,542,354
Long-term debt:					
Contracts payable	\$ 14,235	\$ -	\$ (6,968)	\$ -	\$ 7,267
Bonds payable	28,160,000	-	(2,025,000)	-	26,135,000
Bond premium	547,509	-	(68,388)	-	479,121
Net OPEB liability	5,688,009	-	(3,295,587)	-	2,392,422
Other fixed liabilities	275,883	410,160	(396,449)	-	289,594
Total long-term debt	\$ 34,685,636	\$ 410,160	\$ (5,792,392)	\$ -	\$ 29,303,404

Spoon River College District No. 534

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures

For the year ended June 30, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government revenue:			
Local taxes	\$ 2,445,776	\$ 508,773	\$ 2,954,549
Corporate personal property replacement tax	2,306,363	783,732	3,090,095
Tuition chargeback revenue	-	-	-
Total local government	4,752,139	1,292,505	6,044,644
State government:			
ICCB base operating grant	663,162	349,975	1,013,137
ICCB equalization grant	211,130	-	211,130
ICCB small college grant	27,420	-	27,420
ICCB career & technical education	84,519	-	84,519
Total state government	986,231	349,975	1,336,206
Federal government:			
Department of Education	-	-	-
Total federal government	-	-	-
Student tuition and fees:			
Tuition	3,902,396	-	3,902,396
Fees	116,255	-	116,255
Total tuition and fees	4,018,651	-	4,018,651
Other sources:			
Facilities revenue	-	900	900
Interest	373,336	60	373,396
Other	6,385	3,492	9,877
Total other sources	379,721	4,452	384,173
Total revenue	10,136,742	1,646,932	11,783,674
Less non-operating items *			
Tuition chargeback revenue	-	-	-
Adjusted revenue	\$ 10,136,742	\$ 1,646,932	\$ 11,783,674

* 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, 2023

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$ 3,387,645	\$ -	\$ 3,387,645
Academic support	778,317	-	778,317
Student services	874,518	-	874,518
Public services	310,518	-	310,518
Operation and maintenance	-	1,501,818	1,501,818
Institutional support	2,643,721	-	2,643,721
Scholarships, student grants, and waivers	541,448	-	541,448
Total expenditures	8,536,167	1,501,818	10,037,985
Less non-operating items *			
Tuition chargeback	-	-	-
Adjusted expenditures	\$ 8,536,167	\$ 1,501,818	\$ 10,037,985
By object:			
Salaries	\$ 5,502,236	\$ 195,132	\$ 5,697,368
Employee benefits	1,258,632	68,226	1,326,858
Contractual services	115,661	453,178	568,839
General materials and supplies	776,702	129,383	906,085
Library Materials**	43,841	-	43,841
Conference and meeting expense	121,180	27,728	148,908
Fixed charges	7,361	8,970	16,331
Utilities	-	546,964	546,964
Capital Outlay	68,095	70,766	138,861
Other	686,300	1,471	687,771
Student grants and scholarships**	541,448	-	541,448
Total expenditures	8,536,167	1,501,818	10,037,985
Adjusting non-operating items *			
Tuition chargeback	-	-	-
Adjusted expenditures	\$ 8,536,167	\$ 1,501,818	\$ 10,037,985

* 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, 2023

Revenue by source:

State government:	
ICCB - State Adult Education	\$ 178,651
ICCB - PATH Workforce Grant	311,052
ICCB - Mental Health Early Action on Campus	71,512
S of S Volunteer Literacy	54,500
On-behalf CIP	(994,544)
On-behalf SURS	2,925,320
<hr/>	
Total state government	2,546,491
<hr/>	
Federal government:	
Department of Education	3,353,540
<hr/>	
Total federal government	3,353,540
<hr/>	
Other sources:	
Career Link Transition	57,132
Dollar General Literacy	4,000
Western Illinois Works	18,520
Interest	676
<hr/>	
Total other sources	80,328
<hr/>	
Total restricted purposes fund revenues	\$ 5,980,359
<hr/>	

Spoon River College District No. 534
Uniform Financial Statement #4 (Continued)
Restricted Purposes Fund Revenues and Expenditures
For the year ended June 30, 2023

Expenditures by program:

Instruction	\$ 1,194,734
Academic support	466,491
Student services	601,526
Public services	210,143
Auxiliary services	86,728
Operation and maintenance	53,800
Institutional support	500,953
Scholarships, student grants, and waivers	2,502,913

Total restricted purposes fund expenditures	\$ 5,617,288
---	--------------

Expenditures by object:

Salaries	\$ 564,985
Employee benefits (including SURS and CIP on-behalf)	2,058,277
Contractual services	85,295
General materials and supplies	220,762
Library Materials*	-
Travel, conference and meeting expense	21,362
Capital outlay	43,235
Other	2,623,372
Student grants and scholarships**	2,469,429

Total restricted purposes fund expenditures by object	\$ 5,617,288
---	--------------

