

Spoon River College

Canton, Illinois

Annual Financial Report

Fiscal Years Ended June 30, 2020 and 2019



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Financial Section

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Spoon River College District No. 534 (the "College") as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Spoon River College Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Spoon River College District No. 534, as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the Management Discussion and Analysis, Schedule of Share of Net Pension Liability, Schedule of Pension Contributions, Schedule of Share of Net OPEB Liability, and Schedule of OPEB Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The special reports section is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards in the annual federal financial compliance section is presented for purposes of additional analysis as required by 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 is also not a required part of the basic financial statements.

The supplemental financial information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 annual federal financial compliance section and the supplemental financial information listed under the special reports section of the table of contents are fairly presented in all material respects in relation to the financial statements taken as a whole.

The other supplemental financial information listed in the special reports section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020, 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 to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Sterling, Illinois
November 19, 2020

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, 2020 and 2019. 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.

2020 Financial Highlights

- For the year ended June 30, 2020, the College recorded total operating revenues of \$4,704,107 and total operating expenses of \$20,482,693. The difference produced an operating loss of \$15,778,586. Net nonoperating revenue of \$16,798,504 and \$57,959 of capital contributions offset this loss and resulted in an overall increase in net position of \$1,077,877.
- The largest sources of nonoperating revenue included local property taxes of \$6,237,245, state appropriations of \$6,581,320, and federal grants of \$3,306,110.
- Operating revenue accounted for 21% of the College's total revenue, while nonoperating revenues account for the other 79% of the College's total revenue. Operating revenue consisted of tuition and fees net of scholarships totaling \$3,611,560 and auxiliary enterprise revenues totaling \$1,092,547.

2019 Financial Highlights

- For the year ended June 30, 2019, the College recorded total operating revenues of \$4,651,532 and total operating expenses of \$18,852,973. The difference produced an operating loss of \$14,201,441. Net nonoperating revenue of \$14,922,953 offset this loss and resulted in an overall increase in net position of \$721,512.
- The largest sources of nonoperating revenue included local property taxes of \$5,691,317, state appropriations of \$5,459,676, and federal grants of \$3,213,224.

Spoon River College District No. 534

Management Discussion and Analysis

2019 Financial Highlights (continued)

- Operating revenue accounted for 23% of the College's total revenue, while nonoperating revenues account for the other 77% of the College's total revenue. Operating revenue consisted of tuition and fees net of scholarships totaling \$3,543,182 and auxiliary enterprise revenues totaling \$1,108,350.

Financial Analysis of the College as a Whole

The College's financial position is summarized as follows for the years ended June 30, 2020, 2019, and 2018:

	Net Position As of June 30,		Increase (Decrease) 2020-2019	2018	Increase (Decrease) 2019-2018
	2020	2019			
Current assets	\$17,113,549	\$20,644,522	(\$3,530,973)	\$18,289,533	\$2,354,989
Non-current assets -					
Capital assets, net of depreciation	24,910,786	22,130,120	2,780,666	19,433,420	2,696,700
Total assets	42,024,335	42,774,642	(750,307)	37,722,953	5,051,689
Deferred outflows of resources	708,413	910,333	(201,920)	734,404	175,929
Total assets and deferred outflows of resources	42,732,748	43,684,975	(952,227)	38,457,357	5,227,618
Current liabilities	5,076,282	5,661,359	(585,077)	5,864,089	(202,730)
Non-current liabilities	23,124,011	25,079,030	(1,955,019)	21,080,675	3,998,355
Total liabilities	28,200,293	30,740,389	(2,540,096)	26,944,764	3,795,625
Deferred inflows of resources	7,569,470	7,059,478	509,992	6,348,997	710,481
Total liabilities and deferred inflows of resources	35,769,763	37,799,867	(2,030,104)	33,293,761	4,506,106
Net position					
Net investment in capital assets	9,816,724	9,289,381	527,343	7,366,139	1,923,242
Restricted	5,280	3,331,286	(3,326,006)	1,759,205	1,572,081
Unrestricted	(2,859,019)	(6,735,559)	3,876,540	(3,961,748)	(2,773,811)
Total	\$6,962,985	\$5,885,108	\$1,077,877	\$5,163,596	\$721,512

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 2020 Compared to 2019

Current assets decreased \$3,530,973 due to construction projects using the previously unspent bond proceeds that are included in investments relating to the College's sweep account.

Non-current assets increased \$2,780,666 due to the additions in capital assets relating to the HVAC replacement project.

Deferred outflows of resources decreased \$201,920 with a decrease in deferred outflows of OPEB resources.

Current liabilities decreased \$585,077 due to a decrease in accounts payable relating to outstanding payments for the HVAC project.

Non-current liabilities decreased \$1,955,019 due the decrease in net OPEB liability.

Deferred inflows of resources increased \$509,992 with an increase in deferred inflows of resources related to OPEB.

Total net position at June 30, 2020 increased by \$1,077,877. The restricted net position is restricted for \$5,280 of capital projects, and grants and scholarships.

Fiscal Year 2019 Compared to 2018

Current assets increased \$2,354,989 due to the issuance of bonds and the related unspent bond proceeds that are included in investments relating to the College's sweep account.

Non-current assets increased \$2,696,700 due to the additions in capital assets relating to the HVAC replacement project.

Deferred outflows of resources increased \$175,929 with an increase in deferred outflows of OPEB resources.

Current liabilities decreased \$202,730 due to a decrease in accounts payable relating to outstanding payments for the HVAC project.

Non-current liabilities increased \$3,998,355 due the issuance of bonds and an increase in net OPEB liability.

Deferred inflows of resources increased \$710,481 with an increase in deferred property tax revenue and deferred inflows of resources related to OPEB.

Total net position at June 30, 2019 increased by \$721,512. The restricted net position is restricted for \$3,331,286 of capital projects, and grants and scholarships.

Spoon River College District No. 534

Management Discussion and Analysis

Operating Results for the Year Ended June 30,					
	2020	2019	Increase (Decrease) 2020-2019	2018	Increase (Decrease) 2019-2018
Operating revenue:					
Tuition and fees	\$3,611,560	\$3,543,182	\$68,378	\$3,603,640	(\$60,458)
Auxiliary	1,092,547	1,108,350	(15,803)	1,218,539	(110,189)
Other operating revenues	0	0	0	0	0
Total operating revenue	4,704,107	4,651,532	52,575	4,822,179	(170,647)
Less operating expenses	20,482,693	18,852,973	1,215,035	18,620,233	232,740
Operating loss	(15,778,586)	(14,201,441)	(1,162,460)	(13,798,054)	(403,387)
Non-operating revenue					
State grants and contracts	6,581,320	5,459,676	1,121,644	5,080,358	379,318
Federal grants and contracts	3,306,110	3,213,224	92,886	3,251,008	(37,784)
Property taxes	6,237,245	5,691,317	545,928	5,399,849	291,468
Replacement taxes	982,847	908,957	73,890	931,093	(22,136)
Local grants	73,119	58,942	14,177	83,119	(24,177)
Investment income	148,662	240,250	(91,588)	87,660	152,590
Other	48,471	52,563	(4,902)	193,436	(140,873)
Interest expense	(579,270)	(701,976)	122,706	(1,056,015)	354,039
Total net non-operating revenues	16,798,504	14,922,953	1,875,551	13,970,508	952,445
Capital contributions	57,959	0	57,959	1,106,542	(1,106,542)
Increase (decrease) in net position	1,077,877	721,512	356,365	1,278,996	(557,484)
Net position, beginning of year	5,885,108	5,163,596	721,512	3,884,600	1,278,996
Net position, end of year	\$6,962,985	\$5,885,108	\$1,077,877	\$5,163,596	\$721,512

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2020 were \$22,139,840 and \$21,061,963, respectively. Fiscal year 2019 total revenues and expenses (Operating and Non-Operating) were \$20,276,461 and \$19,554,949, respectively. Fiscal year 2018 total revenues and expenses (Operating and Non-Operating) were \$20,955,244 and \$19,676,428, respectively.

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2020 Compared to 2019

Operating revenue increased \$52,575 due to an increase in tuition and fees revenues.

Operating expenses increased \$1,629,720 due to increases in auxiliary services, institutional support, and scholarships, student grants, and waivers expenses.

Net nonoperating revenue increased \$1,875,551 due to an increase in state grants, federal grants, and property taxes revenues along with a decrease in interest expense relating to bonds.

Fiscal Year 2019 Compared to 2018

Operating revenue decreased \$170,647 due to a decrease in tuition and fees as well as Auxiliary revenues.

Operating expenses increased \$232,740 which is fairly consistent with prior year.

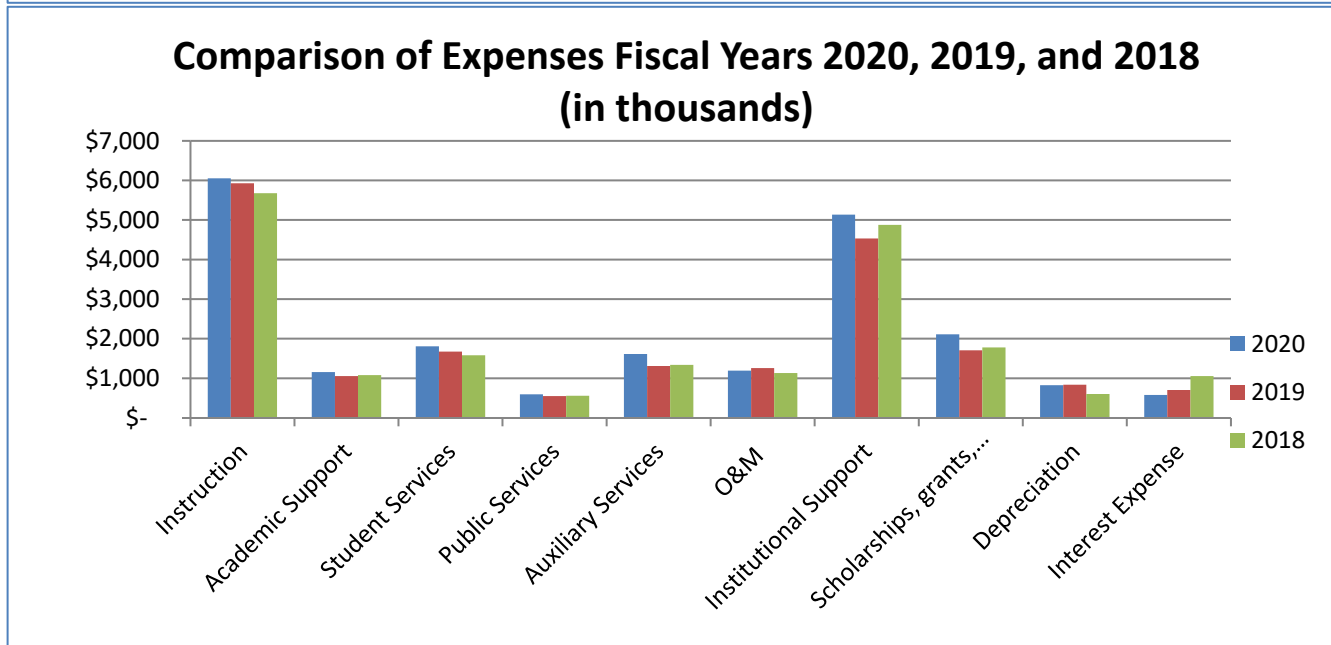
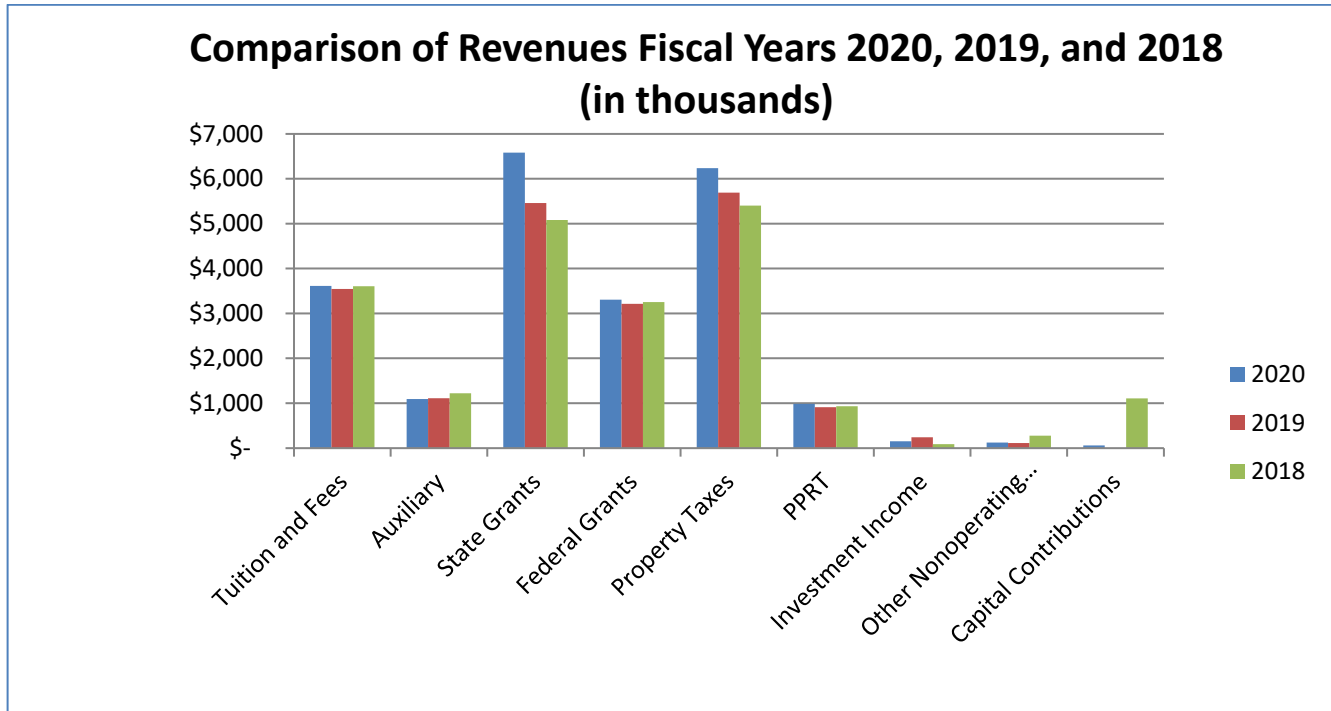
Net nonoperating revenue increased \$952,445 due to an increase in state grants and property taxes revenues along with a decrease in interest expense relating to bonds.

Operating Expenses For the Year Ended June 30,

	2020	2019	Increase (Decrease) 2020-2019	2018	Increase (Decrease) 2019-2018
Operating expense:					
Instruction	\$6,051,598	\$5,928,402	\$123,196	\$5,677,487	\$290,915
Academic support	1,154,817	1,056,318	98,499	1,077,577	(21,259)
Student services	1,808,359	1,676,161	132,198	1,581,982	94,179
Public services	593,488	548,651	44,837	559,189	(10,538)
Auxiliary services	1,613,776	1,311,538	302,238	1,338,788	(27,250)
Operations & maintenance of plant	1,191,906	1,257,115	(65,209)	1,130,745	126,370
Institutional support	5,136,087	4,530,755	605,332	4,874,122	(343,367)
Scholarships, grants, waivers	2,109,150	1,705,090	404,060	1,777,637	(72,547)
Depreciation	823,512	838,943	(15,431)	602,706	236,237
Total	\$20,482,693	\$18,852,973	\$1,629,720	\$18,620,233	\$232,740

Spoon River College District No. 534
Management Discussion and Analysis

The following graphs depict revenues and expense for the years ended June 30, 2020 and 2019:



Spoon River College District No. 534

Management Discussion and Analysis

Capital Assets, Net June 30,

	2020	2019	Increase (Decrease) 2020-2019	2018	Increase (Decrease) 2019-2018
Capital assets:					
Land and improvements	\$869,115	\$869,115	\$0	\$869,115	\$0
Buildings and improvements	34,461,900	34,461,900	0	28,195,364	6,266,536
Equipment	562,698	540,787	21,911	525,989	14,798
Computer technology	337,428	344,717	(7,289)	1,974,938	(1,630,221)
Construction in progress	5,647,337	2,102,233	3,545,104	4,822,064	(2,719,831)
Total	41,878,478	38,318,752	3,559,726	36,387,470	1,931,282
Less accumulated depreciation	16,967,692	16,188,632	779,060	16,954,050	(765,418)
Net capital assets	\$24,910,786	\$22,130,120	\$2,780,666	\$19,433,420	\$2,696,700

Fiscal Year 2020 Compared to 2019

As of June 30, 2020, the College had recorded \$41,878,478 invested in capital assets, \$16,967,692 in accumulated depreciation, and \$24,910,786 in net capital assets. The College had \$3,604,537 in capital asset additions mostly related to the HVAC replacement project and \$44,811 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 2019 Compared to 2018

As of June 30, 2019, the College had recorded \$38,318,752 invested in capital assets, \$16,188,632 in accumulated depreciation, and \$22,130,120 in net capital assets. The College had \$3,598,503 in capital asset additions mostly related to the HVAC replacement project and \$1,667,221 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,

	2020	2019	Increase (Decrease) 2020-2019	2018	Increase (Decrease) 2019-2018
General obligation bonds	\$18,327,876	\$20,096,587	(\$1,768,711)	\$16,434,577	\$3,662,010
Capital Lease	27,323	0	27,323	0	0
Compensated absences	342,065	271,164	70,901	266,273	4,891
Total	\$18,697,264	\$20,367,751	(\$1,670,487)	\$16,700,850	\$3,666,901

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2020 Compared to 2019

During fiscal year 2019, the College paid \$1,645,000 in bond payments funded through the tax levy. The College took out a capital lease, but did not issue any bonds. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements.

Fiscal Year 2019 Compared to 2018

During fiscal year 2019, the College paid \$1,545,000 in bond payments funded through the tax levy. The college issued Series 2019 GO Bond for a total of \$5,055,000. 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 College's strategic plan and operational needs. The College'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 College'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 2021.

Property tax revenue in the Operating Funds has increased roughly 1.3% for fiscal year 2020, after a 1.6% increase in fiscal year 2019. The College experienced a 1.6% increase in equalized assessed valuation (EAV) from tax year 2018 to 2019. For fiscal year 2020, the College has estimated a 3.0% increase in EAV due to the economic conditions of the College. Each percentage point in EAV is the equivalent of about \$40,000 in property tax revenue in the Operating funds.

Management anticipates a 6% decrease in tuition revenue in fiscal year 2021 based on estimated 10% decrease in credit hour enrollment for the 2020-2021 academic year, combined with no increase in tuition.

The State of Illinois adopted a budget for fiscal year 2021. Expected State appropriations for the College for fiscal year 2021 are \$87,000 more than the fiscal year 2020 State funding. Overall, Operating funds revenue is expected to decrease by \$100,000, or 1%, from fiscal year 2020 actual levels to fiscal year 2021.

For fiscal year 2021, the Operating funds budget is forecasted to have a \$300,000 deficit. The majority of the Operating funds budget for fiscal year 2021 continues to comprise instruction, academic support, and student services, reflecting the College'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, 2020 and 2019

ASSETS	2020	2019
Current assets:		
Cash and cash equivalents	\$925,641	\$484,198
Investments	8,148,839	12,046,710
Property taxes receivable, net of allowance	5,448,285	5,174,391
Other receivables, net of allowance	2,227,838	2,454,589
Prepaid items	61,540	67,112
Inventories	301,406	417,522
Total current assets	17,113,549	20,644,522
Noncurrent assets:		
Non-depreciable capital assets	6,406,375	2,861,271
Depreciable capital assets	35,472,103	35,457,481
Less accumulated depreciation	(16,967,692)	(16,188,632)
Total noncurrent assets	24,910,786	22,130,120
Total assets	42,024,335	42,774,642
DEFERRED OUTFLOW OF RESOURCES		
SURS pension contribution	28,369	25,652
College insurance plan OPEB	680,044	884,681
Total deferred outflow of resources	708,413	910,333
Total assets and deferred outflows of resources	42,732,748	43,684,975
LIABILITIES		
Current liabilities:		
Accounts payable	639,107	762,137
Accrued liabilities	539,679	578,834
Unearned tuition and fees	1,731,403	2,280,513
Accrued compensated absences	342,065	271,164
Capital lease	6,407	0
Bonds payable, net of unamortized premiums (discounts)	1,817,621	1,768,711
Total current liabilities	5,076,282	5,661,359
Noncurrent liabilities:		
Capital lease	20,916	0
Bonds payable, net of unamortized premiums (discounts)	16,510,255	18,327,876
OPEB liability	6,592,840	6,751,154
Total noncurrent liabilities	23,124,011	25,079,030
Total liabilities	28,200,293	30,740,389
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	6,284,297	6,130,112
Deferred grant revenue	10,978	8,000
Unamortized gain on refunding	43,163	61,023
Deferred OPEB	1,231,032	860,343
Total deferred inflows of resources	7,569,470	7,059,478
Total liabilities and deferred inflows of resources	35,769,763	37,799,867
NET POSITION		
Net investment in capital assets	9,816,724	9,289,381
Restricted - expendable:		
Capital projects	5,280	3,320,032
Debt service	0	0
Grants and scholarships	0	11,254
Unrestricted	(2,859,019)	(6,735,559)
Total net position	\$6,962,985	\$5,885,108

See Notes to Financial Statements.

Spoon River College District No. 534
 Statements of Revenues, Expenses, and Changes in Net Position
 For the years ended June 30, 2020 and 2019

	2020	2019
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$1,436,764 and \$1,492,425, respectively	\$3,611,560	\$3,543,182
Auxiliary enterprises revenue	1,092,547	1,108,350
Total operating revenue	4,704,107	4,651,532
Operating expenses:		
Instruction	6,051,598	5,928,402
Academic support	1,154,817	1,056,318
Student services	1,808,359	1,676,161
Public services	593,488	548,651
Auxiliary services	1,613,776	1,311,538
Operation and maintenance of plant	1,191,906	1,257,115
Institutional support	5,136,087	4,530,755
Scholarships, student grants, and waivers	2,109,150	1,705,090
Depreciation	823,512	838,943
Total operating expenses	20,482,693	18,852,973
Operating loss	(15,778,586)	(14,201,441)
Nonoperating revenues and (expenses):		
State grants	6,581,320	5,459,676
Federal grants	3,306,110	3,213,224
Property taxes	6,237,245	5,691,317
Personal property replacement tax	982,847	908,957
Local grants	73,119	58,942
Investment income	148,662	240,250
Other nonoperating revenues	48,471	52,563
Interest expense	(579,270)	(701,976)
Net nonoperating revenues and (expenses)	16,798,504	14,922,953
Capital contributions - Capital grants and gifts	57,959	0
Change in net position	1,077,877	721,512
Net position, beginning of year	5,885,108	5,163,596
Net position, end of year	\$6,962,985	\$5,885,108

See Notes to Financial Statements.

Spoon River College District No. 534

Statements of Cash Flows

For the years ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$4,967,629	\$5,064,446
Payments to suppliers	(4,768,799)	(5,198,464)
Payments to employees	(6,900,109)	(6,780,783)
Payments to students for scholarships	(3,801,452)	(3,197,515)
Auxiliary enterprise charges	1,092,547	1,108,350
Net cash used in operating activities	(9,410,184)	(9,003,966)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from property taxes	6,117,536	4,265,079
Replacement tax	982,847	908,957
Proceeds from grants	4,736,488	4,476,783
Other nonoperating	25,454	80,106
Net cash provided by noncapital financing activities	11,862,325	9,730,925
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(3,604,536)	(3,598,503)
Loss on disposal of capital assets	359	62,860
Principal paid on capital debt	(1,645,000)	(1,545,000)
Proceeds from bonds sold	0	5,055,000
Principal deposit in escrow	0	0
Premium (discount) on bonds sold	0	276,330
Interest paid on bonds payable and other long-term obligations	(790,193)	(762,048)
Net cash used in capital and related financing activities	(6,039,370)	(511,361)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of investments	3,897,870	(415,829)
Interest on investments	130,802	106,953
Net cash provided by (used in) investing activities	4,028,672	(308,876)
Net increase (decrease) in cash and cash equivalents	441,443	(93,278)
CASH AND CASH EQUIVALENTS:		
Beginning of year	484,198	577,476
End of year	\$925,641	\$484,198

See Notes to Financial Statements.