* Non-add line

Spoon River College District No. 534

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity

For the year ended June 30, 2023

Instruction -	
Instructional programs	\$ 4,582,379
Academic support:	
Library center	236,711
Instructional materials center	363,417
Academic administration and planning	446,006
Other academic support	198,674
Total academic support	1,244,808
Student services:	
Admissions and records	454,927
Counseling and career guidance	216,067
Financial aid administration	271,807
Other student services	533,243
Total student services	1,476,044
Public service/continuing education:	
Administration	310,518
Other public service	210,143
Total public service/continuing education	520,661
Total auxiliary services	3,091,241
Operations and maintenance:	
Maintenance	833,829
Plant utilities	597,223
Other operations and maintenance	124,566
Total operations and maintenance	1,555,618
Institutional support:	
Executive management	286,462
Fiscal operations	381,379
Administrative support services	1,548,671
Board of trustees	24,755
General institutional	171,140
Administrative data processing	1,210,780
Other institutional support	500,953
Total institutional support	4,124,140
Scholarships, student grants, and waivers	3,044,361
Total current funds expenditures	\$ 19,639,252

* 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 2024

All fiscal year 2023 noncapital audited operating expenditures from the following funds:

1	Education Fund	\$	8,468,072
2	Operations and Maintenance Fund		1,431,052
3	Public Building Commission Operation and Maintenance Fund		-
4	Bond and Interest Fund		78,824
5	Public Building Commission Rental Fund		
6	Restricted Purposes Fund		3,643,277
7	Audit Fund		49,649
8	Liability, Protection, and Settlement Fund		929,817
9	Auxiliary Enterprises Fund (subsidy only)		-
10	Total noncapital expenditures (sum of lines 1-9)		<u>\$ 14,600,691</u>
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds		<u>894,309</u>
12	Total costs included (line 10 plus line 11)		<u>\$ 15,495,000</u>
13	Total certified semester credit hours for FY 2023		<u>21,383</u>
14	Per capita cost (line 12 divided by line 13)		\$724.66
15	All FY 2023 state and federal operating grants for noncapital expenditures, except ICCB grants		<u>\$ 3,926,020</u>
16	FY 2023 state and federal grants per semester credit hour (line 15 divided by line 13)		183.61
17	District's average ICCB grant rate (excluding equalization grants) for FY 2024		<u>48.04</u>
18	District's student tuition and fee rate per semester credit hour for FY 2024		<u>183.00</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)		<u>\$ 310.01</u>

Approved: _____
President

November 8, 2023
Date

Approved: _____
CFO

November 8, 2023
Date

Other Financial Information

Spoon River College District No. 534

Balance Sheet - All Fund Types

June 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Education	Operations and Maintenance	Operations and Maintenance Restricted
Cash and cash equivalents	\$ 235,069.0	\$ -	\$ 2,036,681.0
Investments	13,689,780.0	-	10,507,171.0
Receivables:			
Property taxes	1,542,948.0	329,981.0	169,852.0
Government claims and grants	632,690.0	-	-
Other	1,623,360.0	462.0	-
Advances to other funds	(2,116,333.0)	1,220,024.0	-
Prepaid items	77,713.0	-	-
Inventories	-	-	-
Property and equipment, net	-	-	-
Total assets	15,685,227.0	1,550,467.0	12,713,704.0
Deferred outflows of resources:			
Unamortized loss on refunding	-	-	-
Deferred pension	-	-	-
Deferred OPEB	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows	\$ 15,685,227.0	\$ 1,550,467.0	\$ 12,713,704.0
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 320,394.0	\$ -	\$ -
Accrued liabilities	229,570.0	5,096.0	-
Advances from other funds	-	-	1,156,248.0
Unearned tuition and fees	2,339,119.0	-	-
Accrued compensated absences	265,057.0	15,543.0	-
Capital lease	-	-	-
Net OPEB liability	-	-	-
Bonds payable, net of unamortized premiums (discounts)	-	-	-
Total liabilities	3,154,140.0	20,639.0	1,156,248.0
Deferred inflows of resources:			
Deferred property taxes	2,437,642.0	522,352.0	237,433.0
Deferred grant revenue	-	-	-
Unamortized gain on refunding	-	-	-
Deferred OPEB	-	-	-
Total deferred inflows	2,437,642.0	522,352.0	237,433.0
Fund balance/net position (deficit):			
Net investment in capital assets	-	-	-
Restricted	-	-	-
Unrestricted	10,093,445.0	1,007,476.0	11,320,023.0
Total fund balance/net position (deficit)	10,093,445.0	1,007,476.0	11,320,023.0
Total liabilities, deferred inflows of resources, and fund balances/net position	\$ 15,685,227.0	\$ 1,550,467.0	\$ 12,713,704.0

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Bond and Interest	Auxiliary Enterprises Fund	Restricted Purpose
Cash and cash equivalents	\$ -	\$ 996	\$ 1,724
Investments	-	139,709	-
Receivables:			
Property taxes	1,961,859	-	-
Government claims and grants	-	-	302,050
Other	-	11,362	426,823
Advances to other funds	1,236,112	-	-
Prepaid items	-	-	-
Inventories	-	221,672	-
Property and equipment, net	-	-	-
Total assets	3,197,971	373,739	730,597
Deferred outflows of resources:			
Unamortized loss on refunding	-	-	-
Deferred pension	-	-	-
Deferred OPEB	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows	\$ 3,197,971	\$ 373,739	\$ 730,597
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	4,916	8,569
Advances from other funds	-	359,829	79,190
Unearned tuition and fees	-	-	-
Accrued compensated absences	-	8,994	-
Capital lease	-	-	-
Net OPEB liability	-	-	-
Bonds payable, net of unamortized premiums (discounts)	-	-	-
Total liabilities	-	373,739	87,759
Deferred inflows of resources:			
Deferred property taxes	3,105,619	-	-
Deferred grant revenue	-	-	670
Unamortized gain on refunding	-	-	-
Deferred OPEB	-	-	-
Total deferred inflows	3,105,619	-	670
Fund balance/net position (deficit):			
Net investment in capital assets	-	-	-
Restricted	92,352	-	642,168
Unrestricted	-	-	-
Total fund balance/net position (deficit)	92,352	-	642,168
Total liabilities, deferred inflows of resources, and fund balances/net position	\$ 3,197,971	\$ 373,739	\$ 730,597