Spoon River College District No. 534

Statements of Cash Flows - (Continued)

For the years ended June 30, 2020 and 2019

	2020	2019
RECONCILIATION OF OPERATING LOSS TO NET CASH USED		
IN OPERATING ACTIVITIES:		
Operating loss	(\$15,778,586)	(\$14,201,441)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	823,512	838,943
State on-behalf payments for fringe benefits	5,066,351	4,225,811
Changes in assets and liabilities:		
Receivables	468,415	(5,233)
Prepaid expenses	5,572	(39,829)
Inventories	116,116	(32,892)
Deferred outflows of resources	201,920	(175,929)
Accounts payable	(95,707)	(268,876)
Accrued liabilities	48,057	(146,932)
Accrued compensated absences	70,901	4,891
Unearned tuition and fees	(549,110)	34,072
OPEB liability	(158,314)	446,212
Deferred inflows of resources	370,689	317,237
Net cash used in operating activities	(\$9,410,184)	(\$9,003,966)
NONCASH INVESTING, CAPITAL, AND FINANCIAL:		
Acquisition of capital assets with state capital contributions	\$57,959	\$0
Acquisition of capital assets using accounts payable	\$408,260	\$53,750
Disposal of assets	\$359	\$62,860
STATE ON-BEHALF PAYMENTS	\$5,066,351	\$4,225,811

See Notes to Financial Statements.

Spoon River College District No. 534
 Component Unit - Spoon River College Foundation
 Statements of Financial Position
 June 30, 2020 and 2019

ASSETS	2020	2019
Cash	\$679,591	\$490,340
Investments	2,930,334	2,804,118
Receivables, net	13,569	18,299
Beneficial interest in perpetual trusts	809,954	824,212
Capital assets, non-depreciable	40,000	40,000
Total assets	\$4,473,448	\$4,176,969

LIABILITIES		
Accounts payable	\$20,752	\$5,892
Total liabilities	20,752	5,892

NET ASSETS		
Without donor restrictions	162,762	142,368
With donor restrictions	4,289,934	4,028,709
Total net assets	4,452,696	4,171,077
Total liabilities and net assets	\$4,473,448	\$4,176,969

Spoon River College District No. 534
Component Unit - Spoon River College Foundation
Statements of Activities
For the years ended June 30, 2020 and 2019

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue, gains, and other support received:			
Contributions	\$49,120	\$369,479	\$418,599
In-kind	80,921	0	80,921
Interest and dividends	0	52,474	52,474
Net realized gain (loss) on investments	0	27,601	27,601
Net unrealized gain (loss) on investments	0	35,294	35,294
Unrealized gain (loss) on beneficial interest in trusts	0	(14,260)	(14,260)
Net assets reclassified	(5,000)	5,000	0
Net assets released from restrictions	214,363	(214,363)	0
Total revenue, gains, and other support received	339,404	261,225	600,629
Expenses:			
Program services:			
Grants, awards and scholarships			
Student Scholarships	100,939	0	100,939
Institutional support	113,424	0	113,424
Total program services	214,363	0	214,363
Supporting services:			
Management and general:			
In-kind - salaries, benefits, and rent	80,921	0	80,921
Administrative	10,698	0	10,698
Other	1,476	0	1,476
Fundraising:			0
Marketing and promotion	3,031	0	3,031
Materials and supplies	6,911	0	6,911
Food	1,610	0	1,610
Total supporting services	104,647	0	104,647
Total expenses	319,010	0	319,010
Change in net assets	20,394	261,225	281,619
Net assets, beginning of year	142,368	4,028,709	4,171,077
Net assets, end of year	\$162,762	\$4,289,934	\$4,452,696

See Notes to Financial Statements.

Spoon River College District No. 534
Component Unit - Spoon River College Foundation
Statements of Activities (Continued)
For the years ended June 30, 2020 and 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support received:			
Contributions	\$45,884	\$284,025	\$329,909
In-kind	78,170	0	78,170
Interest and dividends	0	68,515	68,515
Net realized gain (loss) on investments	0	21,267	21,267
Net unrealized gain (loss) on investments	0	40,969	40,969
Unrealized gain (loss) on beneficial interest in trusts	0	15,713	15,713
Net assets reclassified	(5,000)	5,000	0
Net assets released from restrictions	167,179	(167,179)	0
Total revenue, gains, and other support received	286,233	268,310	554,543
Expenses:			
Program services:			
Grants, awards and scholarships			
Student Scholarships	96,329	0	96,329
Institutional support	70,850	0	70,850
Total program services	167,179	0	167,179
Supporting services:			
Management and general:			
In-kind - salaries, benefits, and rent	78,170	0	78,170
Administrative	14,479	0	14,479
Other	1,486	0	1,486
Fundraising:			0
Marketing and promotion	2,574	0	2,574
Materials and supplies	6,615	0	6,615
Food	3,761	0	3,761
Total supporting services	107,085	0	107,085
Total expenses	274,264	0	274,264
Change in net assets	11,969	268,310	280,279
Net assets, beginning of year	130,399	3,760,399	3,890,798
Net assets, end of year	\$142,368	\$4,028,709	\$4,171,077

See Notes to Financial Statements.

Spoon River College District No. 534

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies**

Nature of entity

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

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

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

Spoon River College District No. 534 (the “College”) is organized in accordance with Chapter 110 of the Illinois Compiled Statutes. The Board of Trustees (the “Board”) has the governing responsibilities over all activities related to public post and secondary school education within the jurisdiction of the College. The College receives funding from local, state and federal sources and must comply with the requirements established by these funding source entities. Board members are elected by the public and have decision-making authority, the power to designate management and the responsibility to significantly influence operations and primary accountability for fiscal matters.

Reporting entity

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

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The 15 member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the foundation, the majority of resources or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

During the fiscal year ended June 30, 2020, the Foundation distributed \$100,939 to students attending the College and gave \$113,424 in direct support to the College. In addition, the College provided the Foundation with \$80,921 of in-kind services.

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Reporting Entity (continued)

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standard Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are described by FASB issued guidance. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

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

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

Measurement focus, basis of accounting, and financial statement presentation

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

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

The following is a summary of the more significant policies:

Cash and cash equivalents

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

Investments

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

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Receivables

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

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific student accounts and the aging of accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. The allowance for doubtful accounts relating to student receivables as of June 30, 2020 and 2019 were \$1,425,460 and \$1,411,635, respectively.

Property taxes

The College's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board of Trustee's resolution, property tax levies for 2018 and 2017 are to be recognized as revenue in fiscal years 2020 and 2019, 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 2019 levy which was passed by the Board on December 18, 2019.

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

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

Inventories

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

Capital assets

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

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Capital assets (continued)

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

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

Unearned tuition and fee revenue

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

Long-term debt

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and are netted with bonds payable on the Statement of Net Position.

Compensated absences

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

Other Post-Employment (“OPEB”) Obligations

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

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

Deferred inflows and outflows of resources

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

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Classification of revenues and expenses

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

Federal financial assistance programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Federal Direct Loan programs. Federal programs are audited in accordance with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Uniform Guidance Compliance Supplement.

On-behalf payments for fringe benefits and salaries

Contributions made by the State of Illinois relating to the State Universities Retirement Systems and College Insurance Plan on behalf of the College's employees are recognized by the College as revenues and expenses. In fiscal years 2020 and 2019, the state made contributions of \$5,066,351 and \$4,225,811, respectively (Note 5 and 6).

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

For 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 pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Net position

The College's net position is classified as follows:

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

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

Unrestricted – This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

Use of estimates

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

Note 2 Cash and Investments:

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

Cash as of June 30, 2020 and 2019 consist of the following:

	<u>Carrying Amount</u>	
	<u>2020</u>	<u>2019</u>
Cash on hand	\$5,241	\$18,424
Deposits with financial institutions	920,400	465,774
Total	\$925,641	\$484,198

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

Spoon River College District No. 534

Notes to Financial Statements

Note 2 Cash and Investments (continued):

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

Investments at June 30, 2020 and 2019 comprise the following at fair value:

	2020	2019
Illinois School District Liquid Asset Fund	\$5,431,755	\$9,619,514
Local Government Investment Pool	659,506	131,819
Goldman Sachs Financial Square Prime Obligations Fund	2,057,578	2,295,377
	\$8,148,839	\$12,046,710

As of June 30, 2020, 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	\$5,431,755	\$5,431,755	\$0	\$0	\$0
Local Government Investment Pool	659,506	659,506	0	0	0
Goldman Sachs Financial Square Prime Obligations Fund	2,057,578	2,057,578	0	0	0
Total	\$8,148,839	\$8,148,839	\$0	\$0	\$0

As of June 30, 2019, 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	\$9,619,514	\$9,619,514	\$0	\$0	\$0
Local Government Investment Pool	131,819	131,819	0	0	0
Goldman Sachs Financial Square Prime Obligations Fund	2,295,377	2,295,377	0	0	0
Total	\$12,046,710	\$12,046,710	\$0	\$0	\$0

Spoon River College District No. 534

Notes to Financial Statements

Note 2 Cash and Investments (continued):

As of June 30, 2020, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's			
		AAA	AA	A	Unrated
Illinois School District Liquid Asset Fund	\$5,431,755	\$5,431,755	\$0	\$0	\$0
Local Government Investment Pool	659,506	659,506	0	0	0
Goldman Sachs Financial Square Prime Obligations Fund	2,057,578	2,057,578	0	0	0
Total	\$8,148,839	\$8,148,839	\$0	\$0	\$0

As of June 30, 2019, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's			
		AAA	AA	A	Unrated
Illinois School District Liquid Asset Fund	\$9,619,514	\$9,619,514	\$0	\$0	\$0
Local Government Investment Pool	131,819	131,819	0	0	0
Goldman Sachs Financial Square Prime Obligations Fund	2,295,377	2,295,377	0	0	0
Total	\$12,046,710	\$12,046,710	\$0	\$0	\$0

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

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2020, there are no investments with custodial credit risk.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was \$920,400 and the bank balance was \$935,195. Of the bank balance, \$548,010 was covered by federal depository insurance, \$387,185 was covered by pledged securities in the College's name, and \$0 was uncollateralized.

Concentration Risk. Concentration risk is the risk associated with having more than 5 percent of investments in any issuer, other than the U.S. Government. The College's investment policy limits its concentration risk by not allowing investments that are not secured by the U.S. Government. The College has no investments that represent 5 percent or more of the total investments.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The College's investment policy does not permit investment that are not secured by the U.S. Government. The College does not have any investments with foreign currency risk exposure.

Spoon River College District No. 534

Notes to Financial Statements

Note 3 Capital Assets:

A summary of the changes in capital assets for the College for the year ended June 30, 2020, is as follows:

	Balance at July 1, 2019	Additions	Deletions	Transfers	Balance at June 30, 2020
Nondepreciable assets:					
Land	\$759,038	\$0	\$0	\$0	\$759,038
Construction in progress	2,102,233	3,545,104	0	0	5,647,337
	2,861,271	3,545,104	0	0	6,406,375
Depreciable assets:					
Land improvements	110,077	0	0	0	110,077
Buildings and improvements	34,461,900	0	0	0	34,461,900
Equipment	540,787	59,433	37,522	0	562,698
Computer technology	344,717	0	7,289	0	337,428
	35,457,481	59,433	44,811	0	35,472,103
Less accumulated depreciation:					
Land improvements	107,856	512	0	0	108,368
Buildings and improvements	15,296,840	759,011	0	0	16,055,851
Equipment	461,400	43,002	37,163	0	467,239
Computer technology	322,536	20,987	7,289	0	336,234
	16,188,632	823,512	44,452	0	16,967,692
Depreciable assets, net	19,268,849	(764,079)	(359)	0	18,504,411
Capital assets, net	\$22,130,120	\$2,781,025	(\$359)	\$0	\$24,910,786

Construction in progress represents costs incurred to construct baseball fields, renovate the biology lab, build a maintenance garage, replacing a parking lot and the roof at the Macomb campus, and to replace the HVAC system at the Canton Campus.