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Audit	Liability, Protection, and Settlement Fund	Fund Totals
Cash and cash equivalents	\$ -	\$ -	\$ 2,274,470
Investments	-	633,405	24,970,065
Receivables:			
Property taxes	34,747	624,185	4,663,572
Government claims and grants	-	-	934,740
Other	-	-	2,062,007
Advances to other funds	84,950	1,170,514	1,595,267
Prepaid items	-	-	77,713
Inventories	-	-	221,672
Property and equipment, net	-	-	-
Total assets	119,697	2,428,104	36,799,506
Deferred outflows of resources:			
Unamortized loss on refunding	-	-	-
Deferred pension	-	-	-
Deferred OPEB	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows	\$ 119,697	\$ 2,428,104	\$ 36,799,506
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 320,394
Accrued liabilities	-	7,535	255,686
Advances from other funds	-	-	1,595,267
Unearned tuition and fees	-	-	2,339,119
Accrued compensated absences	-	-	289,594
Capital lease	-	-	-
Net OPEB liability	-	-	-
Bonds payable, net of unamortized premiums (discounts)	-	-	-
Total liabilities	-	7,535	4,800,060
Deferred inflows of resources:			
Deferred property taxes	52,763	1,019,378	7,375,187
Deferred grant revenue	-	-	670
Unamortized gain on refunding	-	-	-
Deferred OPEB	-	-	-
Total deferred inflows	52,763	1,019,378	7,375,857
Fund balance/net position (deficit):			
Net investment in capital assets	-	-	-
Restricted	-	-	734,520
Unrestricted	66,934	1,401,191	23,889,069
Total fund balance/net position (deficit)	66,934	1,401,191	24,623,589
Total liabilities, deferred inflows of resources, and fund balances/net position	\$ 119,697	\$ 2,428,104	\$ 36,799,506

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	GASB			Adjusted Totals
	General Fixed Assets Account	General Long Term Debt Account	Other Adjustments	
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,274,470
Investments	-	-	-	24,970,065
Receivables:				
Property taxes	-	-	-	4,663,572
Government claims and grants	-	-	-	934,740
Other	-	-	-	2,062,007
Advances to other funds	-	-	(1,595,267)	-
Prepaid items	-	-	-	77,713
Inventories	-	-	-	221,672
Property and equipment, net	24,542,354	-	-	24,542,354
Total assets	24,542,354	-	(1,595,267)	59,746,593
Deferred outflows of resources:				
Unamortized loss on refunding	-	368,830	-	368,830
Deferred pension	-	-	78,666	78,666
Deferred OPEB	-	1,274,238	-	1,274,238
Total deferred outflows of resources	-	1,643,068	78,666	1,721,734
Total assets and deferred outflows	\$ 24,542,354	\$ 1,643,068	\$ (1,516,601)	\$ 61,468,327
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 320,394
Accrued liabilities	-	417,063	-	672,749
Advances from other funds	-	-	(1,595,267)	-
Unearned tuition and fees	-	-	(253,028)	2,086,091
Accrued compensated absences	-	-	-	289,594
Capital lease	-	7,267	-	7,267
Net OPEB liability	-	2,392,422	-	2,392,422
Bonds payable, net of unamortized premiums (discounts)	-	26,614,121	-	26,614,121
Total liabilities	-	29,430,873	(1,848,295)	32,382,638
Deferred inflows of resources:				
Deferred property taxes	-	-	-	7,375,187
Deferred grant revenue	-	-	-	670
Unamortized gain on refunding	-	-	-	-
Deferred OPEB	-	5,077,097	-	5,077,097
Total deferred inflows	-	5,077,097	-	12,452,954
Fund balance/net position (deficit):				
Net investment in capital assets	24,542,354	(12,413,326)	-	12,129,028
Restricted	-	-	-	734,520
Unrestricted	-	(20,451,576)	331,694	3,769,187
Total fund balance/net position (deficit)	24,542,354	(32,864,902)	331,694	16,632,735
Total liabilities, deferred inflows of resources, and fund balances/net position	\$ 24,542,354	\$ 1,643,068	\$ (1,516,601)	\$ 61,468,327