Spoon River College District No. 534

Notes to Financial Statements

Note 3 Capital Assets (continued):

A summary of the changes in capital assets for the College for the year ended June 30, 2019, is as follows:

	Balance at July 1, 2018	Additions	Deletions	Transfers	Balance at June 30, 2019
Nondepreciable assets:					
Land	\$759,038	\$0	\$0	\$0	\$759,038
Construction in progress	4,822,064	2,102,233	0	(4,822,064)	2,102,233
	5,581,102	2,102,233	0	(4,822,064)	2,861,271
Depreciable assets:					
Land improvements	110,077	0	0	0	110,077
Buildings and improvements	28,195,364	1,444,472	0	4,822,064	34,461,900
Equipment	525,989	51,798	37,000	0	540,787
Computer technology	1,974,938	0	1,630,221	0	344,717
	30,806,368	1,496,270	1,667,221	4,822,064	35,457,481
Less accumulated depreciation:					
Land improvements	107,344	512	0	0	107,856
Buildings and improvements	14,564,463	732,377	0	0	15,296,840
Equipment	458,541	39,859	37,000	0	461,400
Computer technology	1,823,702	66,195	1,567,361	0	322,536
	16,954,050	838,943	1,604,361	0	16,188,632
Depreciable assets, net	13,852,318	657,327	62,860	4,822,064	19,268,849
Capital assets, net	\$19,433,420	\$2,759,560	\$62,860	\$0	\$22,130,120

Note 4 Debt:

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2020:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion	Long-term Portion
Long-term debt:						
General obligation						
Bonds	\$19,405,000	\$0	\$1,645,000	\$17,760,000	\$1,710,000	\$16,050,000
Bond premiums (discounts)	691,587	0	123,711	567,876	107,621	460,255
Total Bonded Debt	20,096,587	0	1,768,711	18,327,876	1,817,621	16,510,255
Capital Lease	0	34,900	7,577	27,323	6,407	20,916
Compensated absences	271,164	344,841	273,940	342,065	342,065	0
Totals	\$20,367,751	\$379,741	\$2,050,228	\$18,697,264	\$2,166,093	\$16,531,171

Spoon River College District No. 534

Notes to Financial Statements

Note 4 Debt (continued):

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2019:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds	\$15,895,000	\$5,055,000	\$1,545,000	\$19,405,000	\$1,645,000	\$17,760,000
Bond premiums (discounts)	539,577	276,330	124,320	691,587	123,711	567,876
Total Bonded Debt	16,434,577	5,331,330	1,669,320	20,096,587	1,768,711	18,327,876
Compensated absences	266,273	314,093	309,202	271,164	271,164	0
Totals	\$16,700,850	\$5,645,423	\$1,978,522	\$20,367,751	\$2,039,875	\$18,327,876

Details on the debt as of June 30, 2020 are as follows:

- In July 2010, the College issued Taxable General Obligation Community College Bonds, Series 2010 totaling \$3,500,000 with interest rates ranging from 4.50% to 5.65%. The bonds are due serially beginning in 2012 through 2021. The proceeds were used to redeem the General Obligation Debt Certificates, Series 2010. 0% of the bond proceeds were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30: 2021	\$455,000	\$12,854	\$467,854
Totals	\$455,000	\$12,854	\$467,854

- 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. A portion of the bond proceeds (94.34%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2021	\$75,000	\$98,550	\$173,550
2022	500,000	90,375	590,375
2023	500,000	75,750	575,750
2024	1,625,000	34,125	1,659,125
Totals	\$2,700,000	\$298,800	\$2,998,800

Spoon River College District No. 534

Notes to Financial Statements

Note 4 Debt (continued):

3. 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 2019 through 2023. The proceeds were used to defease the General Obligation Community College Bonds, Series 2008 which was used 100% for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2021	\$970,000	\$73,412	\$1,043,412
2022	1,025,000	43,487	1,068,487
2023	865,000	14,056	879,056
Totals	\$2,860,000	\$130,955	\$2,990,955

4. 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 (78.40%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2021	\$210,000	\$259,275	\$469,275
2022	240,000	251,962	491,962
2023	205,000	244,731	449,731
2024	0	241,400	241,400
2025	1,695,000	207,500	1,902,500
2026-2028	4,340,000	220,200	4,560,200
Totals	\$6,690,000	\$1,425,068	\$8,115,068

Spoon River College District No. 534

Notes to Financial Statements

Note 4 Debt (continued):

5. 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 (27.09%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2021	0	219,575	219,575
2022	0	219,575	219,575
2023	0	219,575	219,575
2024	0	219,575	219,575
2025	0	219,575	219,575
2026-2030	5,055,000	1,024,062	6,079,062
Totals	\$5,055,000	\$2,121,937	\$7,176,937

The annual requirements to amortize all debt outstanding as of June 30, 2020, including interest, are as follows:

Year Ending June 30,	General Obligation Bonds	Capital Lease	Compensated Absences	Total Principal	Interest	Total Principal and Interest
2021	1,710,000	6,407	342,065	2,058,472	664,836	2,723,308
2022	1,765,000	6,681		1,771,681	606,295	2,377,976
2023	1,570,000	6,968		1,576,968	554,721	2,131,689
2024	1,625,000	7,267		1,632,267	495,411	2,127,678
2025	1,695,000			1,695,000	460,975	2,155,975
2026-2030	9,395,000			9,395,000	1,244,262	10,639,262
Total	\$17,760,000	\$27,323	\$342,065	\$18,129,388	\$4,026,500	\$22,155,888

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2020, is \$28,014,376. General obligation debt at June 30, 2020, is \$17,760,000 resulting in a legal debt margin of \$10,254,376.

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans

General Information about the Pension Plan

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

Benefits Provided. A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2019 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions. The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2019 and 2020 respectively, was 12.29% and 13.02% 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 Illinois General Assembly.

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

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans (continued)

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

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 2019 and June 30, 2018. SURS reported a net pension liability (NPL) of \$28,720,071,173 at June 30, 2019 and \$27,494,556,682 at June 30, 2018.

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 2019 is \$0 and for fiscal year 2018 it was \$0. The proportionate share of the State's net pension liability associated with the College at June 30, 2019 is \$44,228,910 or 0.1540% at June 30, 2018 is \$42,946,498 or 0.1562%. This amount is not recognized in the College's financial statements. The net pension liability and total pension liability as of June 30, 2019 was determined based on the June 30, 2018 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2019.

Pension Expense

At June 30, 2019 and June 30, 2018, SURS reported a collective net pension expense of \$3,094,666,252 and \$2,685,322,700, respectively.

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2019 and 2018, respectively. As a result, the College recognized on-behalf revenue and pension expense of \$4,765,786 and \$4,194,474 for the fiscal years ended June 30, 2020 and June 30, 2019, respectively.

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

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

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

<u>Fiscal Year Ended June 30, 2019</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$160,132,483	\$80,170,745
Changes in assumption	773,321,500	0
Net difference between projected and actual earnings on pension plan investments	0	55,456,660
<u>Total</u>	<u>\$933,453,783</u>	<u>\$135,627,405</u>

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans (continued)

<u>Fiscal Year Ended June 30, 2018</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$65,521,614	\$181,032,053
Changes in assumption	1,286,257,095	123,218,306
Net difference between projected and actual earnings on pension plan investments	26,810,634	0
Total	\$1,378,589,343	\$304,250,359

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

<u>Year Ending June 30</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$786,021,133
2021	(11,534,848)
2022	(6,661,326)
2023	30,001,419
2024	0
Therefore	0
Total	\$797,826,378

Employer Deferral of Fiscal Year 2019 Pension Expense

The College paid \$28,369 and \$25,652 in federal, trust or grant contributions for the fiscal year ended June 30, 2020 and June 30, 2019, respectively. These contributions were made subsequent to the pension measurement date of June 30, 2019 and June 30, 2018, and are recognized as Deferred Outflows of Resources as of June 30, 2020 and June 30, 2019.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014, through June 30, 2017. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.25 to 12.25 percent, including inflation
Investment rate of return	6.75 percent beginning with the actuarial valuation as of June 30, 2018

Mortality rates were based on the RP2014 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2019, these best estimates are summarized in the following table:

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans (continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
U.S. Equity	23%	5.25%
Private Equity	6%	8.65%
Non-U.S. Equity	19%	6.75%
Global Equity	8%	6.25%
Fixed Income	19%	1.85%
Treasury-Inflation Protected Securities	4%	1.20%
Emerging Market Debt	3%	4.00%
Real Estate REITS	4%	5.70%
Direct Real Estate	6%	4.85%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	1%	7.00%
Total	100%	4.80%
Inflation		2.75%
Expected Arithmetic Return		7.55%

Discount Rate. A single discount rate of 6.59% and 6.65% at June 30, 2019 and June 30, 2018, 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 6.75% and 6.75% at June 30, 2019 and June 30, 2018, respectively, and a municipal bond rate of 3.13% and 3.62% at June 30, 2019 and June 30, 2018, respectively (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.59% and 6.65% at June 30, 2019 and June 30, 2018, respectively, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1- percentage-point higher:

June 30, 2019		
1% Decrease 5.59%	Current Single Discount Rate Assumption 6.59%	1% Increase 7.59%
\$34,786,851,779	\$28,720,071,173	\$23,712,555,197
June 30, 2018		
1% Decrease 5.65%	Current Single Discount Rate Assumption 6.65%	1% Increase 7.65%
\$33,352,188,584	\$27,494,556,682	\$22,650,651,520

Spoon River College District No. 534

Notes to Financial Statements

Note 5 **Defined Benefit Pension Plans (continued)**

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

Note 6 **Other Post-Employment Benefits**

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

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

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 Appropriate Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

Spoon River College District No. 534

Notes to Financial Statements

Note 6 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, 2019 and June 30, 2018. CIP reported a net OPEB liability at June 30, 2019 of \$1,888,540,494 and at June 30, 2018 of \$1,885,251,764.

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 2020 is \$6,592,840 or 0.3491%, and for fiscal year 2019 is \$6,751,154 or 0.3581%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0090%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2019 and June 30, 2018 was \$6,592,840 or 0.3491% and \$6,751,154 or 0.3581%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2019 and June 30, 2018 was \$13,185,680 and 13,502,308, respectively. The net OPEB liability and total OPEB liability as of June 30, 2019 was determined based on the June 30, 2018 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 2019.

OPEB Expense. At June 30, 2019 and June 30, 2018, CIP reported a collective net OPEB expense of \$84,924,196 and \$125,287,478, 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 2019 and 2018, respectively. As a result, the College recognized on-behalf revenue of \$25,173 and \$31,337 for the fiscal years ended June 30, 2020 and June 30, 2019, respectively. Additionally, the College recognized OPEB expense of \$385,675 and \$566,398 for the fiscal years ended June 30, 2020 and June 30, 2019.

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 No. 534

Notes to Financial Statements

Note 6 Other Post-Employment Benefits (continued)

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

Fiscal Year Ended June 30, 2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$77,267	\$139,424
Changes in assumption	0	918,536
Net difference between projected and actual earnings on OPEB plan investments	0	291
Changes in proportion and differences between employer contributions and share of contributions	577,604	172,781
<hr/>		
Total deferred amounts to be recognized in pension expense in future periods	654,871	1,231,032
<hr/>		
OPEB contributions made subsequent to the measurement date	25,173	0
<hr/>		
Total	\$680,044	\$1,231,032

Fiscal Year Ended June 30, 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$99,226	\$14,786
Changes in assumption	0	845,045
Net difference between projected and actual earnings on OPEB plan investments	0	221
Changes in proportion and differences between employer contributions and share of contributions	754,118	291
<hr/>		
Total deferred amounts to be recognized in pension expense in future periods	853,344	860,343
<hr/>		
OPEB contributions made subsequent to the measurement date	31,337	0
<hr/>		
Total	\$884,681	\$860,343

The College reported \$25,173 and \$31,337 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting years ended June 30, 2020 and June 30, 2019, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year ended June 30:	Net Deferred Inflows of Resources
2021	(\$96,027)
2022	(96,027)
2023	(96,027)
2024	(96,027)
2025	(96,027)
Thereafter	(96,026)
<hr/>	
Total	(\$576,161)

Spoon River College District No. 534

Notes to Financial Statements

Note 6 Other Post-Employment Benefits (continued)

Assumptions and Other Inputs

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2019 based on premium increases. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.5%. Additional trend rate of 0.40% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Asset Valuation Method	Market value

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2017.

Discount Rate. Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed income municipal bonds with the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.62% as of June 30, 2018, and 3.13% as of June 30, 2019. The decrease in the single discount rate from 3.62% to 3.13% caused the total OPEB liability to increase by approximately \$121.1 million from 2018 to 2019.

Spoon River College District No. 534

Notes to Financial Statements

Note 6 Other Post-Employment Benefits (continued)

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

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.13% and 3.62% at June 30, 2019 and June 30, 2018, 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, 2019 to the Single Discount Rate Assumption

	1% Decrease (2.13%)	Current Single Discount Rate Assumption (3.13%)	1% Increase (4.13%)
Net OPEB liability	\$7,566,839	\$6,592,840	\$5,766,154

Sensitivity of Net OPEB Liability as of June 30, 2018 to the Single Discount Rate Assumption

	1% Decrease (2.62%)	Current Single Discount Rate Assumption (3.62%)	1% Increase (4.62%)
Net OPEB liability	\$7,824,412	\$6,751,154	\$5,857,884

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

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.90% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2029 for Medicare coverage.

Sensitivity of Net OPEB Liability as of June 30, 2018 to the Healthcare Cost Trend Rate Assumption

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	\$5,471,656	\$6,592,840	\$8,072,849

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.90% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2029 for Medicare coverage.

Spoon River College District No. 534

Notes to Financial Statements

Note 6 Other Post-Employment Benefits (continued)

- (b) One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.90% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2029 for Medicare coverage.

Sensitivity of Net OPEB Liability as of June 30, 2018 to the Healthcare Cost Trend Rate Assumption

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	\$5,596,662	\$6,751,154	\$8,270,640

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.91% in 2026, for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.91% in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

Note 7 Risk Management:

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

Note 8 Contingencies and Commitments:

In June 2019, the College entered into a new operating lease agreement for three minibuses from September 2019 through September 2023. The agreement allows for a fair market value purchase option in 2023. The College will bypass the purchase option and return the minibuses in 2023. Total lease expense for 2020 was \$34,397.

Commitments under operating lease agreements for minibuses for minimum annual lease payments are as follows:

Year Ended June 30	Facilities
2021	\$31,270
2022	37,524
2023	6,254
Total	\$75,048

Spoon River College District No. 534

Notes to Financial Statements

Note 8 Contingencies and Commitments (continued):

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 2019, the College entered into a contact with CTS for the replacement of the HVAC system at the Canton Campus with estimated total cost of \$4,467,878. The total remaining project costs as of June 30, 2020 was \$420,917. The project is expected to be completed in September 2020.

In April 2019, the College entered into a contact with Aupperle for the construction of baseball fields with estimated total cost of \$735,094. The total remaining project costs as of June 30, 2020 was \$118,204. The project is expected to be completed in September 2020.

In July 2019, the College entered into a contacts with BLDD Architects, Inc. and Western Waterproofing Company, Inc. for the replacement of the Macomb Campus roof with estimated total cost of \$155,092. The total remaining project costs as of June 30, 2020 was \$125,766. The project is expected to be completed in September 2020.

In May 2020, the College entered into a contact with Vasconcelies Engineering Corporation for the replacement of the parking lot at the Macomb Campus with estimated total cost of \$90,400. The total remaining project costs as of June 30, 2020 was \$29,326. The project is expected to be completed in September 2020.

Note 9 Impact of Pending Accounting Pronouncements:

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

Spoon River College District No. 534

Notes to Financial Statements

Note 9 Impact of Pending Accounting Pronouncements (continued):

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The College has not determined the effect of this Statement.

GASB Statement No. 90, Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

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

GASB Statement No. 92, *Omnibus 2020*, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020. The College has not determined the effect of this Statement.

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

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

Spoon River College District No. 534

Notes to Financial Statements

Note 9 Impact of Pending Accounting Pronouncements (continued):

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, provides more guidance for determining whether a primary government is financially accountable for a potential component unit, when the financial burden criterion in paragraph 7 of Statement No. 84 applies, and this statement clarifies that Statement 84 should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged if Statement 84 has been implemented. The College has not determined the effect of this Statement.

Note 10 Subsequent Event:

The College has evaluated subsequent events through November 19, 2020, which is the date these financial statements were available to be issued. In July 2020, the College entered into a contract with Sentinel Technologies to provide upgrades to the infrastructure, hardware, equipment, and devices at a cost of \$297,694.

Required Supplementary Information

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Proportion percentage of the collective net pension liability	0%	0%	0%	0%	0%	0%				
Proportion amount of the collective net pension liability	\$0	\$0	\$0	\$0	\$0	\$0				
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	\$44,228,910	\$42,946,498	\$40,871,694	\$38,063,665	\$35,750,486	\$34,007,812				
Employer covered payroll	\$5,585,858	\$5,598,932	\$5,681,188	\$5,311,468	\$5,489,800	\$5,705,637				
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	791.80%	767.05%	719.42%	716.63%	651.22%	596.04%				
SURS plan net position as a percentage of total pension liability	40.71%	41.27%	42.04%	39.57%	42.37%	44.39%				

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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Federal, trust, grant and other contribution	\$28,369	\$25,652	\$15,502	\$8,405	\$8,314	\$10,381	\$3,361			
Contribution in relation to required contribution	28,369	25,652	15,502	8,405	8,314	10,381	3,361			
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Employer covered payroll	\$6,713,476	\$5,585,858	\$5,598,932	\$5,681,188	\$5,311,468	\$5,489,800	\$5,705,637			
Contribution as a percentage of covered payroll	0.42%	0.46%	0.28%	0.15%	0.16%	0.19%	0.06%			

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

Spoon River College District No. 534
 Schedule of Share of Net OPEB Liability
 Last 10 Fiscal Years
 (Schedule to be Built Prospectively from 2018)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Proportion percentage of the collective net OPEB liability	0.35%	0.36%	0.35%	0.30%						
Proportion amount of the collective net OPEB liability	\$ 6,592,840	\$ 6,751,154	\$6,304,942	\$5,467,052						
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	\$ 6,592,840	\$6,751,154	\$6,221,902	\$5,696,203						
Total collective net OPEB liability associated with the College	\$13,185,680	\$13,502,308	\$12,526,844	\$11,163,255						
District's covered payroll	\$5,585,858	\$5,598,932	\$5,681,188	\$5,311,468						
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	236.05%	241.16%	220.50%	210.17%						
College insurance plan net position as a percentage of total OPEB liability	-4.13%	-3.54%	-2.87%	-2.15%						

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

Spoon River College District No. 534
 Schedule of OPEB Contributions
 Last 10 Fiscal Years
 (Schedule to be Built Prospectively from 2018)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily required contribution	\$25,173	\$31,337	\$31,272	\$29,995	\$27,225					
Contribution in relation to the required statutorily	25,173	31,337	31,272	29,995	27,225					
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0					
District's covered payroll	\$6,713,476	\$5,901,485	\$5,598,932	\$5,681,188	\$5,311,468					
Contribution as a percentage of covered payroll	0.37%	0.53%	0.56%	0.53%	0.51%					

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

Spoon River College District No. 534

Notes to Required Supplementary Information

Note 1 **Changes of Pension Benefit Terms:**

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2019.

Note 2 **Changes of Pension Assumptions:**

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- Salary increase. Decrease in the overall assumed salary increase rates, ranging from 3.25 percent to 12.25 percent based on years of service, with underlying wage inflation of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.75 percent. This reflects maintaining an assumed real rate of return of 4.50 percent and decreasing the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75 percent (effective July 2, 2019.)
- Normal retirement rates. A slight increase in the retirement rate at age 50. No change rates for ages 60-61, 67-74 and 80+, but a slight decrease in rates at all other ages. A rate of 50 percent if the member has 40 or more years of service and is younger than age 80.
- Early retirement rates. Decrease in the rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover rates. Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.
- Mortality rates. Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP2014 to the MP-2017 scale.
- Disability rates. Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

Note 3 **Changes of OPEB Benefit Terms:**

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2019.

Note 4. **Changes of OPEB Assumptions:**

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of CIP. An experience review for the years June 30, 2014 to June 30, 2017, resulting in the adoption of new assumptions as of June 30, 2018. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2017:

Spoon River College District No. 534

Notes to Required Supplementary Information

Note 4. Changes of OPEB Assumptions (continued):

- The price inflation was decreased from 2.75 percent to 2.25 percent.
- The salary scale assumption was decreased.
- The rates of retirement were decreased.
- The rates of termination were decreased.
- The rates of disability were decreased.
- The mortality table was updated to reflect recent experience and mortality improvement scales.
- The discount rate was changed from 3.62 percent at June 30, 2018, to 3.13 percent at June 30, 2018.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2018, projected plan cost for plan year end June 30, 2019, premium changes through plan year end 2019, and expectation of future trend increases after June 30, 2019;
- The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2019;
- Per capita claim costs for plan year end June 30, 2019, were updated based on projected claims and enrollment experience through June 30, 2019, and updated premium rates through plan year end 2020; and
- Healthcare plan participation rates by plan were updated based on observed experience.

Supplemental Financial Information

Spoon River College District No. 534

Supplemental Financial Information Section

Uniform Financial Statements

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

The Uniform Financial Statements include the following:

- No. 1 - All Funds Summary
- No. 2 - Summary of Fixed Assets and 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, 2020

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)
Fund balance (deficit) at July 1, 2019	\$5,840,244	\$152,619	\$3,320,032
Revenue:			
Local taxes	2,313,238	473,081	121,266
All other local government	607,735	375,112	0
ICCB grants	929,624	349,589	0
All other state revenue (including on-behalf)	0	0	57,959
Federal revenue	0	0	0
Student tuition and fees	5,110,043	0	0
All other revenue	96,190	39,841	51,127
Total revenue	9,056,830	1,237,623	230,352
Expenditures:			
Instruction	3,366,868	0	0
Academic support	742,953	0	0
Student services	884,294	0	0
Public service	269,545	0	0
Auxiliary services	0	0	0
Operation and maintenance	0	1,040,003	0
Institutional support	2,887,538	0	0
Scholarships, student grants, and waivers	443,031	0	0
Principal retirement	0	0	0
Interest and issuance costs	0	0	0
Building construction, building improvements, and equipment	24,533	34,900	3,545,104
Total expenditures	8,618,762	1,074,903	3,545,104
Capital lease proceeds	0	34,900	0
Net transfers	(389,370)	0	0
	(389,370)	34,900	0
Fund balance (deficit) at June 30, 2020	\$5,888,942	\$350,239	\$5,280

Spoon River College District No. 534
 Uniform Financial Statement #1 (Continued)
 All Funds Summary
 For the year ended June 30, 2020

	Bond and Interest Fund	Auxiliary Enterprise Fund	Health Insurance Fund	Restricted Purpose Fund
Fund balance (deficit) at July 1, 2019	(\$111,776)	\$89,723	\$0	\$11,254
Revenue:				
Local taxes	2,431,751	0	0	0
All other local government	0	0	0	0
ICCB grants	0	0	0	181,756
All other state revenue (including on-behalf)	0	0	0	5,120,351
Federal revenue	0	0	0	3,306,110
Student tuition and fees	0	0	0	0
All other revenue	484	2,233,449	328,685	73,132
Total revenue	2,432,235	2,233,449	328,685	8,681,349
Expenditures:				
Instruction	0	0	0	2,509,342
Academic support	0	0	0	381,997
Student services	0	0	0	876,176
Public service	0	0	0	309,203
Auxiliary services	0	2,586,774	328,685	154,086
Operation and maintenance	0	0	0	147,517
Institutional support	0	0	0	1,238,445
Scholarships, student grants, and waivers	0	0	0	3,084,807
Principal retirement	1,645,000	0	0	0
Interest and issuance costs	790,193	0	0	0
Building construction, building improvements, and equipment	0	0	0	0
Total expenditures	2,435,193	2,586,774	328,685	8,701,573
Capital lease proceeds	0	0	0	0
Net transfers	114,734	265,666	0	8,970
	114,734	265,666	0	8,970
Fund balance (deficit) at June 30, 2020	\$0	\$2,064	\$0	\$0

Spoon River College District No. 534
 Uniform Financial Statement #1 (Continued)
 All Funds Summary
 For the year ended June 30, 2020

	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund balance (deficit) at July 1, 2019	\$62,734	\$1,081,093	\$10,445,923
Revenue:			
Local taxes	44,389	853,520	6,237,245
All other local government	0	0	982,847
ICCB grants	0	0	1,460,969
All other state revenue (including on-behalf)	0	0	5,178,310
Federal revenue	0	0	3,306,110
Student tuition and fees	0	0	5,110,043
All other revenue	8	8,147	2,831,063
Total revenue	44,397	861,667	25,106,587
Expenditures:			
Instruction	0	0	5,876,210
Academic support	0	0	1,124,950
Student services	0	0	1,760,470
Public service	0	0	578,748
Auxiliary services	0	0	3,069,545
Operation and maintenance	0	0	1,187,520
Institutional support	46,250	859,618	5,031,851
Scholarships, student grants, and waivers	0	0	3,527,838
Principal retirement	0	0	1,645,000
Interest and issuance costs	0	0	790,193
Building construction, building improvements, and equipment	0	0	3,604,537
Total expenditures	46,250	859,618	28,196,862
Capital lease proceeds	0	0	34,900
Net Transfers	0	0	0
	0	0	34,900
Fund balance (deficit) at June 30, 2020	\$60,881	\$1,083,142	\$7,390,548