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, 2023

	Education	Operations and Maintenance	Operations and Maintenance Restricted
Revenues:			
Local government	\$ 4,752,139	\$ 1,292,505	\$ 173,607
State government	986,231	349,975	130,521
State of Illinois SURS and CIP on-behalf payments	-	-	-
Federal government	-	-	-
Student tuition and fees	4,018,651	-	-
Sales and service fees	-	-	-
Interest	373,336	60	383,853
Other	6,385	4,392	-
Total revenues	10,136,742	1,646,932	687,981
Expenditures/expenses:			
Current:			
Instruction	3,387,645	-	-
Academic support	778,317	-	-
Student services	874,518	-	-
Public services	310,518	-	-
Auxiliary services	-	-	-
Operation and maintenance of plant	-	1,501,818	438,914
Institutional support	2,643,721	-	-
Scholarships, student grants, and waivers	541,448	-	-
Depreciation expense	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Bond issuance cost	-	-	-
Total expenditures/expenses	8,536,167	1,501,818	438,914
Excess (deficiency) of revenues over expenditures/expenses	1,600,575	145,114	249,067
Other financing sources (uses):			
Bond issuance	-	-	-
Bond premium	-	-	-
Deposit in escrow	-	-	-
Transfers in	-	-	-
Transfers out	(122,551)	-	-
Total other financing sources (uses)	(122,551)	-	-
Net change in fund balance / net position	1,478,024	145,114	249,067
Fund balance/net position at beginning of year (deficit)	8,615,421	862,362	11,070,956
Fund balance/net position at end of year (deficit)	\$ 10,093,445	\$ 1,007,476	\$ 11,320,023

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, 2023

	Bond and Interest	Auxiliary Enterprises Fund	Restricted Purpose
Revenues:			
Local government	\$ 2,518,539	\$ -	\$ -
State government	-	-	615,715
State of Illinois SURS and CIP on-behalf payments	-	-	1,930,776
Federal government	-	-	3,353,540
Student tuition and fees	-	-	-
Sales and service fees	-	1,027,204	-
Interest	301	4,608	676
Other	-	1,850,150	79,652
Total revenues	2,518,840	2,881,962	5,980,359
Expenditures/expenses:			
Current:			
Instruction	-	-	1,194,734
Academic support	-	-	466,491
Student services	-	-	601,526
Public services	-	-	210,143
Auxiliary services	-	3,004,513	86,728
Operation and maintenance of plant	-	-	53,800
Institutional support	-	-	500,953
Scholarships, student grants, and waivers	-	-	2,502,913
Depreciation expense	-	-	-
Debt service:			
Principal retirement	2,025,000	-	-
Interest	401,488	-	-
Bond issuance costs	-	-	-
Total expenditures/expenses	2,426,488	3,004,513	5,617,288
Excess (deficiency) of revenues over expenditures/expenses	92,352	(122,551)	363,071
Other financing sources (uses):			
Bond issuance	-	-	-
Bond premium	-	-	-
Deposit in escrow	-	-	-
Transfers in	-	122,551	-
Transfers out	-	-	-
Total other financing sources (uses)	-	122,551	-
Net change in fund balance / net position	92,352	-	363,071
Fund balance/net position at beginning of year (deficit)	-	-	279,097
Fund balance/net position at end of year (deficit)	\$ 92,352	\$ -	\$ 642,168

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, 2023

	Audit	Liability, Protection, and Settlement Fund	Fund Totals
Revenues:			
Local government	\$ 52,260	\$ 1,030,099	\$ 9,819,149
State government	-	-	2,082,442
State of Illinois SURS and CIP on-behalf payments	-	-	1,930,776
Federal government	-	-	3,353,540
Student tuition and fees	-	-	4,018,651
Sales and service fees	-	-	1,027,204
Interest	7	22,249	785,090
Other	-	-	1,940,579
Total revenues	52,267	1,052,348	24,957,431
Expenditures/expenses:			
Current:			
Instruction	-	-	4,582,379
Academic support	-	-	1,244,808
Student services	-	-	1,476,044
Public services	-	-	520,661
Auxiliary services	-	-	3,091,241
Operation and maintenance of plant	-	-	1,994,532
Institutional support	49,649	929,817	4,124,140
Scholarships, student grants, and waivers	-	-	3,044,361
Depreciation expense	-	-	-
Debt service:			
Principal retirement	-	-	2,025,000
Interest	-	-	401,488
Bond issuance cost	-	-	-
Total expenditures/expenses	49,649	929,817	22,504,654
Excess (deficiency) of revenues over expenditures/expenses	2,618	122,531	2,452,777
Other financing sources (uses):			
Bond issuance	-	-	-
Bond premium	-	-	-
Deposit in escrow	-	-	-
Transfers in	-	-	122,551
Transfers out	-	-	(122,551)
Total other financing sources (uses)	-	-	-
Net change in fund balance/net position	2,618	122,531	2,452,777
Fund balance/net position at beginning of year (deficit)	64,316	1,278,660	22,170,812
Fund balance/net position at end of year (deficit)	\$ 66,934	\$ 1,401,191	\$ 24,623,589

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, 2023

	GASB			Adjusted Totals
	General Fixed Assets Account	General Long-Term Debt Account	Other Adjustments	
Revenues:				
Local government	\$ -	\$ -	\$ -	\$ 9,819,149
State government	-	-	-	2,082,442
State of Illinois SURS and CIP on-behalf payments	-	-	-	1,930,776
Federal government	-	-	-	3,353,540
Student tuition and fees	-	-	(987,699)	3,030,952
Sales and service fees	-	-	327,620	1,354,824
Interest	-	-	-	785,090
Other	-	-	(1,850,150)	90,429
Total revenues	-	-	(2,510,229)	22,447,202
Expenditures/expenses:				
Current:				
Instruction	-	(377,808)	-	4,204,571
Academic support	(43,235)	(69,549)	-	1,132,024
Student services	-	(107,837)	-	1,368,207
Public services	-	(35,868)	-	484,793
Auxiliary services	-	(39,984)	(1,522,530)	1,528,727
Operation and maintenance of plant	(457,398)	(31,771)	-	1,505,363
Institutional support	(68,095)	(228,788)	(51,505)	3,775,752
Scholarships, student grants, and waivers	-	(3,336)	(1,024,595)	2,016,430
Depreciation expense	1,405,742	-	-	1,405,742
Debt service:				
Principal retirement	-	(2,025,000)	-	-
Interest	-	381,139	-	782,627
Bond issuance cost	-	-	-	-
Total expenditures/expenses	837,014	(2,538,802)	(2,598,630)	18,204,236
Excess (deficiency) of revenues over expenditures/expenses	(837,014)	2,538,802	88,401	4,242,966
Other financing sources (uses):				
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Deposit in escrow	-	-	-	-
Transfers in	-	-	(122,551)	-
Transfers out	-	-	122,551	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance / net position	(837,014)	2,538,802	88,401	4,242,966
Fund balance/net position at beginning of year (deficit)	25,379,368	(35,403,704)	243,293	12,389,769
Fund balance/net position at end of year (deficit)	\$ 24,542,354	\$ (32,864,902)	\$ 331,694	\$ 16,632,735