Spoon River College District No. 534

Uniform Financial Statement #2

Summary of Fixed Assets and Debt

For the year ended June 30, 2020

	Fixed Assets/ Debt Account Groups July 1, 2019	Additions	Deletions	Reclassification	Fixed Assets/ Debt Account Groups June 30, 2020
Fixed assets:					
Land	\$759,038	\$0	\$0	\$0	\$759,038
Construction in process	2,102,233	3,545,104	0	0	5,647,337
Land improvements	110,077	0	0	0	110,077
Buildings and improvements	34,461,900	0	0	0	34,461,900
Equipment	540,787	59,433	(37,522)	0	562,698
Computer technology	344,717	0	(7,289)	0	337,428
Total fixed assets	38,318,752	3,604,537	(44,811)	0	41,878,478
Accumulated depreciation	16,188,632	823,512	(44,452)	0	16,967,692
Total net fixed assets	\$22,130,120	\$2,781,025	(\$359)	\$0	\$24,910,786
Fixed debts:					
Capital lease	\$0	\$34,900	(\$7,577)	\$0	\$27,323
Bonds payable	19,405,000	0	(1,645,000)	0	17,760,000
Bond premium	691,587	0	(123,711)	0	567,876
OPEB liability	6,751,154	0	(158,314)	0	6,592,840
Other fixed liabilities	271,164	344,841	(273,940)	0	342,065
Total fixed debts	\$27,118,905	\$379,741	(\$2,208,542)	\$0	\$25,290,104

Spoon River College District No. 534
 Uniform Financial Statement #3
 Operating Funds Revenues and Expenditures
 For the year ended June 30, 2020

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government:			
Local taxes	\$2,313,238	\$473,081	\$2,786,319
Corporate personal property replacement tax	607,735	375,112	982,847
Tuition chargeback revenue	0	0	0
Total local government	2,920,973	848,193	3,769,166
State government:			
ICCB base operating grant	638,326	349,589	987,915
ICCB equalization grant	180,290	0	180,290
ICCB small college grant	32,258	0	32,258
ICCB CTE - state formula grant	78,750	0	78,750
Total state government	929,624	349,589	1,279,213
Federal government:			
Department of Education	0	0	0
Total federal government	0	0	0
Student tuition and fees:			
Tuition	4,453,939	0	4,453,939
Fees	656,104	0	656,104
Total tuition and fees	5,110,043	0	5,110,043
Other sources:			
Facilities revenue	0	0	0
Interest	87,466	94	87,560
Other	8,724	39,747	48,471
Total other sources	96,190	39,841	136,031
Total revenue	9,056,830	1,237,623	10,294,453
Less nonoperating items *			
Tuition chargeback revenue	0		0
Adjusted revenue	\$9,056,830	\$1,237,623	\$10,294,453

* 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, 2020

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By program:			
Instruction	\$3,366,868	\$0	\$3,366,868
Academic support	742,953	0	742,953
Student services	884,294	0	884,294
Public services	269,545	0	269,545
Operation and maintenance of plant	0	\$1,074,903	1,074,903
Institutional support	2,912,071	0	2,912,071
Scholarships, student grants, and waivers	443,031	0	443,031
Total expenditures	8,618,762	1,074,903	9,693,665
Less nonoperating items *			
Tuition chargeback	0	0	0
Adjusted expenditures	\$8,618,762	\$1,074,903	\$9,693,665
By object:			
Salaries	\$5,427,058	\$204,374	\$5,631,432
Employee benefits	1,244,587	55,398	1,299,985
Contractual services	92,466	304,507	396,973
General materials and supplies	784,998	144,717	929,715
Conference and meeting expense	91,316	8,098	99,414
Fixed charges	6,845	9,039	15,884
Utilities	0	297,893	297,893
Capital Outlay	0	34,900	34,900
Other	971,492	15,977	987,469
Total expenditures	8,618,762	1,074,903	9,693,665
Less nonoperating items *			
Tuition chargeback	0	0	0
Adjusted expenditures	\$8,618,762	\$1,074,903	\$9,693,665

* 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 #4
 Restricted Purposes Fund Revenues and Expenditures
 For the year ended June 30, 2020

Revenue by source:

State government:	
ICCB:	
State Adult Education Restricted Funds Grants	\$168,060
S of S Volunteer Literacy	54,000
Transitional Math	13,696
SURS on behalf contributions	5,066,351
<hr/>	
Total state government	5,302,107
<hr/>	
Federal government:	
Department of Education:	
College Work Study Grants	25,627
Pell Grants	2,498,035
Supplemental Educational Opportunity Grant	59,700
Perkins Postsecondary	88,122
Trio - Student Support Services	254,593
CARES Grant	304,163
Adult Education Federal Basic	75,870
<hr/>	
Total federal government	3,306,110
<hr/>	
Other sources:	
Career Link Transition	50,886
Dollar General Literacy	8,000
Western Illinois Works	14,233
Interest	13
<hr/>	
Total other sources	73,132
<hr/>	
Total restricted purposes fund revenues	\$8,681,349
<hr/>	

Spoon River College District No. 534
 Uniform Financial Statement #4 (Continued)
 Restricted Purposes Fund Revenues and Expenditures
 For the year ended June 30, 2020

Expenditures by program:	
Instruction	\$2,509,342
Academic support	381,997
Student services	876,176
Public services	309,203
Auxiliary services	154,086
Operation and maintenance	147,517
Institutional support	1,238,445
Scholarships, student grants, and waivers	3,084,807

Total restricted purposes fund expenditures by program	\$8,701,573
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Expenditures by object:	
Salaries	\$484,348
Employee benefits (including SURS on-behalf)	5,192,351
Contractual services	15,604
General materials and supplies	106,008
Travel, conference and meeting expense	23,631
Capital outlay	0
Other	2,879,631

Total restricted purposes fund expenditures by object	\$8,701,573
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Spoon River College District No. 534
 Uniform Financial Statement #5
 Current Funds* - Expenditures by Activity
 For the year ended June 30, 2020

Instruction -	
Instructional programs	\$5,876,210
Academic support:	
Library	224,761
Instructional materials center	105,366
Academic administration and planning	426,522
Other academic support	368,301
Total academic support	1,124,950
Student services:	
Admissions and records	507,584
Counseling and career guidance	132,079
Financial aid administration	246,829
Other student services	873,978
Total student services	1,760,470
Public service/continuing education:	
Administration	269,545
Other public service	309,203
Total public service/continuing education	578,748
Auxiliary services	3,069,545
Operations and maintenance of plant:	
Maintenance	702,464
Plant utilities	337,539
Other operations and maintenance of plant	182,417
Total operations and maintenance of plant	1,222,420
Institutional support:	
Executive management	242,878
Fiscal operations	434,291
Administrative support services	1,431,488
Board of trustees	13,841
General institution	575,032
Administrative data processing	1,120,409
Other institutional support	1,238,445
Total institutional support	5,056,384
Scholarships, student grants, and waivers	3,527,838
Total current funds expenditures	\$22,216,565

* 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 2020

All fiscal year 2020 noncapital audited operating expenditures from the following funds:

1	Education Fund	\$8,594,229
2	Operations and Maintenance Fund	1,040,003
3	Public Building Commission Operation and Maintenance Fund	0
4	Bond and Interest Fund	562,416
5	Public Building Commission Rental Fund	
6	Restricted Purposes Fund	3,635,222
7	Audit Fund	46,250
8	Liability, Protection, and Settlement Fund	859,618
9	Auxiliary Enterprises Fund (subsidy only)	<u>0</u>
10	Total noncapital expenditures (sum of lines 1-9)	<u><u>\$14,737,738</u></u>
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u><u>\$862,264</u></u>
12	Total costs included (line 10 plus line 11)	<u><u>\$15,600,002</u></u>
13	Total certified semester credit hours for FY 2020	<u><u>26,130</u></u>
14	Per capita cost (line 12 divided by line 13)	\$597.02
15	All FY 2020 state and federal operating grants for noncapital expenditures, except ICCB grants	<u><u>\$3,528,170</u></u>
16	FY 2020 state and federal grants per semester credit hour (line 15 divided by line 13)	135.02
17	District's average ICCB grant rate (excluding equalization grants) for FY 2021	<u>44.33</u>
18	District's student tuition and fee rate per semester credit hour for FY 2021	<u>165.00</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u><u>\$252.66</u></u>

Approved: 
 President

11/19/2020
 Date

Approved: 
 Chief Financial Officer

11/19/2020
 Date

Other Supplemental Financial Information

Spoon River College District No. 534

Balance Sheet - All Fund Types

June 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Education	Operations and Maintenance	Operations and Maintenance Restricted
Cash and cash equivalents	\$453,528	\$0	\$469,837
Investments	5,763,437	0	1,646,572
Receivables:			
Property taxes	2,016,728	420,202	196,196
Government claims and grants	264,603	0	0
Other	1,632,866	462	0
Advances to other funds	1,371,103	443,034	0
Prepaid items	61,540	0	0
Inventories	0	0	0
Property and equipment, net	0	0	0
Total assets	11,563,805	863,698	2,312,605
Deferred outflows of resources:			
Deferred pension	0	0	0
Deferred OPEB	0	0	0
Total deferred outflows of resources	0	0	0
Total assets and deferred outflows	\$11,563,805	\$863,698	\$2,312,605
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$638,827	\$0	\$0
Accrued liabilities	434,663	9,431	0
Advances from other funds	0	0	2,090,458
Unearned tuition and fees	1,961,986	0	0
Accrued compensated absences	314,846	19,950	0
Capital lease	0	0	0
OPEB liability	0	0	0
Bonds payable, net of unamortized premiums (discounts)	0	0	0
Total liabilities	3,350,322	29,381	2,090,458
Deferred inflows of resources:			
Deferred property taxes	2,324,541	484,078	216,867
Deferred grant revenue	0	0	0
Unamortized gain on refunding	0	0	0
Deferred OPEB	0	0	0
Total deferred inflows	2,324,541	484,078	216,867
Fund balance/net position (deficit):			
Net investment in capital assets	0	0	0
Restricted	0	0	5,280
Unrestricted	5,888,942	350,239	0
Total fund balance/net position (deficit)	5,888,942	350,239	5,280
Total liabilities, deferred inflows of resources, and fund balances/net position	\$11,563,805	\$863,698	\$2,312,605

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Bond and Interest	Auxiliary Enterprises Fund	Restricted Purpose
Cash and cash equivalents	\$0	\$1,272	\$1,004
Investments	0	128,375	0
Receivables:			
Property taxes	2,039,853	0	0
Government claims and grants	0	0	318,819
Other	0	11,088	0
Advances to other funds	314,701	0	0
Prepaid items	0	0	0
Inventories	0	301,406	0
Property and equipment, net	0	0	0
Total assets	2,354,554	442,141	319,823
Deferred outflows of resources:			
Deferred pension	0	0	0
Deferred OPEB	0	0	0
Total deferred outflows of resources	0	0	0
Total assets and deferred outflows	\$2,354,554	\$442,141	\$319,823
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$0	\$0	\$280
Accrued liabilities	0	8,941	14,505
Advances from other funds	0	423,867	294,060
Unearned tuition and fees	0	0	0
Accrued compensated absences	0	7,269	0
Capital lease	0	0	0
OPEB liability	0	0	0
Bonds payable, net of unamortized premiums (discounts)	0	0	0
Total liabilities	0	440,077	308,845
Deferred inflows of resources:			
Deferred property taxes	2,354,554	0	0
Deferred grant revenue	0	0	10,978
Unamortized gain on refunding	0	0	0
Deferred OPEB	0	0	0
Total deferred inflows	2,354,554	0	10,978
Fund balance/net position (deficit):			
Net investment in capital assets	0	0	0
Restricted	0	0	0
Unrestricted	0	2,064	0
Total fund balance/net position (deficit)	0	2,064	0
Total liabilities, deferred inflows of resources, and fund balances/net position	\$2,354,554	\$442,141	\$319,823

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Trust and Agency Fund	Audit	Liability, Protection, and Settlement Fund	Fund Totals
Cash and cash equivalents	\$0	\$0	\$0	\$925,641
Investments	0	0	610,455	8,148,839
Receivables:				
Property taxes	0	42,021	733,285	5,448,285
Government claims and grants	0	0	0	583,422
Other	0	0	0	1,644,416
Advances to other funds	0	67,268	612,279	2,808,385
Prepaid items	0	0	0	61,540
Inventories	0	0	0	301,406
Property and equipment, net	0	0	0	0
Total assets	0	109,289	1,956,019	19,921,934
Deferred outflows of resources:				
Deferred pension	0	0	0	0
Deferred OPEB	0	0	0	0
Total deferred outflows of resources	0	0	0	0
Total assets and deferred outflows	\$0	\$109,289	\$1,956,019	\$19,921,934
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$0	\$0	\$0	\$639,107
Accrued liabilities	0		17,028	484,568
Advances from other funds	0	0	0	2,808,385
Unearned tuition and fees	0	0	0	1,961,986
Accrued compensated absences	0	0	0	342,065
Capital lease	0	0	0	0
OPEB liability	0	0	0	0
Bonds payable, net of unamortized premiums (discounts)	0	0	0	0
Total liabilities	0	0	17,028	6,236,111
Deferred inflows of resources:				
Deferred property taxes	0	48,408	855,849	6,284,297
Deferred grant revenue	0	0	0	10,978
Unamortized gain on refunding	0	0	0	0
Deferred OPEB	0	0	0	0
Total deferred inflows	0	48,408	855,849	6,295,275
Fund balance/net position (deficit):				
Net investment in capital assets	0	0	0	0
Restricted	0	0	0	5,280
Unrestricted	0	60,881	1,083,142	7,385,268
Total fund balance/net position (deficit)	0	60,881	1,083,142	7,390,548
Total liabilities, deferred inflows of resources, and fund balances/net position	\$0	\$109,289	\$1,956,019	\$19,921,934

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	GASB			Adjusted Totals
	General Fixed Assets Account	General Long Term Debt Account	Other Adjustments	
Cash and cash equivalents	\$0	\$0	\$0	\$925,641
Investments	0	0	0	8,148,839
Receivables:				
Property taxes	0	0	0	5,448,285
Government claims and grants	0	0	0	583,422
Other	0	0	0	1,644,416
Advances to other funds	0	0	(3,096,350)	(287,965)
Prepaid items	0	0	0	61,540
Inventories	0	0	0	301,406
Property and equipment, net	24,910,786	0	0	24,910,786
Total assets	24,910,786	0	(3,096,350)	41,736,370
Deferred outflows of resources:				
Deferred pension	0	0	28,369	28,369
Deferred OPEB	0	680,044	0	680,044
Total deferred outflows of resources	0	680,044	28,369	708,413
Total assets and deferred outflows	\$24,910,786	\$680,044	(\$3,067,981)	\$42,444,783
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$0	\$0	\$0	\$639,107
Accrued liabilities	0	55,111	0	539,679
Advances from other funds	0	0	(3,096,350)	(287,965)
Unearned tuition and fees	0	0	(230,583)	1,731,403
Accrued compensated absences	0	0	0	342,065
Capital lease	0	27,323	0	27,323
OPEB liability	0	6,592,840	0	6,592,840
Bonds payable, net of unamortized premiums (discounts)	0	18,327,876	0	18,327,876
Total liabilities	0	25,003,150	(3,326,933)	27,912,328
Deferred inflows of resources:				
Deferred property taxes	0	0	0	6,284,297
Deferred grant revenue	0	0	0	10,978
Unamortized gain on refunding	0	43,163	0	43,163
Deferred OPEB	0	1,231,032	0	1,231,032
Total deferred inflows	0	1,274,195	0	7,569,470
Fund balance/net position (deficit):				
Net investment in capital assets	24,910,786	(15,094,062)	0	9,816,724
Restricted	0	0	0	5,280
Unrestricted	0	(10,503,239)	258,952	(2,859,019)
Total fund balance/net position (deficit)	24,910,786	(25,597,301)	258,952	6,962,985
Total liabilities, deferred inflows of resources, and fund balances/net position	\$24,910,786	\$680,044	(\$3,067,981)	\$42,444,783

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, 2020

	Education	Operations and Maintenance	Operations and Maintenance Restricted
Revenues:			
Local government	\$2,920,973	\$848,193	\$121,266
State government	929,624	349,589	57,959
State of Illinois SURS on-behalf payments	0	0	0
Federal government	0	0	0
Student tuition and fees	5,110,043	0	0
Sales and service fees	0	0	0
Interest	87,466	94	51,127
Other	8,724	39,747	0
Total revenues	9,056,830	1,237,623	230,352
Expenditures/expenses:			
Current:			
Instruction	3,366,868	0	0
Academic support	742,953	0	0
Student services	884,294	0	0
Public services	269,545	0	0
Auxiliary services	0	0	0
Operation and maintenance of plant	0	1,074,903	3,545,104
Institutional support	2,912,071	0	0
Scholarships, student grants, and waivers	443,031	0	0
Depreciation expense	0	0	0
Debt service:			
Principal retirement	0	0	0
Interest	0	0	0
Bond issuance cost	0	0	0
Total expenditures/expenses	8,618,762	1,074,903	3,545,104
Excess (deficiency) of revenues over expenditures/expenses	438,068	162,720	(3,314,752)
Other financing sources (uses):			
Capital lease proceeds	0	34,900	0
Transfers in	0	0	0
Transfers out	(389,370)	0	0
Total other financing sources (uses)	(389,370)	34,900	0
Net change in fund balance / net position	48,698	197,620	(3,314,752)
Fund balance/net position at beginning of year (deficit)	5,840,244	152,619	3,320,032
Fund balance/net position at end of year (deficit)	\$5,888,942	\$350,239	\$5,280

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, 2020

	Bond and Interest	Auxiliary Enterprises Fund	Restricted Purpose
Revenues:			
Local government	\$2,431,751	\$0	\$0
State government	0	0	235,756
State of Illinois SURS on-behalf payments	0	0	5,066,351
Federal government	0	0	3,306,110
Student tuition and fees	0	0	0
Sales and service fees	0	778,884	0
Interest	484	1,323	13
Other	0	1,781,927	73,119
Total revenues	2,432,235	2,562,134	8,681,349
Expenditures/expenses:			
Current:			
Instruction	0	0	2,509,342
Academic support	0	0	381,997
Student services	0	0	876,176
Public services	0	0	309,203
Auxiliary services	0	2,915,459	154,086
Operation and maintenance of plant	0	0	147,517
Institutional support	0	0	1,238,445
Scholarships, student grants, and waivers	0	0	3,084,807
Depreciation expense	0	0	0
Debt service:			
Principal retirement	1,645,000	0	0
Interest	790,193	0	0
Bond issuance costs	0	0	0
Total expenditures/expenses	2,435,193	2,915,459	8,701,573
Excess (deficiency) of revenues over expenditures/expenses	(2,958)	(353,325)	(20,224)
Other financing sources (uses):			
Capital lease proceeds	0	0	0
Transfers in	114,734	265,666	8,970
Transfers out	0	0	0
Total other financing sources (uses)	114,734	265,666	8,970
Net change in fund balance / net position	111,776	(87,659)	(11,254)
Fund balance/net position at beginning of year (deficit)	(111,776)	89,723	11,254
Fund balance/net position at end of year (deficit)	\$0	\$2,064	\$0

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, 2020

	Trust and Agency Fund	Audit	Liability, Protection, and Settlement Fund	Fund Totals
Revenues:				
Local government	\$0	\$44,389	\$853,520	\$7,220,092
State government	0	0	0	1,572,928
State of Illinois SURS on-behalf payments	0	0	0	5,066,351
Federal government	0	0	0	3,306,110
Student tuition and fees	0	0	0	5,110,043
Sales and service fees	0	0	0	778,884
Interest	0	8	8,147	148,662
Other	0	0	0	1,903,517
Total revenues	0	44,397	861,667	25,106,587
Expenditures/expenses:				
Current:				
Instruction	0	0	0	5,876,210
Academic support	0	0	0	1,124,950
Student services	0	0	0	1,760,470
Public services	0	0	0	578,748
Auxiliary services	0	0	0	3,069,545
Operation and maintenance of plant	0	0	0	4,767,524
Institutional support	0	46,250	859,618	5,056,384
Scholarships, student grants, and waivers	0	0	0	3,527,838
Depreciation expense	0	0	0	0
Debt service:				
Principal retirement	0	0	0	1,645,000
Interest	0	0	0	790,193
Bond issuance cost	0	0	0	0
Total expenditures/expenses	0	46,250	859,618	28,196,862
Excess (deficiency) of revenues over expenditures/expenses	0	(1,853)	2,049	(3,090,275)
Other financing sources (uses):				
Capital lease proceeds	0	0	0	34,900
Transfers in	0	0	0	389,370
Transfers out	0	0	0	(389,370)
Total other financing sources (uses)	0	0	0	34,900
Net change in fund balance/net position	0	(1,853)	2,049	(3,055,375)
Fund balance/net position at beginning of year (deficit)	0	62,734	1,081,093	10,445,923
Fund balance/net position at end of year (deficit)	\$0	\$60,881	\$1,083,142	\$7,390,548

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, 2020

	GASB			Adjusted Totals
	General Fixed Assets Account	General Long-Term Debt Account	Other Adjustments	
Revenues:				
Local government	\$0	\$0	\$0	\$7,220,092
State government	0	0	0	1,572,928
State of Illinois SURS on-behalf payments	0	0	0	5,066,351
Federal government	0	0	0	3,306,110
Student tuition and fees	0	0	(1,498,483)	3,611,560
Sales and service fees	0	0	313,663	1,092,547
Interest	0	0	0	148,662
Other	0	0	(1,781,927)	121,590
Total revenues	0	0	(2,966,747)	22,139,840
Expenditures/expenses:				
Current:				
Instruction	0	175,388	0	6,051,598
Academic support	0	29,867	0	1,154,817
Student services	0	47,889	0	1,808,359
Public services	0	14,740	0	593,488
Auxiliary services	0	12,495	(1,468,264)	1,613,776
Operation and maintenance of plant	(3,580,004)	4,386	0	1,191,906
Institutional support	(24,174)	106,594	(2,717)	5,136,087
Scholarships, student grants, and waivers	0	18,076	(1,436,764)	2,109,150
Depreciation expense	823,512	0	0	823,512
Debt service:				
Principal retirement	0	(1,645,000)	0	0
Interest	0	(210,923)	0	579,270
Bond issuance cost	0	0	0	0
Total expenditures/expenses	(2,780,666)	(1,446,488)	(2,907,745)	21,061,963
Excess (deficiency) of revenues over expenditures/expenses	2,780,666	1,446,488	(59,002)	1,077,877
Other financing sources (uses):				
Capital lease proceeds	0	(34,900)	0	0
Transfers in	0	0	(389,370)	0
Transfers out	0	0	389,370	0
Total other financing sources (uses)	0	(34,900)	0	0
Net change in fund balance / net position	2,780,666	1,411,588	(59,002)	1,077,877
Fund balance/net position at beginning of year (deficit)	22,130,120	(27,008,889)	317,954	5,885,108
Fund balance/net position at end of year (deficit)	\$24,910,786	(\$25,597,301)	\$258,952	\$6,962,985

Spoon River College District No. 534
 Schedule of Operating Revenues and Expenses, by Program
 Auxiliary Enterprise Fund
 For the year ended June 30, 2020

	General	Bookstore	Food Services	Print Shop	Postage	Nursing Exams	Student Activities
Operating revenues:							
Sales and service fees	\$0	\$561,037	\$64,235	\$90	\$14,932	(\$1,561)	\$0
Student tuition and fees	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Interest	1,323	0	0	0	0	0	0
Total revenues	1,323	561,037	64,235	90	14,932	(1,561)	0
Operating expenses:							
Salaries	0	32,804	41,178	1,200	0	0	13,965
Employee benefits	0	13,774	0	0	0	0	0
Contractual services	0	0	1,200	19,134	0	0	9,272
General materials and supplies	0	554,599	56,034	6,770	17,661	4,856	3,849
Travel and conference/ meeting expenses	0	213	0	0	0	0	0
	0	0	356	0	0	0	3,655
Fixed charges	0	24,873	0	0	0	0	0
Other	0	9,081	0	0	0	0	904
Total operating expenses	0	635,344	98,768	27,104	17,661	4,856	31,645
Operating income (loss) before operating transfers	1,323	(74,307)	(34,533)	(27,014)	(2,729)	(6,417)	(31,645)
Operating transfers	0	0	0	0	0	0	0
Net income (loss)	\$1,323	(\$74,307)	(\$34,533)	(\$27,014)	(\$2,729)	(\$6,417)	(\$31,645)