Spoon River College District No. 534
Schedule of Operating Revenues and Expenses, by Program
Auxiliary Enterprise Fund
For the year ended June 30, 2023

	General	Bookstore	Food Services	Print Shop	Postage	Nursing Exams
Operating revenues:						
Sales and service fees	\$ -	\$ 418,410	\$ 106,154	\$ 240	\$ 14,247	\$ 2,550
Student tuition and fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
Interest	3,756	-	-	-	-	-
Total revenues	3,756	418,410	106,154	240	14,247	2,550
Operating expenses:						
Salaries	-	43,066	60,680	1,200	-	-
Employee benefits	-	26,991	-	-	-	-
Contractual services	-	-	1,903	27,279	-	-
General materials and supplies	-	322,560	112,522	3,854	16,981	753
Travel and conference/ meeting expenses	-	-	-	-	-	-
Fixed charges	-	19,191	-	-	-	-
Other	-	12,714	-	-	-	-
Total operating expenses	-	424,522	175,801	32,333	16,981	753
Operating income (loss) before transfers	3,756	(6,112)	(69,647)	(32,093)	(2,734)	1,797
Net transfers	122,551	-	-	-	-	-
Net income (loss)	\$ 126,307	\$ (6,112)	\$ (69,647)	\$ (32,093)	\$ (2,734)	\$ 1,797

Spoon River College District No. 534

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

Auxiliary Enterprise Fund

For the year ended June 30, 2023

	Student Activities	Athletics	Diesel Tractor Auto Technology	Health Insurance	Total
Operating revenues:					
Sales and service fees	\$ -	\$ 413,695	\$ 71,908	\$ -	\$ 1,027,204
Student tuition and fees	-	-	-	-	-
Other	-	-	-	342,959	342,959
Interest	-	-	-	-	3,756
Total revenues	-	413,695	71,908	342,959	1,373,919
Operating expenses:					
Salaries	13,500	196,118	-	-	314,564
Employee benefits	-	26,691	-	342,959	396,641
Contractual services	11,001	48,604	-	-	88,787
General materials and supplies	7,493	62,507	49,090	-	575,760
Travel and conference/ meeting expenses	2,832	83,333	-	-	86,861
Fixed charges	-	1,318	-	-	20,509
Other	634	-	-	-	13,348
Total operating expenses	35,460	418,571	49,090	342,959	1,496,470
Operating income (loss) before transfers	(35,460)	(4,876)	22,818	-	(122,551)
Net transfers	-	-	-	-	122,551
Net income (loss)	\$ (35,460)	\$ (4,876)	\$ 22,818	\$ -	\$ -

Spoon River College District No. 534

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Levy Years 2022, 2021, 2020, and 2019

	2022	2021	2020	2019
Assessed Valuations	\$ 1,062,290,431	\$ 1,017,312,830	\$ 995,706,722	\$ 974,413,076
Tax Rate (per \$100 assessed valuation):				
Educational Accounts	0.2310	0.2407	0.2421	0.2401
Bond and Interest Fund	0.2943	0.2387	0.2494	0.2432
Operations and Maintenance Accounts	0.0495	0.0500	0.0500	0.0500
Audit Fund	0.0050	0.0050	0.0050	0.0050
Fire Prevention/Safety/Energy	0.2250	0.0232	0.0237	0.0224
Liability, Protection, Settlement, and Social Security	0.0966	0.0952	0.0948	0.0884
Total tax rate	0.9014	0.6528	0.6650	0.6491
Tax Extensions:				
Educational Accounts	\$ 2,417,074	\$ 2,444,370	\$ 2,406,176	\$ 2,344,091
Bond and Interest Fund	3,085,527	2,424,059	2,483,289	2,374,356
Operations and Maintenance Accounts	518,972	507,763	497,853	488,149
Audit Fund	52,421	50,776	49,785	48,815
Fire Prevention/Safety/Energy	235,897	235,602	235,982	218,691
Liability, Protection, Settlement, and Social Security	1,012,783	966,780	943,929	863,047
Total tax extensions	\$ 7,322,674	\$ 6,629,350	\$ 6,617,014	\$ 6,337,149
Tax Collections to June 30:				
Educational Accounts	\$ 894,693	\$ 2,445,552	\$ 2,344,614	\$ 2,341,407
Bond and Interest Fund	1,143,761	2,518,253	2,419,810	2,386,314
Operations and Maintenance Accounts	192,372	508,725	485,535	487,172
Audit Fund	19,450	50,821	48,553	48,716
Fire Prevention/Safety/Energy	67,581	173,590	162,589	156,650
Liability, Protection, Settlement, and Social Security	395,192	1,030,000	991,666	928,483
Total tax collections	\$ 2,713,049	\$ 6,726,941	\$ 6,452,767	\$ 6,348,742
Percent of extensions collected	37.05%	101.47%	97.52%	100.18%