Spoon River College District No. 534

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

Auxiliary Enterprise Fund

For the year ended June 30, 2020

	Athletics	Diesel Tractor Auto Technology	Health Insurance	Total
Operating revenues:				
Sales and service fees	\$121,862	\$18,289	\$0	\$778,884
Student tuition and fees	0	0	0	0
Other	0	0	328,685	328,685
Interest	0	0	0	1,323
Total revenues	121,862	18,289	328,685	1,108,892
Operating expenses:				
Salaries	124,328	0	0	213,475
Employee benefits	13,474	0	328,685	355,933
Contractual services	11,330	0	0	40,936
General materials and supplies	49,724	44,204	0	737,697
Travel and conference/ meeting expenses	73,877	0	0	77,888
Fixed charges	1,217	0	0	26,090
Other	0	0	0	9,985
Total operating expenses	273,950	44,204	328,685	1,462,217
Operating income (loss) before operating transfers	(152,088)	(25,915)	0	(353,325)
Operating transfers	0	0	0	0
Net income (loss)	(\$152,088)	(\$25,915)	\$0	(\$353,325)

Spoon River College District No. 534
Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections
Levy Years 2019, 2018, and 2017

	2019	2018	2017
Assessed Valuations	\$974,413,076	\$945,852,246	\$931,311,632
Tax Rate (per \$100 assessed valuation):			
Educational Accounts	0.2401	0.2412	0.2366
Bond and Interest Fund	0.2432	0.2563	0.2249
Operations and Maintenance Accounts	0.0500	0.0500	0.0481
Audit Fund	0.0050	0.0047	0.0045
Fire Prevention/Safety/Energy	0.0224	0.0234	0.0228
Liability, Protection, Settlement, and Social Security	0.0884	0.0795	0.0772
Total tax rate	0.6491	0.6551	0.6141
Tax Extensions:			
Educational Accounts	\$2,344,091	\$2,281,396	\$2,257,316
Bond and Interest Fund	2,374,356	2,424,219	2,145,691
Operations and Maintenance Accounts	488,149	472,926	458,905
Audit Fund	48,815	44,455	42,933
Fire Prevention/Safety/Energy	218,691	221,329	217,527
Liability, Protection, Settlement, and Social Security	863,047	751,953	736,537
Total tax extensions	\$6,337,149	\$6,196,278	\$5,858,909
Tax Collections to June 30:			
Educational Accounts	\$307,813	\$2,309,093	\$2,248,139
Bond and Interest Fund	314,701	2,427,500	1,993,903
Operations and Maintenance Accounts	63,876	472,237	456,824
Audit Fund	6,387	44,307	42,421
Fire Prevention/Safety/Energy	20,670	121,022	157,437
Liability, Protection, Settlement, and Social Security	122,565	851,949	792,593
Total tax collections	\$836,012	\$6,226,108	\$5,691,317
Percent of extensions collected	13.19%	100.48%	97.14%

State Grant Activity and Schedule of Enrollment Data

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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Spoon River College District No. 534 (the "College") as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between the College and the State of Illinois and Illinois Community College Board (ICCB).

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of Spoon River College District No. 534 as of June 30, 2020, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States.

Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to materially comply with the provisions of laws, regulations, contracts and grants between the College and the State of Illinois and the Illinois Community College Board (ICCB). However, 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 laws, regulations, contracts and grants. We also believe that the College is materially in compliance with the provisions of laws, contracts, and ICCB policy guidelines with respect to restricted grants.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the State Adult Education and Family Literacy Grants and do not purport to, and do not present fairly the financial position of Spoon River College District No. 534 as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

Wipfli LLP

Sterling, Illinois
November 19, 2020

Spoon River College District No. 534
 Balance Sheet
 State Adult Education and Family Literacy Restricted Funds
 June 30, 2020

ASSETS	State Basic	State Performance	Total
Cash	\$0	\$0	\$0
Receivables	10,333	5,759	16,092
Total assets	\$10,333	\$5,759	\$16,092
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accrued liabilities	\$2,137	\$2,044	\$4,181
Advances from other funds	8,196	3,715	11,911
Total liabilities	10,333	5,759	16,092
Deferred inflows of resources - Unavailable grant revenue	0	0	0
Fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balances	\$10,333	\$5,759	\$16,092

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, 2020

	State Basic	State Performance	Total
Revenues -			
Grant revenue	\$106,150	\$61,910	\$168,060
Expenditures:			
Instruction	68,965	5,778	74,743
Social work services	5,215	0	5,215
Guidance services	14,560	0	14,560
Subtotal instructional and student services	88,740	5,778	94,518
General administration	17,410	54,642	72,052
Data and information services	0	1,490	1,490
Subtotal program support	17,410	56,132	73,542
Contractual Services	0	0	0
Total expenditures	106,150	61,910	168,060
Excess of revenues over expenditures	0	0	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	\$0	\$0	\$0

Spoon River College District No. 534

ICCB Compliance Statement for the Adult Education and Family Literacy
Grant - Expenditure Amounts and Percentages for ICCB Grant Funds Only
State Adult Education Restricted Funds
For the year ended June 30, 2020

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$68,965	64.97%
General Administration (20% maximum allowed)	\$17,410	16.40%

Spoon River College District No. 534

Notes to ICCB Grant Programs Financial Statements

Note 1 Summary of Significant Accounting Policies

General

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

Basis of Accounting

The statements have been prepared on the modified accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2020. Funds obligated for goods must be spent before December 31.

Fixed Assets

Fixed asset purchases are recorded as capital outlay and not capitalized. However, for the Statement of Net Position for the College as a whole, capital assets are capitalized.

Note 2 Payment of Prior Year's Encumbrances

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

Spoon River College District No. 534

Background Information on State Grant Activity

Restricted Adult Education Grants/State

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

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

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

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

We have examined management of Spoon River College District No. 534's (the "College") assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Spoon River College District No. 534 during the period July 1, 2019 through June 30, 2020. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, management's assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Spoon River College District No. 534 is fairly stated, in all material respects.

Wipfli LLP

Sterling, Illinois
November 19, 2020

Spoon River College District No. 534

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

For the year ended June 30, 2020


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	2,142.0	0.0	8,452.0	0.0	7,954.0	0.0	18,548.0	0.0
Business Occupational	35.0	0.0	460.0	12.0	236.0	6.0	731.0	18.0
Technical Occupation	268.5	0.0	942.0	0.0	1,263.5	0.0	2,474.0	0.0
Health Occupational	385.0	0.0	936.0	0.0	1,224.0	0.0	2,545.0	0.0
Remedial Development	56.0	0.0	713.0	0.0	373.0	0.0	1,142.0	0.0
Adult Education	0.0	0.0	0.0	384.0	0.0	288.0	0.0	672.0
	2,886.5	0.0	11,503.0	396.0	11,050.5	294.0	25,440.0	690.0

	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:	21,270.0	643.5	2,652.0	0.0	102.0	0.0

Credit Hours on Chargeback or Contractual Agreement: 0.0

District equalized assessed valuation \$945,852,243

Credit Hour Categories	Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
	Correctional Hours	Correctional Hours	Correctional Hours	Correctional Hours
Baccalaureate	0.0	0.0	0.0	0.0
Business Occupational	0.0	0.0	0.0	0.0
Technical Occupation	0.0	0.0	0.5	0.5
Health Occupational	0.0	0.0	0.0	0.0
Remedial Development	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0
	0.0	0.0	0.5	0.5

Signature: 
 President

Signature: 
 Chief Financial Officer

Spoon River College District No. 534

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

(Continued)

For the year ended June 30, 2020

Total Reimbursable Semester Credit Hours						
Credit Hour Categories	Total	Total	Difference	Total	Total	Difference
	Reported in Audit Unrestricted Hours	Certified to ICCB Unrestricted Hours		Reported in Audit Restricted Hours	Certified to ICCB Restricted Hours	
Baccalaureate	18,548.0	18,548.0	0.0	0.0	0.0	0.0
Business Occupational	731.0	731.0	0.0	18.0	18.0	0.0
Technical Occupation	2,474.0	2,474.0	0.0	0.0	0.0	0.0
Health Occupational	2,545.0	2,545.0	0.0	0.0	0.0	0.0
Remedial Development	1,142.0	1,142.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	672.0	672.0	0.0
Total:	25,440.0	25,440.0	0.0	690.0	690.0	0.0
Total Correctional Semester Credit Hours						
Credit Hour Categories	Total	Total	Difference	Total	Total	Difference
	Reported in Audit Unrestricted Hours	Certified to ICCB Unrestricted Hours		Reported in Audit Restricted Hours	Certified to ICCB Restricted Hours	
In-District Credit Hours:	21,270.0	21,270.0	0.0	643.5	643.5	0.0
Dual Credit Hours:	2,652.0	2,652.0	0.0	0.0	0.0	0.0
Dual Enrollment Hours:	102.0	102.0	0.0	0.0	0.0	0.0
Baccalaureate	0	0	0	0	0	0
Business Occupational	0	0	0	0	0	0
Technical Occupation	0	0	0	0	0	0
Health Occupational	0	0	0	0	0	0
Remedial Development	0	0	0	0	0	0
Adult Education	0	0	0	0	0	0
Total:	0	0	0	0	0	0

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

Spoon River College District No. 534

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

Note 1 Residency Verification Process

Procedures for Verifying and Classifying Residency

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

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

Students must provide one of the following to verify residency:

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

Annual Federal Financial Compliance Section

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Spoon River College District No. 534 (the “College”), as of and for the years ended June 30, 2020 and 2019, 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 19, 2020. The financial statements of Spoon River College Foundation were not audited in accordance with *Government Auditing Standards*.

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”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College’s internal control. Accordingly, we do not express an opinion on the effectiveness the College’s internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wipfli LLP

Sterling, Illinois
November 19, 2020

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

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

Report on Compliance for Each Major Federal Program

We have audited Spoon River College District No. 534’s (the “College”), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the its major federal programs for the year ended June 30, 2020. The College’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility for Compliance

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the College’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Spoon River College District No. 534 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Wipfli LLP

Sterling, Illinois
November 19, 2020

Spoon River College District No. 534

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Education:				
Pass-through Illinois Community College Board:				
Adult Education:				
Federal Adult Basic	84.002	53401	\$75,870	\$0
Direct awards:				
Student Financial Assistance:				
Federal Supplemental Educational				
Opportunity Grants (m)	84.007	P007AXX1289	59,700	0
Federal Work Study Program (m)	84.033	P033AXX1289	29,819	0
Federal Pell Grant Program (m)	84.063	P063AXX1340	2,501,030	0
Federal Direct Loan Program (m)	84.268	P268KXX1340	1,208,664	0
Total student financial assistance cluster			3,799,213	0
TRIO - Student Support Services	84.042	P042AXX0515	254,593	0
Passed through the Illinois Community College Board:				
Perkins Postsecondary Grants	84.048	CTE53416	88,122	0
Education Stabilization Fund:				
COVID-19 - Higher Education Emergency Relief				0
Fund - Student portion	84.425E	P425E202966	281,240	0
COVID-19 - Higher Education Emergency Relief				0
Fund - Institutional portion	84.425F	P425F2024121	22,923	0
Total education stabilization fund			304,163	0
Total U.S. Department of Education			\$4,521,961	\$0
Total federal awards expended			\$4,521,961	\$0

(m) Denotes major program

Spoon River College District No. 534

Notes to the Schedule of Expenditures of Federal Awards

Note 1 **Significant Accounting Policy**

Reporting entity and basis of accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Spoon River College District No. 534 (the "College") for the year ended June 30, 2020, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2020.

Note 2 **Loan Program**

For the year ended June 30, 2020, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$1,208,664.

Note 3 **Non-cash Assistance**

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2020.

Spoon River College District No. 534

Schedule of Findings and Questioned Costs

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified
Internal control over financial reporting:
Material weakness(es) identified? ___ yes X no
Significant deficiency(ies) identified that are
not considered to be material weakness(es)? ___ yes X none reported
Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? ___ yes X no
Significant deficiency(ies) identified that are
not considered to be material weakness(es) ___ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? ___ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	---

84.007, 84.033, 84.063, 84.268	Student Financial Assistance
--------------------------------	------------------------------

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

Auditee qualified as low-risk auditee? X yes ___ no

Spoon River College District No. 534
Schedule of Findings and Questioned Costs

Section II – Financial Statement Findings

A. Internal Control

None

B. Compliance Finding

None

Section III – Federal Award Findings and Questioned Costs

A. Internal Control

None

B. Compliance Findings

None

Spoon River College District No. 534

Summary Schedule of Prior Audit Findings

Prior Year Findings:

June 30, 2019

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

A. Internal Control
None

B. Compliance Finding
None

II. Findings and Questioned Costs for Federal Awards

A. Internal Control
None

B. Compliance Finding
None

Spoon River College District No. 534

Summary Schedule of Prior Audit Findings

June 30, 2018

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

A. Internal Control
None

B. Compliance Finding
None

II. Findings and Questioned Costs for Federal Awards

A. Internal Control
None

B. Compliance Finding
None