ICCB State Grant Financial and Compliance Section

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

Board of Trustees
Spoon River College District #534
Canton, IL

Opinion

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Spoon River College District #534's as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of Spoon River College District #534 as of June 30, 2023, 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 #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 #534 as of June 30, 2023 and 2022, and the changes in its financial position and, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and any significant deficiencies and material weaknesses in internal control over compliance 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
November 8, 2023

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

Board of Trustees
Spoon River College District #534
Canton, IL

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 #534 (the "College"), which comprise of the balance sheet as of June 30, 2023, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report there on dated November 8, 2023.

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 #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.

A handwritten signature in black ink that reads "Wipfli LLP".

Wipfli LLP

Sterling, Illinois
November 8, 2023

Spoon River College District No. 534

Balance Sheet

State Adult Education and Family Literacy Restricted Funds

June 30, 2023

ASSETS	State Basic	State Performance	Total
Cash	\$ -	\$ -	\$ -
Receivables	-	-	-
Advances to other funds	1,180	951	2,131
Total assets	\$ 1,180	\$ 951	\$ 2,131
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accrued liabilities	\$ 1,180	\$ 951	\$ 2,131
Advances from other funds	-	-	-
Total liabilities	1,180	951	2,131
Fund balance	-	-	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,180	\$ 951	\$ 2,131

See Accompanying Notes to ICCB Grant Programs Financial Statements

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, 2023

	State Basic	State Performance	Total
Revenues -			
Grant revenue	\$ 107,776	\$ 70,875	\$ 178,651
Expenditures:			
Personnel wages	74,939	44,786	119,725
Fringe benefits	17,438	13,625	31,063
Travel	1,000	4,493	5,493
Supplies	5,544	5,299	10,843
Training and education	-	1,934	1,934
Miscellaneous	8,855	738	9,593
Total expenditures	107,776	70,875	178,651
Excess of revenues over expenditures	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

See Accompanying Notes to ICCB Grant Programs Financial Statements

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

For the year ended June 30, 2023

	Audited Expenditure Amount	Actual Expenditure Percentage of Budget
State Basic		
Instruction (45% minimum required)	\$ 60,428	56.07%

Spoon River College District #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 & Family Literacy grant programs. These transactions have been accounted for in the College's Restricted Purpose Fund.

Basis of Accounting

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

Fixed Assets

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

Note 2: Payment of Prior Year's Encumbrances

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

Spoon River College District #534

Background Information on State Grants

Restricted Adult Education Grants/State

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

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

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

Board of Trustees
Spoon River College District #534
Canton, IL

We have examined management of Spoon River College District #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 Credit Hour Data and Other Bases Upon Which Claims Are Filed of Spoon River College District #534 during the period July 1, 2022 through June 30, 2023. 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 AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the 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.

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 Credit Hour Data and Other Bases Upon Which Claims Are Filed of Spoon River College District #534 is fairly stated, in all material respects.

A handwritten signature in black ink that reads "Wipfli LLP".

Wipfli LLP

Sterling, Illinois
November 8, 2023

Spoon River College District No. 534

Schedule of Credit Hour Data and Other Bases Upon Which Claims are Filed
For the year ended June 30, 2023


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	1,586.0	-	6,893.0	-	6,960.0	-	15,439.0	-
Business Occupational	24.0	-	422.0	-	185.0	-	631.0	-
Technical Occupation	194.0	-	894.0	-	1,222.0	-	2,310.0	-
Health Occupational	195.0	-	687.5	-	828.0	-	1,710.5	-
Remedial Development	32.0	-	378.0	-	165.0	-	575.0	-
Adult Education	-	-	-	378.0	-	339.0	-	717.0
	2,031.0	-	9,274.5	378.0	9,360.0	339.0	20,665.5	717.0

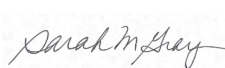
	In-District (All Terms)		Dual Credit (All Terms)		Dual Enrollment (All Terms)	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Reimbursable Credit Hours:	16,233.0	576.0	3,347.0	-	194.0	-

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	-	-	-	-
Business Occupational	-	-	-	-
Technical Occupation	-	-	-	-
Health Occupational	-	-	-	-
Remedial Development	-	-	-	-
Adult Education	-	-	-	-

Signature: 
President

Signature: 
CFO

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

Spoon River College District No. 534

Reconciliation of Total Semester Credit Hours

For the year ended June 30, 2023

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	15,439.0	15,439.0	-	-	-	-
Business Occupational	631.0	631.0	-	-	-	-
Technical Occupation	2,310.0	2,310.0	-	-	-	-
Health Occupational	1,710.5	1,710.5	-	-	-	-
Remedial Development	575.0	575.0	-	-	-	-
Adult Education	-	-	-	717.0	717.0	-
Total:	20,665.5	20,665.5	-	717.0	717.0	-
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:	16,233.0	16,233.0	-	576.0	576.0	-
Dual Credit Hours:	3,347.0	3,347.0	-	-	-	-
Dual Enrollment Hours:	194.0	194.0	-	-	-	-
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	-	-	-	-	-	-
Business Occupational	-	-	-	-	-	-
Technical Occupation	-	-	-	-	-	-
Health Occupational	-	-	-	-	-	-
Remedial Development	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-
Total:	-	-	-	-	-	-

Spoon River College District #534

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

Note 1: Residency Verification Process

Procedures for Verifying and Classifying Residency

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 within 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 #534
Canton, IL

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component unit of Spoon River College District #534 (the "College"), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 8, 2023. 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 instances of reportable noncompliance associated with 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Spoon River College District #534's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

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

Wipfli LLP

Sterling, Illinois
November 8, 2023

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

Board of Trustees
Spoon River College District #534
Canton, IL

Report on Compliance for the Major Federal Program

Qualified Opinion on the Major Federal Program

We have audited Spoon River College District #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 its major federal program for the year ended June 30, 2023. Spoon River College District #534's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the Student Financial Aid Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Spoon River College District #534 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Student Financial Aid Cluster for the year ended June 30, 2023.

Basis for Qualified Opinion on the Major Federal Program

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

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

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

As described in the accompanying schedule of findings and questioned costs, Spoon River College District #534 did not comply with requirements regarding the Student Financial Aid Cluster as described in finding numbers 2023-001 for Special Tests and Provisions, 2023-002 for Special Tests and Provisions, and 2023-003 for Eligibility.

Compliance with such requirement is necessary, in our opinion, for Spoon River College District #534 to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003. Our opinion on the major federal program is not modified with respect to these matters.

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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and a significant deficiency.

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

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 2023-003 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance 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

November 8, 2023

Spoon River College District No. 534

Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Treasury:				
Pass-through Illinois Community College Board: COVID-19 College Bridge Program	21.027	5340122	\$ 220,000	\$ -
U.S. Department of Education:				
Pass-through Illinois Community College Board: Adult Education: Federal Adult Basic	84.002	53401	105,009	-
Direct awards:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity Grants	84.007	P007AXX1289	51,267	- (m)
Federal Work Study Program	84.033	P033AXX1289	24,713	- (m)
Federal Pell Grant Program	84.063	P063AXX1340	1,814,826	- (m)
Federal Direct Loan Program	84.268	P268KXX1340	468,753	- (m)
Total student financial assistance cluster			2,359,559	-
Direct award:				
TRIO - Student Support Services	84.042	P042AXX0515	277,663	-
Passed through the Illinois Community College Board:				
Perkins Postsecondary Grants	84.048	CTE53422	89,749	-
COVID-19 Education Stabilization Fund:				
Passed through the Illinois Community College Board:				
COVID-19 - Governor's Emergency Education Relief Grant	84.425C	GEER-534	26,247	-
Direct awards:				
COVID-19 - Higher Education Emergency Relief Fund - Student portion	84.425E	P425E202966	388,043	-
Total education stabilization fund			414,290	-
Total U.S. Department of Education			\$ 3,246,270	\$ -
U.S. Department of Health and Human Services:				
Pass-through Illinois Community College Board: COVID-19 Child Care and Development Fund Cluster Early Childhood Grant	93.575	ECE 53401-22	\$ 4,583	\$ -
Total federal awards expended			\$ 3,470,853	\$ -

(m) Denotes major program

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Spoon River College District #534

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1: General

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Spoon River College District #534 under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of Spoon River College District #534, it is not intended to and does not present the financial position, changes in net position or cash flows of Spoon River College District #534.

Note 2: Basis of Accounting

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

Note 3: Indirect Cost Rate

Spoon River College District #534 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Loan Program

For the year ended June 30, 2023, the College acted a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$468,753.

Note 5: Non-Cash Assistance

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2023.

Note 6: Other Federal Award Information

The College did not receive or administer any insurance or loan guarantees during fiscal year ended June 30, 2023.

Spoon River College District #534

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None Reported

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

Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☒ Yes ☐ No

Identification of major programs

<u>AL Number(s)</u>	<u>Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster

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

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

Spoon River College District #534

Schedule of Findings and Questioned Costs (Continued)

Section II - Audit Findings in Relation to Financial Statements

No findings related to the the financial statements.

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

2023-001 Special Tests and Provisions - Common Origination and Disbursement (COD) Reporting
Federal Program Information:

Funding agency: US Department of Education
Title: Student Financial Assistance Cluster
AL number: 84.007, 84.033, 84.063, 84.268
Award year: 2023

Criteria or Specific Requirement: Disbursement dates in the student ledger need to reflect the disbursement dates in COD.

Condition: The examination disclosed 2 instances, out of 40 student files tested, in which their disbursements dates on COD do not match the student ledger.

		COD Disbursement Date	Student Ledger Disbursement Date
	Fund Source		
Student A	Pell	02/08/2023	02/28/2023
Student B	Pell	09/13/2022	10/05/2022

Questioned Costs: \$0

Effect: The disbursement dates in COD determines the date interest accrual begins.

Cause: An oversight was made by the institution.

Repeat: No

Auditor's Recommendation: The institution should implement better oversight to ensure the COD disbursement dates and the student ledgers disbursement dates match.

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

Spoon River College District #534

Schedule of Findings and Questioned Costs (Continued)

2023-002 **Special Tests and Provisions - R2T4 Calculation**
Federal Program Information:

Funding agency: US Department of Education
Title: Student Financial Assistance Cluster
AL number: 84.007, 84.033, 84.063, 84.268
Award year: 2023

Criteria or Specific Requirement: An institution has 45 days from the date of determination to return any Title IV funding as determined by an R2T4 calculation.

Condition: The examination disclosed 2 instances, out of the 13 drop student files tested, in which the Title IV funds were returned more than 45 days after the date of determination.

Student A: the date of determination was March 20, 2023 and the Title IV funds were returned on June 28, 2023, 99 days later.

Student B: the date of determination was March 20, 2023 and the Title IV funds were returned on June 28, 2023, 99 days later.

Questioned Costs: \$0

Effect: Title IV funding was returned after the 45 deadline as established by the Department of Education.

Cause: An oversight was made by the institution.

Repeat: No

Auditor's Recommendation: The institution should setup better oversight for the calculation of R2T4's. The institution should also ensure they are adhering to the Department of Education deadlines for the return of Title IV funding.

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

Spoon River College District #534

Schedule of Findings and Questioned Costs (Continued)

2023-003

Eligibility - Conflicting Information

Federal Program Information:

Funding agency: US Department of Education
Title: Student Financial Assistance Cluster
AL number: 84.007, 84.033, 84.063, 84.268
Award year: 2023

Criteria or Specific Requirement: An institution have must have an adequate internal system to identify conflicting information—regardless of the source and regardless of whether the student is selected for verification—that would affect a student’s eligibility.

Condition: The examination disclosed 1 instance, out of the 40 student files tested, in which there is conflicting information. The student’s ISIR states 2 family members in college but the supporting documentation in the student file states there are no additional family members in college.

Questioned Costs: \$0

Effect: Title IV eligibility may be effected.

Cause: An oversight was made by the institution.

Repeat: No

Auditor's Recommendation: The institution should setup better oversight to monitor conflicting information. The institution should update the student’s ISIR with the information provided to reflect the correct number of individuals in college to be 1 instead of 2 because the change in people enrolled in college may effect the EFC.

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



Taking You Where You Want To Go

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Corrective Action Plan for Current Year Findings

Finding 2023-001: Common Origination and Disbursement (COD) Reporting

Corrective Action Plan:

We recognize that these errors were created by a new employee who failed to understand the importance of timely posting of aid and refunds. For this specific employee, additional oversight has been implemented as of November 1, 2023 that involves all postings and refunds being double checked by the supervisor. In the future, for new employees in this role, the College will double check all postings and refunds for a period of three months while the new employee is training. At the end of that time, if the employee seems to be struggling, the oversight will continue.

In addition to employee-specific oversight, the College has implemented, as of November 1, 2023, the practice of writing down every journal posted to Nelnet, our refunding system, and verifying the next day that it has been received properly by Nelnet. Since Wipfli only tested through the end of FY23 and we learned about these findings in late October 2023, we plan to also go back and manually check all postings from July 1, 2023 through November 1, 2023 to verify that everything in FY24 so far has been done correctly, and identify and/or correct any errors we may find.

Person(s) Responsible: Katey Davis

Timing for Implementation: In process now

Katey Davis – Director of Business Services



Taking You Where You Want To Go

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Corrective Action Plan for Current Year Findings

Finding 2023-002: Special Test and Provisions – R2T4 Calculation

Corrective Action Plan:

We are implementing a process of sharing the responsibility of processing recalculations of aid on a weekly rotation. One week the Assistant Dean, Student Services will complete the calculations and share those with the Coordinator, Financial Aid for review. The next week processing will be completed by the Coordinator, Financial Aid and reviewed by the Assistant Dean, Student Services. This will help ensure that two individuals have reviewed the calculations and agree on the dates and awards amounts included in the calculations.

Person(s) Responsible: Jo Branson and Nikki Rittenhouse

Timing for Implementation: In process now

Jo Branson – Assistant Dean, Student Services

Nikki Rittenhouse – Coordinator, Financial Aid



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Corrective Action Plan for Current Year Findings

Finding 2023-003: Eligibility – Conflicting Information

Corrective Action Plan:

We are working on processing checklists to be used by all staff. One checklist is for verification where the staff member will record the original value received on the FAFSA and the amount received on documentation. The checklist will stay with the student information. Once any needed correction is returned, staff will review all items on the checklist to ensure that all needed corrections were processed accurately. The second checklist will be for all other documents received for the student file. We will enter the name of the contact, the initial value on the FAFSA and the value received with documentation. Staff will then follow the same process as with verification of reviewing returned corrections for accuracy. A second check will occur as documents are prepared to be scanned in our imaging system.

At this time, we will pull all 2023-2024 documents that have been processed to date and review to ensure all corrections have been processed accurately.

Person(s) Responsible: Jo Branson, Nikki Rittenhouse, Charlie Cox, Joseph Shelko and Denise Harrington

Timing for Implementation: Begin implementation and finalize checklists by November 13, 2023.

Jo Branson – Assistant Dean, Student Services

Nikki Rittenhouse – Coordinator, Financial Aid

Charlie Cox – Coordinator, Financial Aid

Joseph Shelko – Specialist, Financial Aid – Veterans

Denise Harrington – Office Assistant, Financial Aid

Spoon River College District #534

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2023

Prior Year Findings:

June 30, 2022

I. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

II. Findings and Questioned Costs for Federal Awards

Finding 2022-001

In regard to the student aid quarterly reporting, the College did 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. This finding was resolved in 2023.